

# ANSI 5010/HIPAA 5010 Customer Talking Points

- ▶ An upgrade to the latest practice management release is required to extract patient-specific and other data needed to create an ANSI 5010 (a.k.a. HIPAA 5010) compliant claim. These data fields do not exist in previous software releases.
- ▶ Industry organizations including the American Medical Association (AMA) and Medical Group Management Association (MGMA) say physician practices need to upgrade to a 5010-compliant software release.
  - ▶ “As the date for compliance with the government’s updated standard for electronic claims transaction rapidly approaches, **physicians need to have practice management software in place that meets those standards**,” said AMA President Cecil B. Wilson, M.D., in a joint statement released April 28, 2011 with MGMA.
  - ▶ “In order to avoid cash flow disruption associated with the transition to the 5010 standard, **it is critical for physician practices to convert their administrative systems** and test their readiness well in advance of the compliance date,” added MGMA President and CEO William F. Jessee, M.D.
- ▶ Some clearinghouses say an upgrade isn’t necessary and that they can convert legacy data to a 5010-compliant claim. However, that’s only half the story. When pushed, clearinghouses have acknowledged that when the clearinghouse up-converts legacy data to a 5010 claim the following could happen:
  - ▶ The practice will need to manually intervene and review/augment every claim sent to payers to ensure claims meet the payer’s new edits.
  - ▶ The practice’s claims could either be stopped by the clearinghouse or reject at the payer.
  - ▶ The practice may experience an increase in claim rejections, a decrease in worker productivity and an impact on cash flow.
- ▶ Clearinghouses promised to take care of their customers with the 4010 and NPI conversions, yet many practices that relied on clearinghouses for these conversions experienced a significant decrease or delay in their cash flow.

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- ▶ Customers should ask the following questions to clearinghouses that claim they don't need an upgrade:
  - ▶ How exactly do you plan to up-convert the data?
  - ▶ Will you hard-code patient-specific information that isn't the same for all patients?
  - ▶ If yes, how will incorrect hard-coded data affect the ability of my claims to be paid by the payers?
  - ▶ Will you map data to fields that aren't used today?
  - ▶ What happens if a payer decides to use those fields in the future?
  - ▶ What work will I have to do at my practice to either provide you the data you need and/or review converted claims for accuracy? Will this work be manual?
  
- ▶ At the end of the day, is it worth risking cash flow? If a practice submits \$500,000 in claims each year:
  - ▶ A 1% increase in claim rejections means \$5,000 in lost revenue to your practice.
  - ▶ A 5% increase in rejections is \$25,000 in lost revenue!
  
- Contrast the potential lost or delayed revenue with the cost of an upgrade:
  - ▶ The MSRP on a new Medisoft Advanced license is \$1,299. MSRP on a new Medisoft Network Professional is \$3,599. Upgrades from one or two versions old are much less.
  - ▶ The MSRP on a new Lytec Single User license is \$3,361. MSRP on a new Lytec Professional is \$4,820. Upgrades from one or two versions old are much less.
  
- ▶ Finally, don't wait to upgrade. Research released by MGMA following the June 15, 2011 national 5010 testing day indicated:
  - ▶ Only 29 percent of respondents believed their current practice management system software would permit them to use Version 5010
  - ▶ 50.3 percent of respondents stated that their software would require an update
  - ▶ 4.5 percent of respondents indicated that their software would need to be replaced

If everyone waits until the last minute – or until their claims begin to be rejected in January 2010 – there won't be enough resources to upgrade everyone.