



HIPAA 5010 Frequently Asked Questions (FAQs) Providers

1. What is Electronic Data Interchange (EDI)?

Electronic Data Interchange (EDI) is a way of transmitting data electronically. It is used to transfer electronic documents or data from one computer system to another computer system (e.g., from one trading partner to another without human intervention). In our case, examples would be when we receive claim data from providers or from the state for enrollment data and send it to the state all via EDI.

2. What is 5010 and National Council for Prescription Drug Programs (NCPDP)?

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 required standards for health care EDI transactions. The original standard was version 4010. The updated electronic transaction standard is version 5010.

3. Does HIPAA 5010 transaction set upgrade affect patients?

No. There is no direct impact to patients with the HIPAA 5010 transaction set upgrade.

4. As a provider, what do I need to do to prepare for HIPAA 5010 transaction set upgrade?

Health care providers, health plans and health care clearinghouses must comply with the changes to transaction set standards.

Centers for Medicare and Medicaid Services (CMS) recommends providers take the following steps to prepare:

- 1) Engage your practice-management system vendor early. Software vendors are not covered entities; therefore, they are not responsible for compliance. However, they are critical to provider compliance and interruption in vendor implementation of compliant products delays testing.
- 2) Communicate with clearinghouses, billing services and payers early to learn about their implementation plans.
- 3) Identify changes to data reporting requirements. Data reporting changes may require collection of additional information or reporting data in a different format. For example,

with HIPAA 5010, the billing provider address will no longer be reported as a P.O. Box or lockbox address.

- 4) Identify possible modifications to current workflow and business processes.
- 5) Identify staff training needs. Training your staff ensures that transactions continue to be submitted, received, interpreted and responded to correctly
- 6) Test with your trading partners. Trading partners are the organizations with which you exchange transactions.

5. What resources are available to help me prepare?

Centers for Medicare and Medicaid Services (CMS) has a number of educational resources on its website to assist you with a smooth conversion.

Centers for Medicare and Medicaid Services (CMS):

- [Standards for Electronic Transactions - New Versions, New Standard and New Code Set - Final Rules](#)
- [Versions 5010 and D.0 Educational Resources](#)

Additionally, your software vendor can be an excellent resource for questions and answers related to EDI and the transition to 5010.