

5010 Timeline: Getting the Work Done in Time for the Deadline

This is the second fact sheet in a series and is focused on the timeline and work for implementing the next version of HIPAA electronic transactions standards, Version 005010 ("5010"). Collectively, the fact sheets will provide information, suggestions, guidance, and checklists to assist you with understanding what you need to do to be HIPAA compliant.

On January 1, 2012, the health care industry will be required to conduct the current HIPAA electronic transactions (Version 4010A1), claims submission, remittance advice, eligibility, claims status, referral authorization and others, using the upgraded version 5010.

The following is an overview of the work and timeframes to complete the activities to help you become compliant. Some activities may be done at the same time. The timeframes will guide you in implementing the 5010 transactions, but the amount of time it takes you to complete the various activities will depend on the size of your practice and available resources.

Follow these timeframes as you work with your vendors on upgrading your system and your clearinghouses, billing service, and payers to test and transition to the 5010 transactions to ensure you are able to successfully use the new standard prior to the compliance date. Doing so will help you avoid rejected claims and cash flow interruptions.

Step 1 – Impact Analysis:

Estimated Time to Complete: 1 – 2 months

Become familiar with the upgrade and conduct an internal impact analysis to determine the impact the change to 5010 will have on your business practices and systems.

Step 2 – Contact your Vendors, Payers, Billing Service, and Clearinghouse:

Estimated Time to Complete: 2 – 3 months

Contact your vendors for specific details on the installation of upgrades to your system. If you decide to purchase a new system, use this time to research needed functions and vendor products.

Also, contact your clearinghouses, billing service, and payers for preliminary information on when they expect their upgrades will be completed and ready to accept transactions using the new 5010 standards.

Step 3 – Installation of Vendor Upgrades:

Estimated Time to Complete: 3 – 6 months

Undergo installation of upgrades from your vendor. Keep in mind that the timing of the system upgrades will be dependent on your vendor's readiness, both with respect to product development and scheduling.

Step 4 – Internal Testing and Staff Training:

Estimated Time to Complete: 2 – 3 months

Once the upgrades are completed, you will need to conduct internal testing of your systems to ensure you can generate the 5010 transactions. Allow extra time to resolve any issues that may arise and work with your vendor to address these.

You will also complete staff training throughout the process of implementing and testing your system.

Step 5 – External Testing with Clearinghouse, Billing Service, and Payers:

Estimated Time to Complete: 6 – 9 months

Contact your clearinghouses, billing service, and payers to conduct external testing with them. Testing with your trading partners, e.g., clearinghouses and payers, will ensure that you can send and receive the transactions properly.

Step 6 – Make the Switch to 5010:

Estimated Time to Complete: 1 – 2 months

After you have completed external testing with some or all of your trading partners, you may switch to using only the 5010 transactions. You are permitted to begin using the 5010 transactions prior to the compliance date, as long as you and the other organization are in agreement with the early conversion.

January 1, 2012

You must use only the 5010 transactions as of this date. The 4010 transactions will be non-compliant and will be rejected.

After January 1, 2012

Monitor the submission and receipt of 5010 transactions to ensure they are working properly.

October 1, 2013

The industry switches from the ICD-9 to the ICD-10 diagnosis and procedure code sets.

As you can see from the activities and timeframes, there is much work to be done in a short period of time. Get started today on implementing the 5010 transactions to ensure you meet the January 1, 2012 deadline and do not suffer claim payment interruptions.

**Visit the AMA's website for more resources for
implementing the HIPAA 5010 transactions.**

www.ama-assn.org/go/hipaa