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HIPAA Version 5010: Noncompliance Penalties Take Effect April 1

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Change: In the health care industry, it all seems to be coming at once.

All providers must transition from ICD-9 to ICD-10 for medical diagnosis and inpatient procedure coding by October 2013. The first step? Moving from HIPAA Version 4010 and 4010A to Version 5010, using standard formats for electronic claims and claims-related transactions. For a successful and smooth transition, it's important to understand the multiple deadlines and impacts this will have on your organization and how to help key stakeholders plan and prepare for the change.

Understanding the Deadlines

The Centers for Medicare & Medicaid Services (CMS) initially gave providers until January 1, 2012, to shift to HIPAA Version 5010. However, because the industry appeared to be lagging in its compliance efforts, CMS announced in November 2011 that it wouldn't enforce penalties for 5010 noncompliance until April 1, 2012, splitting 5010 milestone activities into two compliance levels:

- **Level 1—December 31, 2011.** "A covered entity can demonstrably create and receive compliant transactions, resulting from the compliance of all design/build activities and internal testing."
- **Level 2—March 31, 2012.** "A covered entity has completed end-to-end testing with each of its trading partners, and is able to operate in production mode with the new versions of the standards."

Now Is the Time

With less than 90 days before the enforcement deadline, you can't wait further. Payers are now "live" and can process 5010 transactions. However, there are detailed changes as well as training required for providers' staff. And even though payers are processing transactions under the new standard, some payments are being rejected, and many of the changes require manual workarounds to address the new transaction standards.

Remember, 5010 is only part of the overall ICD-10 implementation effort. Now is the time to reassess your implementation strategies to meet the compliance dates.

We're Here to Help

Moss Adams LLP has helped many of our health care clients meet the December 31, 2011, testing deadline, and we've worked closely with them to overcome challenges and discover what works—and what doesn't. We can help you with your compliance efforts and move your organization toward a smooth transition. Contact your Moss Adams Health Care Group professional to learn how we can make a difference.