Medical Practice Trends

Podcast #25

Mike Meikle

5010 Compliance

Peter: This is Peter J. Polack M.D. with Medical Practice Trends podcast. Our guest today is Mike Meikle of Hawkthorne Group.

Mike: Good afternoon, Dr. Polack.

Peter: How are you?

Mike: Pretty good, sir. Thank you.

Peter: Our topic today is 5010 Compliance. Tell our audience out there what that means and why it's so important.

Mike: In relative recent times, the federal government has mandated through updates to the Health Information Portability and Accountability Act (HIPAA) that certain electronic transactions between medical practice or medical providers to the federal government meet these new electronic standards called HIPAA 5010.

This basically ties into how information for, say, Medicare or Medicaid reimbursements being transmitted directly to the federal government.

HIPAA 5010 also ties into something called ICD 10. If you're in the medical field, of course you've heard about ICD 9 codes. These are the type of codes that are assigned to specific diagnoses and how these diagnoses are actually billed to, say, the federal government or how you get reimbursed by the feds. These are the actual transaction codes. That's also changing from ICD 9 to ICD 10.

Getting back to HIPAA 5010 there are nine standard electronic transactions that cover the whole HIPAA 5010 on how you communicate with the feds. There's going to be about 1,300 modifications to the old HIPAA 4010 code which we're currently using. So we went from 4010 to 5010.

This is mandated, and it's mandated to actually be completed by January 1, 2012. This ties into the whole Patient Protection and Affordable Care Act, which is part of HITECH which is also part of Meaningful Use which everybody is seeing with electronic medical records. A lot of these things intertwine with each other.

Peter: Is this something that the EHR vendors are going to back in or update into their systems or are the medical practices pretty much on their own as far as being up to date with this?

Mike: If you have an EMR system, EHR system, you should be working with your vendor to make sure that they are going to be HIPAA 5010 and ICD 10 compliant. Many of the large manufacturers are doing this.

But it's not just going to be a systemic actual application issue. It's going to boil down to how physicians actually practice and actually identify – this could be a huge coding issue; let's put it that way. How diagnoses are made and how they're actually coded appropriately and then how they're actually reimbursed by the feds are going to be covered by this.

So it's not only an application issue that, yes, the vendors should be doing this for you. You should be working with them on that as well. But also it's going to be a big change in business, especially for the ICD 10 code because for the old ICD 9 code, there was about 14,000 or 15,000 of those. But the new ICD 10 codes, there's almost 150,000 of those. It's not a one-to-many relationship. There was one ICD 9 code that now becomes five ICD 10 codes. It's basically a huge explosion of 'this is what this diagnosis used to be in ICD 9', but now it's much more granular with ICD 10. It's not only 'you got a sonogram', now it's this specific type of sonogram for this specific body part, etc.

It's going to be much more complex and it's going to be a very large change in how business is actually done. It's going to be costly. It's going to be a costly process. Education is going to be very key – especially for staff.

Peter: Those codes have to be in place by when?

Mike: For the ICD 10 conversion, that has to be October 1, 2013. For the HIPAA 5010 electronic transaction capability, that has to be in place by January 1, 2012.

Peter: Can you suggest some resources that practices can turn to, to learn a little more about these?

Mike: There are a couple of good periodicals out there. *Health Management Technology Magazine* recently had an issue back in July of this year on the whole ICD 10, but also Health Care IT News has quite a few resources on HIPAA 5010 and ICD 10 pros and cons issue and concerns from various different aspects – from the vendors, medical providers, etc.

Peter: And these are mandated whether or not a practice is using EMR?

Mike: If you were doing billing of Medicare and Medicaid, then yes, these are some of the things you have to do – especially ICD 10. HIPAA 5010 is specifically with electronic transactions. ICD 10 is actually coding. So if you're still using manual code books for ICD

9, they do have manual code books for ICD 10. You have to use these new books, which of course will affect your practice on how you actually correctly code diagnosis.

Peter: So perhaps practices that are using an EHR system have a little bit of an advantage as far as migrating to the ICD 10.

Mike: I think it's fair to say that.

Peter: Mike, if anyone wanted to contact you for more information, how would they go about doing that?

Mike: You could just go to my website: www.MikeMeikle.com.

Peter: Thanks so much.

Mike: Thank you, sir. I appreciate it.