



Partnering for Electronic Delivery
of Information in Healthcare

Agenda for

WEDI Transactions NPRM PAG

Tuesday, September 9, – General/5010 Issues

8:30 am -5:00 pm Registration

8:30 am - 9:30 am Continental Breakfast

9:30 am– 9:45 am Introduction to PAG Rules and Procedures

The session is a brief review of the WEDI Policy Advisory Group Rules and Procedures to be utilized during the subsequent sessions.

9:45 am– 10:00 am Review of Agenda and Additional Attendee Issues

We will review the identified topics and solicit additional issues for discussion from attendees.

10:00 am – 10:15 am Review of the NPRM

The session is a high level review of the NPRM to be discussed during the subsequent sessions. No voting or comments collection will occur in this session.

I. Background

II. Provisions of the Proposed Rule

A. Proposed adoption of Accredited Standards Committee X12 (ASC X12)

Version 005010 Technical Reports Type 3 for HIPAA Transactions

E. Proposed Modifications to Descriptions of Transactions

F. Proposed Compliance and Effective Dates

III. Collection of Information Requirements

IV. Response to Comments

V. Regulatory Impact Analysis

10:15 am – 11:00 am Issue X1 – Timeline and Compliance Date - When can we be ready?

NPRM Section II.F.

NPRM Page 49757 – “We invite public comment on our proposed compliance dates.”

“We solicit industry and other stakeholder comments on our timeline assumptions”

1. Will vendors be ready?
2. Will plans and providers be ready in time for all trading partners to test and implement?
3. How does the overlap with ICD-10 and other initiatives impact this effort?
4. Will sufficient staff and budget be available?
5. WEDI/NCHICA Timeline comparisons
6. Will the industry start work in September?
7. How much time will this really take for providers/plans/clearinghouses/vendors?
8. How can we assure trading partner readiness?
9. How will testing be organized?
10. Should NCVHS recommendations be followed?
11. Should the NCPDP D.0 and X12 5010 standards have the same compliance date?

11:00 am– 11:15 am Break

11:15 am – 12:15 pm Issue X2 – Should we have staggered implementation requirements, a planned transition period, or a single cutover date?

NPRM Section II.F.,

CMS has proposed a single compliance date for all of the proposed X12 standards.

1. Will a single cutover date work?
2. Why were NCVHS recommendations ignored?
3. What are the alternatives, and would they work better?
 - a. Stagger dates by transaction

- b. Stagger dates by industry segment (plans, clearinghouses, providers)
- c. Overall transition period – voluntary use of new standards before the compliance date
- d. Other staggering proposals (by area, by size of entity, etc.)

12:15 pm – 1:15 pm Lunch

1:15 pm – 1:45 pm Issue X3 – Need for pilots before adoption or implementation.

None of the proposed standards have been tested in a production situation. Should we require a pilot to prove that they work as intended?

1. What would results show – needed changes to standards?
2. Would this improve the cost benefit data?
3. Who would participate?
4. When would pilots occur?
5. Is the risk of upgraded standards as high as v4010, such that multiple pilots are really needed?

1:45 pm – 2:30 pm Issue X4 – Costs for plans/providers/vendors

NPRM Section V – Regulatory Impact Analysis

NPRM p 48758 “We invite comment and data from the industry regarding our assumptions”

NPRM p 49760 “Based on the foregoing analysis, we could certify that this proposed regulation would not have a significant economic impact on a substantial number of small entities. However, because of the relative uncertainty in the data, the lack of consistent industry data, and our general assumptions, we invite public comments on the analysis and request any additional data that would help us determine more accurately the impact on the various categories of entities affected by the proposed rule.”

NPRM p 49761 “We invite public comment and cost or benefit data to support any concerns about the accuracy or consistency in our assumptions and estimates, particularly related to nonhospital institutions.”

NPRM p 49764 “ We invite comment from the industry on these assumptions and estimates, particularly on the assumption that there would be no new hardware costs for implementing Version 5010, since the

interviews did not yield information on providers who do not currently have electronic capability.”

NPRM p 49764 “We note that we do not include hardware costs even for providers who might move from a paper-based system to an EDI system because we do not believe that the number of providers who have no electronic capability is very high. We do believe that providers who move away from a paper-based system are likely to have software and/or vendor costs, and we account for this. We invite stakeholder comment on these assumptions, and welcome any data regarding the number of providers who do not have any hardware to support electronic transactions.”

