



5010 Transaction Standard

Electronic Transactions Standards: 5010 and ICD-10 Final Rule

The final rule indicates that trading partners have to be ready to exchange 5010 transactions for health care claims and version D.0. for pharmacy claims starting December 2010 and can ONLY exchange 5010 transactions starting January 1, 2012. The deadline for the ICD-10 code sets is October 1, 2013.

Why is the transition to the 5010 transaction standard necessary?

The 4010A1 version of the X12 standard is outdated, remains unworkable in a number of situations, and is more ambiguous than later versions. The 5010 version is a marked improvement on 4010A1.

The 5010 standard is designed to accommodate the Present on Admission (POA) indicator, which is used to indicate if a patient's condition was present on admission. CMS is instituting a no-pay policy for a group of hospital-acquired conditions, and the POA indicator is used to determine Medicare payment or non-payment.

The 4010A1 standard cannot accommodate the much larger ICD-10-CM and PCS code sets. The ICD-10-CM and PCS code set provides for greater specificity in diagnosis and procedure coding than ICD-9-CM.

Who will be impacted by the transition to the 5010 standard?

Providers, payers and clearinghouses will all be affected by the transition to the 5010 standard.

- **Physician Practices/Inpatient and Outpatient Facilities/Hospitals** – Providers will need to upgrade their practice management, billing, and EDI systems to comply with the new transaction standard. They may also need to work with their claims clearinghouses to ensure compliance.
- **Payers** – Payers need to assume the leading role in transitioning the industry to a single set of transaction standards. Payers will need to collaborate with all of their trading partners – claims clearinghouses, direct providers, employers, etc. – to ensure compliance. Payers utilizing “direct connect” EDI, meaning that providers submit claims directly to the payer, will need to upgrade their front-end validation and translation systems to accommodate the new standard. Managed Medicare and Medicaid, as well as Medicare Advantage payers will need to upgrade their claims adjudication and EDI systems in order to send compliant transactions to Medicare and Medicaid.
- **Clearinghouses** – Clearinghouses will need to upgrade their EDI infrastructure, including mapping, editing, validation, and translation systems. Most clearinghouses receive noncompliant claims from providers, and then translate them into compliant formats (5010) to send the transactions to payers. The change to 5010 will likely add another layer, requiring clearinghouses to translate from 4010A1 to 5010.

How will GHN-Online help me with the transition?

GHN-Online will provide information via communications, alerts, and announcements to ensure you are fully informed and prepared for the transition. GHN will communicate 5010 service offerings to help health-care providers with their readiness. Our plans will include the testing of 5010 files and compliance reviews, as well as a timeline with more definitive plans. We will implement GHN University training sessions to educate you on the 5010/ICD-10 standard and help you make smart decisions as you make the transition. GHN-Online will have the capability to submit either 4010 or 5010 versions to any payer for any transaction submitted through our system. If you plan to generate and submit in the 5010 format, GHN will provide the ability to submit this format to all payers.

What is the return on investment?

Gartner has evaluated financial benefits that may include decreased transaction costs, as well as reductions in staffing resources and manual processes. Gartner's findings revealed that the industry could realize a net benefit ranging from \$11.6 billion to \$33.8 billion by migrating to the new 5010 standards.

Questions or comments about the 5010 transition:

- Log a support ticket via the GHN Helpdesk
- Call GHN's Service Enterprise at 972-385-5555
- Contact your designated GHN Service Executive
- Email us at askabout5010@ghnonline.com

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