National Council for Prescription Drug Programs

NCPDP

Section 10109 of ACA

NCVHS Subcommittee on Standards

November 2011

Certain Provisions of Section 10109

National Council for Prescription Drug Programs
NCPDP

What is NCPDP?

- An ANSI-accredited standards development organization.
- Provides a forum and marketplace for a diverse membership focused on health care and pharmacy business solutions.
- A member driven organization that has been named in various government legislation and rulings, such as HIPAA and the Medicare Part D Regulation.
- One of several Standards Development Organizations (SDOs) involved in Healthcare Information Technology and Standardization.
- Focus on pharmacy services, and has the highest member representation from the pharmacy services sector of healthcare.
- NCPDP standards are used in pharmacy processes, payer processes, electronic prescribing, rebates, and more.

- NCPDP dataQ™ - provides healthcare stakeholders with up-to-date, comprehensive, and in-depth pharmacy information.
- NCPDP Online - enumerator of the NCPDP Provider ID number.
- HCIdea - NCPDP's relational healthcare prescriber database of over 2.1 million prescribers created for the industry, by the industry.
- RxReco*nn*™ - NCPDP's legislative tracking product.

National Council for Prescription Drug Programs
NCPDP

Session I
Provider enrollment forms

NCVHS Subcommittee on Standards

November 2011

National Council for Prescription Drug Programs
NCPDP

Provider Enrollment

- NCPDP WG3 Standard Identifiers have a task group for this activity. The scope:
  - Analyze the data elements necessary for provider file enrollment from various sources.
  - Review the EFT and ERA enrollment data elements identified while working with CORE for possible inclusion in an enrollment standard.
  - After the data element review is completed (Feb 2012):
    - Review existing enrollment standards.
    - Enhance/create as needed, standards for use.

National Council for Prescription Drug Programs
NCPDP

Session II
Applicability of standards to other insurance types

NCVHS Subcommittee on Standards

November 2011

National Council for Prescription Drug Programs
NCPDP

Workers' Compensation

- NCPDP's Work Group 16 educates and promotes the NCPDP national standards available for use in an effort to streamline processing and gather the necessary information needed to efficiently process and report on workers' compensation pharmacy transactions.
- There is no widespread adoption of NCPDP-developed standard in workers' compensation.
- Some States have developed customized pharmacy billing requirements.
- Several states have recently adopted or are in the process of adopting the NCPDP standards.
- NCPDP Telecommunication Standard has supported Workers' Compensation claims for more than 20 years (as of 01/01/2011 version D.0 is in use since many entities are HIPAA covered entities for other business)
  - Allows for prospective processing (at point of service)
- NCPDP Workers' Compensation Universal Claim Form Version 1.1 (05/2009)

National Council for Prescription Drug Programs
NCPDP

Code Sets

- Use of CPT/HCPCS/ICD9/ICD10 code sets in billing
  - Some states use national code sets
  - Some states use different versions of national code sets (not the current version)
  - Some states use local code sets

National Council for Prescription Drug Programs
NCPDP

COB in Workers' Compensation

- Coordination of Benefits
  - It is rare to have another party outside of the carrier responsible for paying anything on a work related injury. In less than 1% of the time you may have a lien (FL) or Apportionment (NY) where another party may pay a portion of benefits.
  - Subrogation of workers' compensation related services paid by other entities prior to the establishment of the claim coverage does occur, particularly with Medicaid.

National Council for Prescription Drug Programs
NCPDP

Workers' Compensation Transition

- Benefits of moving to standard transactions and code sets
  - Consistency across all states
  - Reduced burden on providers and processors
  - Administrative and processing efficiencies
  - Timely reimbursement

- Costs involved
  - There will be transition costs to move from existing processes

National Council for Prescription Drug Programs
NCPDP

Workers' Compensation Questions

- Becoming a HIPAA covered entity
  - Change of processes from paper-based to electronic billing
  - Streamlining to use one standard and national code sets
  - Federal regulation should override state regulations for standards and code sets
- Privacy and Security
  - Many of the entities in workers' compensation already support HIPAA regulations
  - There may be an impact for some stakeholders who are not covered entities (employers).
  - There may be an impact to carriers' processes for collection of required medical information (paper, phone) to determine causality and for utilization analysis.
- First Report of Injury Standard
  - The ASC X12 standard may have some adoption but in general states have specific jurisdictional requirements.

National Council for Prescription Drug Programs
NCPDP

Session III
Transparency of claim edits, publication of plan payment rules, standardized forms for audits

NCVHS Subcommittee on Standards

November 2011

National Council for Prescription Drug Programs
NCPDP

Transparency of claim edits

National Council for Prescription Drug Programs
NCPDP

"Claim Edits"?

- Claim edits are based on:
  - Plan benefit design for example eligibility, max days supply, formulary, network limitations, patient safety
  - NCPDP field and segment requirements as defined in the Telecommunication Implementation Guide.

- Edits occur at point of service:
  - The real time adjudication process supplies the provider and the patient with the status of the claim at point of service, mitigating therapeutic and financial risks post dispensing.
  - Rejects occurring real-time assist the provider and the patient in determining the next course of action.

National Council for Prescription Drug Programs
NCPDP

Consistency in Establishment and Implementation of Claim Edits

- Pharmacy claim edits are used consistently since the implementation guide, data dictionary and code values are created with industry consensus.
- Requirements for the use of Reject Codes are specific to fields within the NCPDP Telecommunication Standard.
  - Reject Codes are also standardized in the Batch and the Medicaid Subrogation Implementation Guides which use the framework of Telecommunication Standard.
- NCPDP's process allows new Reject Codes to be added, modified or discontinued on a quarterly basis using industry consensus.
  - Once these requests are approved they are published in the next release of the External Code List and are available for use according to a formal implementation timeline.
- The pharmacy industry's successful application of claim edits is due to consistency in use.

