

Health Information Compliance Alert

Version 5010: Put Your Vendor to Version 5010 Test -- Sooner Rather Than Later

If your vendor isn't getting ready, it's time to consider a switch.

You only have a little more than seven months before your practice has to be onboard with Version 5010 for electronic claim submission by January 1, 2012. Your practice will need to make modifications or enhancements to your practice management system, electronic medical record (EMR) system, and/or billing system. Your success depends in part on your vendors.

In the last issue you learned about version 5010 and why you need to start now preparing for the implementation deadline. Now learn how to work with your vendors to ensure your billing and practice management systems are ready for the conversions to 5010 and ICD-10.

Communicate With Vendors to Ensure Readiness

Communication with outside vendors will be essential since that will be a large key to your practice's successful version 5010 and subsequent ICD-10 implementations.

"Practices should be talking with their billing software vendors and clearinghouses to ensure they will have the required upgrades and be able to test prior to the January 2012 deadline," advises **Cyndee Weston**, executive director of the American Medical Billing Association in Sulpher, Okla.

You should start communicating with your vendors by pulling all your contracts and evaluating how the each system and vendor will impact implementation in your practice. Check to see if you have anything written in the contract that states government mandates are covered. If so, find out the cost to your practice -- if upgrades are part of your contract, your practice might have saved itself a bundle.

"Practices will have to update software which means working with vendors and there are several facts and levels/steps to go through for that," says **Catherine Brink, CMM, CPC, CMSCS**, owner of HealthCare Resource Management, Inc., in Spring Lake, N.J.

Then, contact your vendors and assess their readiness. Ask what their plans are and set up timelines to get your practice's system ready. Start by asking the following questions:

- Will the vendor be ready for version 5010 compliance by Jan. 1, 2012?
- Is the vendor prepared for the move to ICD-10 on Oct. 1, 2013?
- What costs will be involved with the transition?
- What are the vendor's implementation plans?
- Will your practice need new or enhanced software/ hardware?

Get involved: Several people in your practice, including the physician, the biller, and the coder, should be involved when practices communicate with information system vendors (for EMR, claims processing, etc.) about their plans for the new code set implementation.

Tip: If you vendors do business internationally they may already accommodate ICD-10. More likely, you'll need to find out when your vendor plans to be ready for ICD- 10. Find out if the vendor has plans to upgrade systems by the compliance date. You may find that some vendors do not have plans to upgrade due to the age of their system or technology. In those cases, you should consider selecting a new vendor that will make sure your practice doesn't face technology and

system processing issues come Oct. 1, 2013.

Bottom line: If your vendor is unable to offer you solutions at this time you should begin looking for a new vendor. "Testing claims to ensure that they will process correctly is key," says **Kim Dues, CPC**, owner of Mass Medical Billing Services in Dickinson, Tex. "If your system is not prepared, you may have to consider looking for another system that is."

Test Early, Test Often

Before the 5010 version deadline in 2012 and the ICD- 10 deadline in 2013, you should test transactions and claim submissions with your vendor, clearinghouse, and payer. This step is critical to implementation success. You don't want to wait until the compliance deadline to find out your system has a glitch and your claim can't be processed.

You'll need to work with your software vendors ahead of time to confirm that no issues will exist with claims submissions using ICD-10. You should check first that your vendors are ready for the transition to the new 5010 format, which is making way for the ICD-10 code set.

For example: "Your practice management (PM) system will come under a microscope," Dues says. "Your PM system tech department must be working on testing now. If they are in the development stages, the PM company is behind. Your clearinghouse must meet the same standards and recognize your PM system as '5010 ready.'"

Focus on Hardware Requirements, Especially for ICD-10

Another technical area you'll need to evaluate is the hardware your practice and/or vendor use. Hardware is the basis of the technological infrastructure you must have in place for the version 5010 and ICD-10 implementations. You'll want to evaluate the current age of your practice's hardware, the dual-processing capability for ICD-9 and ICD-10 codes, storage capacity, processing power, and transmission capability.

You'll need to ensure your system is able to handle each of the following:

- Alphanumeric codes
- 7 character codes
- Longer code descriptions
- New edits based on age, sex, and more
- Separate data entry programs for dual processing ICD-9 and ICD-10.

Your system will need to be able to process both the old ICD-9 code set and new ICD-10 code set simultaneously to allow for claims processing, reporting, and analysis until all healthcare entities and services transitioned are to ICD-10. The period of time needed for maintaining both ICD-9 and ICD-10 will depend on the needs of your individual practice.

Storage concerns: You need to ensure your practice or vendor has a system and hardware than can handle the increased file and database storage required by ICD- 10 -- this is an especially important consideration for hospitals, payers, and clearinghouses. Plus, you'll need additional storage space to accommodate the ICD-9 code information that you must maintain for an undetermined interim period of dual processing.

In addition to the dual processing demand, ICD-10 will increase the number of claims, records, and overall data storage requirements. You need to ensure that both your practice and vendor have adequate processing and storage capacity for both live operations and testing.

Check that your hardware and software can support the following:

- Historical file storage
- New file storage
- Backup file storage.

Don't miss: Make sure you don't overlook other systems that might involve diagnosis triggers as well, such as your patient scheduling system.

Consider also the fact that you'll want your system -- and your staff -- to be able to resubmit an increased number of denied claims due to errors on both the payer and provider side that are bound to occur during this transition.

Beyond technology: Documentation, such as your superbills, which list diagnoses and procedures your practice routinely uses will require changes as well to incorporate ICD-10 changes. Don't forget many of your business processes which may also need to be changed to accommodate the 5010 and ICD-10 changes. For instance, you may want to evaluate how the new form will impact patient registration, billing, appointment scheduling, claims reconciliation, etc.

Identify both systems and processes in which your practice uses ICD-9 codes. Look at clinical documentation, encounter forms and superbills, your practice management system, your EMR system, contracts, and reporting metrics. Ensure each piece of your practice is ICD-10 ready.

Updates from CMS

CMS is also holding a "National Version 5010 Testing Day" on June 15. "All HIPAA-covered entities should be taking steps now to get ready, including conducting external testing to ensure timely compliance," CMS reminds providers.

Your local MAC will have more information about the testing day soon, CMS promises. In the meantime, if you're ready to test your 5010 transactions, you can go ahead now. The testing day "does not preclude trading partners from testing transactions immediately with their MAC," the agency says. "Don't wait."

The day just provides "the added benefit of real-time help desk support and direct and immediate access to MACs." More information is at www.CMS.gov/Versions5010andD0.