



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

THOMAS M. SUEHS
EXECUTIVE COMMISSIONER

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**** NCPDP D.Ø / HIPAA 5010 Implementation ****

The National Council for Prescription Drug Programs (NCPDP) Telecommunications Standard Version D.Ø is an updated version of the Health Insurance Portability and Accountability Act (HIPAA) standard for pharmacy claims transactions and must be implemented nationwide by January 1, 2012. After that date, claims submitted in the prior format (currently NCPDP 5.1) will be denied. In addition, the HIPAA standard for electronic remittance advice transaction will be upgraded from version 4010 to version 5010.

If your software provider or corporate office has not discussed this with you, please ensure that your store will be ready. A separate questionnaire will be provided to software providers and corporate offices, and those groups are encouraged to complete and return the questionnaire so that Vendor Drug can evaluate NCPDP D.Ø and HIPAA 5010 readiness.

The Medicaid/CHIP Vendor Drug Program is implementing these changes across three phases:

Phase I: tentatively scheduled to implement Wednesday, November 30, 2011

- Pharmacies will be able to submit billing (B1), reversal (B2), or eligibility verification (E1) transaction in either version 5.1 or D.Ø.
- For detailed changes, please refer to the D.Ø payer sheets available at **txvendordrug.com**.
- The PDF remittance advice file will be modified to reflect the new field length requirements of a claim by NCPDP D.Ø.

Phase II: to implement Sunday, January 1, 2012

- Pharmacies will only be allowed to submit transactions in version D.Ø. All version 5.1 transactions will reject.
- The electronic remittance advice transaction (ANSI X12 835) format will be upgraded from HIPAA 4010 to 5010.
- Pharmacies that are 34ØB participants will submit all claims purchased at 34ØB pricing using value "Ø8" in "Basis of Cost Determination" (Field 423-DN) and will submit the actual acquisition cost plus dispensing fee in "Usual and Customary Charge" (Field 426-DQ).

Free online provider training available at www.txhealthsteps.com

Phase III: tentatively scheduled to implement on Sunday, April 1, 2012

- Pharmacies will be able to submit claims with “Medigap ID” (Field 359-2A), “Benefit Stage Qualifier” (Field 393-MV), and “Benefit Stage Amount” (Field 394-MW).

Testing

Software Vendors and Switch Companies

No formal certification process will be required, however, Vendor Drug encourages all switch companies and software vendors to submit test claims and transactions to the Texas Medicaid test system from October 25 to November 25, 2011. A testing package that will include test data and submission instructions will be provided 10 business days prior to the beginning of testing to each switch company and software vendor via fax.

Pharmacies

Contracted pharmacies are also welcome to submit test claims from October 25, 2011 to November 25, 2011. A second notification that includes the URL of the test package will be faxed to each contracted pharmacy 10 business days prior to the beginning of testing.

Electronic Remittance Advice (ANSI X12 835)

The test electronic remittance advice (ANSI X12 835) in 5010 format will be delivered by Tuesday, November 1, 2011, to the entities that currently receive the 4010 file. It will be delivered through the same methodology as the production remittance advice file. The second notification, delivered by Saturday, October 15, 2011, will include more detailed instructions about the 835 test file.

Pharmacies will continue to receive production 835 files in 4010 format until December 27, 2011, for the claims adjudicated from December 16, 2011 to December 22, 2011. Claims adjudicated from December 23, 2011 to December 29, 2011, will be generated in the 5010 format by Monday, January 2, 2012. All pharmacies must be ready to receive the 5010 format of the 835 electronic remittance advice by January 2, 2012.

Training

A training session will be hosted on Tuesday, October 25, 2011, to officially kick-off the testing phase. There will be a live, interactive educational training session available for pharmacists and all pharmacy staff, and all other interested parties. Further details about this training will be included in the test package. The Vendor Drug website, **txvendordrug.com**, will have training materials available for download 24 hours a day, including a link to a recorded webinar presentation which will be available beginning October 31, 2011.

For specific questions regarding NCPDP D.Ø and HIPAA 5010 implementations, please call the TMHP-Pharmacy Technical Support and Interfaces Desk at 1-888-701-1713, or email Pharmacies.5010@tmhp.com. Please continue to call the Vendor Drug Pharmacy Resolution Help Desk at 1-800-435-4165 for assistance with pharmacy claims billing issues.

Thank you for your cooperation with this effort. Your assistance and understanding ensures the continued success of the Texas Medicaid Vendor Drug Program. We look forward to continuing our work with you to serve clients of the Medicaid, CHIP, the Kidney Health Care, and Children with Special Health Care Needs (CSHCN) Service programs.

For more information:

- Implementation information:
<http://www.txvendordrug.com/claims/ncpdp.shtml>
- Payer specification sheets:
<http://www.txvendordrug.com/downloads/>