NPRM p 49765 “According to Gartner’s interviews, and for purposes of this analysis, we estimate the average annual compensation package (salary plus benefits) for a health plan or plan service representative to be \$40,000 and for a provider billing specialist to be \$60,000. The cost per minute for a service representative is \$0.32 ($\$40,000 / (2080 * 60)$) and for a provider representative is \$0.48. We invite industry comment on these estimates.”

NPRM p 49768 The operational savings for use of the auxiliary transactions (270/271, 276/277, 278) is projected to be \$5,250 million. (The narrative for these calculations has been provided elsewhere, and the formulas appear in the cost benefit table for hospitals.) Again, we invite public comment on these figures and assumptions, particularly on the assumption that there would be no new hardware costs for implementing Version 5010, since the interviews did not yield information on providers who do not currently have electronic capability. Table 11 below summarizes the cost-benefits for physicians.”

NPRM p49773 “We solicit industry and stakeholder comment on the assumption that vendor costs will be passed on to the customer over time, and solicit feedback on actual costs for vendor software upgrades and impact on covered entities, including the conversion of historical data.”

NPRM p49767 “We specifically solicit industry comments on the assumptions made here relative to the costs and benefits for hospitals for the implementation of Version 5010.”

1. Do we agree with the figures stated?
2. What is missing from the cost assumptions?
3. What other sources can be used for getting information?
4. Is the comparison to 004010 costs legitimate?
5. Will vendors provide this as a “free” upgrade?
6. Are there hardware costs?
7. Are the costs for the auxiliary transactions accurate?

2:30 pm – 3:15 pm Issue X5 – Benefits for plans/providers/vendors

NPRM Section V – Regulatory Impact Analysis

NPRM p49767 “We specifically solicit industry comments on the assumptions made here relative to the costs and benefits for hospitals for the implementation of Version 5010.”

NPRM p 49761 “We invite public comment and cost or benefit data to support any concerns about the accuracy or consistency in our assumptions and estimates, particularly related to non hospital institutions.”

1. Do we agree with the figures stated?
2. What is missing from the benefit assumptions?
3. What other sources can be used for getting information?
4. Are the benefits for the auxiliary transactions accurate?

3:15 pm – 3:30 pm Break

3:30 pm – 4:00 pm Issue X6 - Training/Education /Outreach Issues

NPRM Section II. F.

NPRM P 49757 “We solicit industry and other stakeholder comments on ... our proposed education and outreach strategy.”

1. Who should provide the outreach?
2. When should the outreach occur?
3. Who should pay?
4. What is the impact of the implementation guides not being free?

Who, when, who pays, etc., cost estimates, purchase of guides?

4:00 pm – 4:30 pm Issue X7 - Standardizing acknowledgements (reference WEDI white paper)

No mention of acknowledgement transactions in NPRM

1. Acknowledgements are part of the 5010 guides, are they automatically included?
2. If not, should they be?
3. What schedule should acknowledgement adoption be on?

4:30 pm – 5:15 pm Issue X8 – Attendee/miscellaneous issues

1. Are these the right transactions to adopt?

5:15 pm– 5:30 pm Summary, remaining issues to be discussed tomorrow

5:30 pm Adjourn until 8 am, Wednesday, September 10,

Wednesday, September 10, - Finish 5010 Issues/Discussion of NCPDP Issues

- 7:30 am – 5:00 pm Registration**
- 7:30 am - 8:00 am Continental Breakfast**
- 8:00 am – 9:30 am Review of Day 1 recommendations, unresolved issues and approval of PAG**
- 9:30 am – 9:45 am Review of NPRM: NCPDP Focused**

- I. Provisions of the Proposed Rule
 - A. Proposed adoption of the National Council for Prescription Drug Programs (NCPDP) Telecommunication Standard Implementation Guide Version D, Release 0 (D.0) and Equivalent Batch Standard Batch Implementation Guide, Version 1, Release 2 (1.2) for Retail Pharmacy Transactions
 - B. Proposed adoption of a standard for Medicaid Pharmacy Subrogation: NCPDP Medicaid Subrogation Standard Implementation Guide, Version 3.0 for pharmacy claims
 - C. Proposal to adopt NCPDP Telecommunication Standard D.0 and ASC X12 Version 005010 Technical Reports Type 3 for billing retail pharmacy supplies and services.
 - D. Proposed Timeline and Compliance Dates
 - E. Proposal to adopt NCPDP Telecommunication Standard D.0 and ASC X12 Version 005010 Technical Reports Type 3 for billing retail pharmacy supplies and services

9:45 am – 10:15 am Issue N1 – Timeline and Compliance Date – When Can We Be Ready?

