

# Are we in denial?

By **MICHAEL McBRIDE**, *Technology Editor*

The big announcement coming out of the Medical Group Management Association (MGMA) annual meeting this year wasn't the introduction of a new electronic health record (EHR) system or the latest, greatest billing and practice management system. It was a call to arms from MGMA itself.



According to research conducted by the organization, a significant number of physicians have yet to implement Health Insurance Portability and Accountability Act (HIPAA) 5010 electronic transaction standards in their practices.

How can this be, when the deadline to implement HIPAA 5010 is January 1, 2012?

## HIPAA 5010

Congress established data interchange rules by which all electronic claims transactions must be transmitted when it passed HIPAA in 1996. In 2009, the new 5010 standards were created to reduce redundancy and increase uniformity of the data exchanged to make it easier for "covered entities" to do business.

The Centers for Medicare and Medicaid Services (CMS) defines covered entities as:

- healthcare providers who conduct certain transactions in electronic form,
- healthcare clearinghouses, and
- health plans.

HIPAA 5010 not only defines how claims data must be transmitted between healthcare providers and health plans; it's also required to be in place before implementing ICD-10 code sets. Without ICD-10 codes, your billing systems will not be able to submit claims after January 1, 2013. Just one short year after the January 1, 2012, HIPAA 5010 deadline.

## A CONTINGENCY PLAN FROM HHS

According to MGMA's research:

- 4.5% of practices have 5010 fully implemented,
- 50% say they're 26% to 99% finished, and
- 40% say they're only 25% finished.

"It is clear that a significant number of medical groups will not have the ability to transmit claims and other electronic transactions using the Version 5010 format by the January 1 deadline," said Susan Turney, MD, MS, FACP, FACMPE, MGMA president and chief executive officer. "In

particular, the study results highlight the fact that external testing with health plans is significantly delayed. It is imperative that [the Department of Health and Human Services (HHS)] take immediate steps to ensure that practice operations are not compromised due to cash flow disruption," she added in a press release.

MGMA wants HHS to "immediately issue a comprehensive contingency plan permitting health plans to adjudicate claims that may not have all the required data content."

**By the end of this year, practices not set up to bill health plans using the new HIPAA 5010 electronic transaction standards could experience severe cash flow problems. So why haven't more physicians made the change?**

Health plans are required to automatically reject electronic claims that contain errors. MGMA is asking HHS to lower that standard.

"It is unacceptable to expect physician practices to take such drastic action, such as reverting to paper claims, to avoid serious cash flow issues resulting from this mandate," Turney continued.

"The shift in the industry to electronic transactions in recent years could amplify the problem. Many health plans have transitioned staff away from handling paper claims, and we are concerned that a sudden, large increase in volume could also result in delayed payments," she concluded.

If you haven't yet implemented HIPAA 5010, there's no time to waste. You'll find excellent resources at [www.cms.gov/ICD10/](http://www.cms.gov/ICD10/). The site contains all the information you'll need, and even a widget with critical timeline information for adopting the new standards and code sets for large and small healthcare providers, health plans, and vendors.

Send your feedback to [medec@advanstar.com](mailto:medec@advanstar.com).