

# Health Insurance Portability and Accountability Act Transactions & Code Sets



January 2009

Newsletter

## HIPAA Electronic Standards

Skyline 5, Suite  
810  
5111 Leesburg  
Pike  
Falls Church,  
VA  
22041-3206

Please send any  
comments and  
questions to

[hipaamail@tma.osd.mil](mailto:hipaamail@tma.osd.mil)

For More Information  
Please Visit  
[www.tricare.mil/hipaa](http://www.tricare.mil/hipaa)

## New Final Rules to Update HIPAA Electronic Transactions and Code Set Standards

On January 16, 2009, the Department of Health and Human Services (HHS), Office of the Secretary published the final rules to adopt Modifications to the Health Insurance Portability and Accountability Act (HIPAA) Electronic Transaction Standards and Modifications to Medical Data Code Set Standards to adopt International Classification of Diseases, 10<sup>th</sup> Revision (ICD-10) Code Sets.

The final rule for the HIPAA Electronic Transaction Standards adopts updated versions of the standards for electronic transactions. This final rule also adopts a transaction standard for Medicaid pharmacy subrogation. In addition, this final rule adopts two standards for billing retail pharmacy supplies and professional services, and clarifies who the “senders” and “receivers” are in the descriptions of certain transactions.

In this final rule, all covered entities, except small health plans, are required to be in compliance with the HIPAA transactions (Versions 5010), D.0 and Medicaid pharmacy subrogation standard (Version 3.0) on January 1, 2012. Small health plans are required to be in compliance with the Medicaid pharmacy subrogation (Version 3.0) on January 1, 2013.

Note that HHS has established two different levels of compliance and effective dates for Versions 5010 and D.0. Level 1 compliance is the period in which HIPAA covered entities have completed all internal readiness activities and are fully prepared to initiate testing of the new versions in a test or production environment. Level 2 compliance is the period in which HIPAA covered entities have completed end-to-end testing with all of their trading partners and are able to operate in production mode with the new versions of the standards. HIPAA covered entities should be prepared to meet Level 1 compliance by December 31, 2010, and Level 2 compliance by December 31, 2011. During the Level 1 and Level 2 testing periods, either version of the standards, 4010A1 or 5010, may be used based upon mutual trading partner agreements.

The final rule for the Medical Data Code Set Standards adopts modifications to two of the code set standards, specifically for coding diagnosis and inpatient hospital procedures by concurrently adopting the International Classification of Diseases, 10<sup>th</sup> Revision, Clinical Modification (ICD-10-CM) for diagnosis coding, and the International Classification of Diseases, 10<sup>th</sup> Revision, Procedure Coding System (ICD-10-PCS) for inpatient hospital procedure coding. In this final rule, the compliance date is October 1, 2013. Note that the ability to implement and use the ICD-10 code set is contingent upon implementation of Version 5010.

In preparation for Military Health System (MHS) implementation of Versions 5010 and the conversion to ICD-10, TMA established two Integrated Requirements-Design (IRD) Workgroups to begin developing the new requirements for the multiple MHS systems affected by the changes.

These final rules are available for review from the Federal Register online database through GPO Access at the sites below:

Modifications to the HIPAA Electronic Transaction Standards:

<http://edocket.access.gpo.gov/2009/pdf/E9-740.pdf>

Modifications to the Medical Data Code Set Standards:

<http://edocket.access.gpo.gov/2009/pdf/E9-743.pdf>