National Council for Prescription Drug Programs
NCPDP

Medicare and Medicaid National Correct Coding Initiative

- The current standards and code lists are utilized
  - ASC X12 4010 used now
  - *With move to ASC X12 5010, there may be more standardization if ASC X12 rules are followed.*
- There are challenges in the specificity returned in the ASC X12 835 because
  - Inconsistency in the use of the named ASC X12 standard.
    - Some do first level reports, others do not
    - Inconsistency in responses
    - Proprietary reports returned
  - There is inconsistency in the timeliness of the response.
    - Check a website for results hours, days, etc
  - Proprietary values to Part B occur in some of the data elements.
    - Proprietary error codes
    - Proprietary first level edit reports

National Council for Prescription Drug Programs
NCPDP

Publication of plan payment rules

National Council for Prescription Drug Programs
NCPDP

Publication of Timeliness of Payment Rules

- The claim status and payment information is communicated immediately using the real-time adjudication process.

- Payment timelines are established and communicated to pharmacy providers or their intermediaries as part of the contracting process with the payer.
  - *State and Federal regulations require specific payment terms which may alter the established payment terms and timelines.*

- The pharmacy industry has issued guidance that the ASC X12 835 may be sent any time prior to the release of the EFT or check but no later than three business days after.

National Council for Prescription Drug Programs
NCPDP

Audits

National Council for Prescription Drug Programs
NCPDP

Audit Pain Points

- Audits continue to grow, with more operational inefficiencies due to
  - Lack of standards
  - Information communicated by audit entities can be different even if the underlying issue is the same.
    - For example, one entity may indicate that the day supply is calculated incorrectly and another indicates that the quantity and day supply ratio is in error. In this example, the two are essentially the same concern from a provider's perspective and having a standardized way to communicate the information will allow providers to address operational concerns.
  - Providers may not have sufficient notice or detailed requests prior to onsite audits.

National Council for Prescription Drug Programs
NCPDP

Audit Questions

- Why audit?
  - Uncovering and stopping fraud and abuse
  - Provide value when audits are used to educate, inform, and correct business practices that increase costs within the healthcare arena
  - Recover funds

- What can be improved?
  - Provide sufficient notice to Providers
  - Supply request for data in advance of onsite audit
  - Avoid audits at reenrollment time (for example end of year and first of year)
  - Standardize requests and information provided
  - There is a lack of incentive for the auditing entity to educate and improve a provider's business practice.

What Can Be Standardized in Audits?

- The format of the data exchanged
- The content of the information exchanged, such as
  - The reason for recouping monies, audit chargebacks.
    - For example, when a provider is able to accurately and consistently identify the reasons an audit recouped monies, operations can be analyzed for modification to reduce the probability of future audit losses. The payer provides benefits such as accounts payable and administrative costs which can be reduced due to improved operations by the provider (e.g. payer does not pay a claim billed incorrectly and try to recover money when identified later; the problem is addressed on the front end).
- Sufficient information to identify the chargebacks
  - Meaningful codes in the pharmacy remittance advice
  - Claim level and Provider level audit segments that relate to chargebacks in the remittance advice
- Continue to enhance standard to include more operating rules such as
  - Corrective actions within a timeframe
  - When not to perform audits (time of year)
  - Lead time for audits
  - Efficiencies of claim processing

National Council for Prescription Drug Programs
NCPDP

NCPDP Audit Standard

- Defines the record layout for batch audit transactions between Auditors and Providers.
  - The communication is two-way. The standard defines the request transaction and the response transaction.
  - In order to gain health plan approval, not all transaction pairs are required to be supported
    - An entity may choose to support Initial Audit Request AND Acknowledgement of Initial Audit Request and no other transactions,
    - Another entity may choose to support Initial Audit Request all the way through to Acknowledgement of Final Audit Findings
- Supports two types of audit functions
  - Desk Top Audit - the Auditor presents a list of prescriptions to a Provider. The Auditor asks for specific details about the prescriptions and the Provider must return those items to the Auditor by the date specified. For Desk Top audits, a detail record is required for each prescription that is to be part of the audit.
  - In-Store Audits - the Auditor physically goes to the Provider's location and reviews records associated with prescriptions. For in-store audit requests, a detail record must present a range of information (e.g. prescription numbers) that the Provider will prepare for the Auditor prior to arrival.
- *Version 1.Ø published Ø7/2Ø11*
- *Task Group working on piloting, adding FAQs to the standard*

National Council for Prescription Drug Programs
NCPDP

NCPDP Audit Standard Transactions

- Initial Audit Request
- Acknowledgement of Initial Audit Request
- Audit Response with Data
- Acknowledgement of Response Data
- Preliminary Audit Findings
- Acknowledgement of Preliminary Audit Findings
- Submission of Dispute Data
- Acknowledgement of Dispute Data
- Final Audit Findings
- Acknowledgement of Final Audit Findings
- Notice of Intent to Appeal
- Acknowledgement of Intent to Appeal
- Submission of Audit Appeal with Data
- Acknowledgement of Audit Appeal Data
- Identification of Hearing Date
- Acknowledgement of Hearing Date
- Post Audit Determination
- Acknowledgement of Post Audit Determination

National Council for Prescription Drug Programs
NCPDP

Thank You

Lynne Gilbertson
VP, Standards Development
NCPDP
lgilbertson@ncpdp.org

Annette Gabel
NCPDP Board of Trustees
Executive Director, Public Policy and External Affairs
Medco Health Solutions, Inc.
annette_gabel@medco.com