NPRM Section II.F.

NPRM P 49755 “We invite comments regarding the proposed compliance dates for our proposal to adopt the Medicaid pharmacy subrogation transaction standard.”
NPRM P 49757 “We invite public comment on our proposed compliance dates.”

1. What should the compliance date be?
2. Should the D.0 and Medicaid Subrogation compliance dates be the same?

10:15 am – 10:45 am Issue N2 – Should we have staggered implementation requirements, a planned transition period, or a single cutover date.

NPRM Section II.F.,

CMS has proposed a single compliance date for D.0 standards.

1. Will a single cutover date work?
2. Why were NCVHS recommendations ignored?
3. What are the alternatives, and would they work better?
 - a. Stagger dates by transaction.
 - b. Stagger dates by industry segment
 - c. Overall transition period – voluntary use of new standards before the compliance date.
 - d. Other staggering proposals (by area, by size of entity, etc.)

10:45 am – 11:00 am Break

11:00 am – 11:15 am Issue N3 - Use of both NCPDP and X12 standards for pharmacy supplies and services

NPRM Section II.D.

NPRM P 49754 “We solicit comments on the proposal to adopt both the NCPDP standard and the X12 standard for billing retail pharmacy supplies and professional services.”

1. Should both standards be allowed for billing pharmacy supplies and services?
2. Should it be based on trading partner agreement?

11:15 am – 11:45 am Issue N4- Cost and Benefit Issues

NPRM Section V Regulatory Impact Analysis

NPRM P 49758 “We specifically invite comments on the number of small pharmacies.”

NPRM P 49771 “We invite comment regarding the number of pharmacy benefit management companies and their respective market share.”

NPRM P 49771 “We invite the industry to comment on our assumptions and projected cost estimates, and to provide current data to support alternative theories or view points, as the comparison between Version 4010/4010A costs and Version 5010 implementation costs could be overstated.” (independent pharmacy costs)

NPRM P 49773 “We solicit industry comment on these cost assumptions, and additional information regarding how PBM costs affect health plans, and how these costs are passed on to the plans. We also invite comment as to how the change to Version D.0 would affect core systems, and what the costs might be to health plans, particularly large plans with broad operations.”

NPRM P 49773 “We assume an annual benefit of \$38 million for large and small pharmacy chains in avoided audits and incorrect payments, and a total 10-year benefit of \$380 million, and conservatively estimate benefits at 50 percent, or \$190 million. We invite industry and stakeholder comments on this assumption.”

NPRM P 49779 “The costs for States that currently bill electronically to upgrade their systems to Version 3.0 for Medicaid subrogation transactions, and to transition from paper Medicaid subrogation claims to electronic Version 3.0, would be outweighed by the benefits accrued to States. The following sections provide details to support this conclusion. We invite public comments on this conclusion.”

NPRM P 49781 “In addition to the administrative costs, we anticipate that the increased efficiency in claims processing would result in payers paying out more for Medicaid subrogation claims that would have otherwise been denied. We do not have sufficient data to estimate the potential costs. We invite public comments on the costs for the increase in Medicaid subrogation adjudicated claims .”

NPRM P 49772 “Based on industry feedback, we estimate that the average monthly maintenance contract between a pharmacy and a vendor amounts to a range of \$400 to \$800 per month per pharmacy, with the average industry estimate being about \$500. We estimate a range of between .50 and 1 percent maintenance fee increase attributable to the conversion to Version D.0, or an additional \$2.50 to \$5.00 per month per pharmacy, or \$540,000 to \$1,080,000 based on 18,000 independent pharmacies (\$500 \times 0.50 percent/1 percent \times 12 months \times 18,000 pharmacies). We solicit industry and stakeholder comment on our cost assumptions.”

NPRM P 49773 “We solicit industry comment on these cost assumptions, and additional information regarding how PBM costs affect health plans, and how these costs are passed on to the Plans.”

1. Do we agree with the figures stated?
2. What is missing from the cost and benefit assumptions?
3. What other sources can be used for getting information?
4. Is the comparison to 4010 costs legitimate?

12:00 pm Adjourn

12:00 pm – 1:00 pm Networking Plated Luncheon