

Date

«Org\_Name»

Attention: «First\_Name» «Last\_Name»

«Address1» «Address2»

«City», «State» «Zip»

**IMPORTANT PRODUCT NOTIFICATION:** *Time is running out! Contact us to schedule your practice management upgrade before the ANSI 5010 deadline.*

Dear «First\_Name» «Last\_Name»:

Although the Centers for Medicare and Medicaid Services (CMS) recently announced that the new HIPAA 5010 standards will not be enforced before March 31, 2012, the compliance date for 5010 remains January 1, 2012. According to CMS, payers that are certified on 5010 can enforce and require 5010-formatted claims beginning January 1, 2012. Significant changes have been made in the latest releases of McKesson's Medisoft® and Lytec® practice management systems to comply with the new 5010 standards. If you submit electronic claims and have not yet upgraded to a 5010-compliant system, you should consider doing so as soon as possible.

***What happens on January 1, 2012, if my practice management system is not ANSI 5010-compliant?*** According to organizations such as the American Medical Association and the Medical Group Management Association, physician practices need to upgrade to a 5010-compliant version of their practice management software before the January 1, 2012 deadline. Failure to do so may result in delays in cash flow as a result of claims that are rejected due to missing information.

An upgrade to Medisoft Version 17 or Lytec 2011 is the *best* way to ensure that your claims will be compliant on January 1, 2012. ***If you have already upgraded to Medisoft Version 17 or Lytec 2011, your software is current and will be able to create 5010-compliant professional claims. However, you are responsible for making updates to your current production environment to ensure your smooth transition to 5010 production standards (see links to 5010 rejections and requirements documentation at the end of this letter).***

## Benefits of ANSI 5010

- Less ambiguity in Technical Reports Type (3) (TR3) guides, i.e. implementation guides
- Enhanced usability of certain transactions such as referrals and authorizations
- Reduced reliance on companion guides
- Supports increased use of Electronic Data Interchange (EDI) between covered entities
- Supports e-Health initiatives

## What are the Enhancements with Version 5010?

- Improved claims receipts, control and balancing
- Increased consistency of claims editing and error handling, which will provide common edit definitions
- Return claims requiring correction earlier and assigns claim numbers on the front-end

***Can my clearinghouse take care of the conversion for me?*** Your clearinghouse may have told you that they will be able to “up-convert” your 4010 claims to 5010-compliant claims. However, we encourage you to ask your clearinghouse *exactly* how it will convert the claims and if you will be required to manually provide missing information for each 4010 claim. Also, we believe the “up-convert” service will be a temporary fix as payers begin to require additional 5010 data elements in the future.

Following is a list of 5010 changes that are most likely to result in rejected claims if the claims aren’t 5010-compliant. We encourage you to have a conversation with your clearinghouse to determine how it will address these changes if it plans to up-convert your claims.

- **Billing Provider Address:** The billing provider address must be a physical street address. As payers transition to using the 5010 standards it is expected they will begin requiring an address for billing providers and reject a PO Box or lock box. Payers may enforce this change at any time as they prepare for and complete the transition to 5010.
- **9-Digit ZIP Code:** The 5010 standards require a 9-digit ZIP code for the billing provider and service facility location. If a 9-digit ZIP code is not sent when 5010 goes into effect, your clearinghouse may add a default for the missing last four digits. If a payer does not accept a default, they may reject the claim.
- **Provider Accept Assignment Code:** This data element was changed from a situational to a required data element with 5010. Claims may be rejected if they do not contain a valid value for payers that are live on 5010.
- **Release of Information Code:** Several Release of Information Code values in HIPAA 4010 are no longer valid in 5010. As payers move to version 5010, providers may experience claim rejections when the Release of Information Code contains a value of A, M, N, or O. The 5010-allowed values are “I” (Informed Consent to Release Medical Information for Conditions or Diagnoses Regulated by Federal Statutes) and “Y” (Yes, Provider has a Signed Statement Permitting Release of Medical Billing Data Related to a Claim).
- **Subscriber/Patient Hierarchical Level Changes:** If a patient can be *uniquely* identified to the destination payer in Loop 2010BB by a unique Member Identification Number, then the patient is the subscriber or is considered to be the subscriber and is identified at this level, and the patient HL in Loop 2000C is not used. Providers should review registration processes to ensure this information is captured appropriately. Medicare and Medicaid recipients are identified *uniquely*. Blues and commercial plans vary. Member ID cards should be reviewed for unique member assigned identifiers.
- **Remaining Patient Liability:** This is a new segment and is the remaining amount to be paid after the adjudication by the Other Payer identified in Loop 2330B/2400. This data is required to balance the claim.

***Do I have to “flip a switch” to begin submitting claims in the 5010 format?*** No. Two EDI Receivers can be configured, one for 4010 and one for 5010. This will allow you to choose what format claims are sent in. When you are ready to send 5010 claims and your payers are ready to accept them, you will simply assign the 5010 EDI Receiver for those payers from within your Medisoft Version 17 or Lytec 2011 software so that the claims go out in the 5010 format.

***If I upgrade now, can I continue to submit claims in the 4010 format if my payers aren't ready to receive 5010 claims?*** Yes, Medisoft Version 17 and Lytec 2011 enable you to submit claims in either the 4010 or 5010 format once you set up a receiver for 5010 as stated above. If you do not send claims to the RelayHealth clearinghouse, you will need to contact a McKesson Value Added Reseller to assist you with sending 5010 claims to another clearinghouse or directly to a payer.

***Are there other considerations for 5010 that I should be aware of?*** ANSI 5010 will bring a significant number of changes and improvements for providers. Not only will it streamline insurance verification, but it will also allow enhanced search functionality that saves physicians a considerable amount of time. 5010 will make it easy to locate a patient by member ID, last name only or date of birth, virtually eliminating false negatives or unnecessary phone calls to payers.

***What steps does my practice need to take?*** You need to act now! If you have not upgraded to Medisoft Version 17 or Lytec 2011, you should contact McKesson or your Value Added Reseller to discuss your upgrade options. If you wait until the last minute, there may not be enough resources to complete your upgrade before your practice's cash flow is interrupted or affected by increased denials.

***Is there anything else my practice needs to do to be 5010-ready?*** Yes. Once you are live on a 5010-compliant practice management system, you should work with your clearinghouse and/or payers to test your 5010 transactions. In addition, ***you are responsible for making updates to your current production environment*** to ensure your smooth transition to 5010 production standards. The RelayHealth clearinghouse, a McKesson company, has been actively testing 5010 claim transactions with Medicare, Medicaid, BlueCross BlueShield, and commercial payer lines of business. Through its extensive testing, RelayHealth has identified that each payer line of business is continuing to reject test claims from providers because they do not meet 5010 Errata requirements.

Thank you for your business. We look forward to working with your office.