



Real-Time Adjudication Conference

(ASC X12-WEDI)

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What is NCPDP?

NCPDP is an ANSI-accredited standards development organization.

Provides a forum and marketplace for a diverse membership focused on health care and pharmacy business solutions.

NCPDP is a member driven organization that has been named in various government legislation and rulings, such as HIPAA and the Medicare Prescription Drug Benefit.

NCPDP is one of several Standards Development Organizations (SDOs) involved in Healthcare Information Technology and Standardization.

NCPDP has a focus on pharmacy services, and has the highest representation from the pharmacy services sector of healthcare.

Mission and Vision Statement

Mission:

NCPDP creates and promotes standards for the transfer of data to and from the pharmacy services sector of the healthcare industry. The organization provides a forum and support wherein our diverse membership can efficiently and effectively develop and maintain these standards through a consensus building process. NCPDP also offers its members resources, including educational opportunities and database services, to better manage their businesses.

Vision:

To be the model forum that empowers its members to enhance the quality and efficiency of the healthcare system through the creation of information technology solutions.

Participants by Industry Role

◆ **Producer/Provider**

- Includes Pharmacies, Pharmacists, and Manufacturers. A client service oriented sector.

◆ **Payer/Processor**

- Includes HMO's, Pharmacy Benefit Managers, Government Payers, Health Insurers. A financial oriented sector.

◆ **Vendors and General Interest**

- Drug Wholesalers, Consultants, Clinical Programs, Telecommunication and Software & Hardware Vendors. The link between the 2 sectors above.

NCPDP Standards

- Paper, Guidance, Batch and Real-Time Standards
- Paper - NCPDP was formed in 1977 to standardize prescription insurance forms
 - 1978 the paper Universal Claim Form (UCF) was adopted
 - Billions of claim forms have been distributed

NCPDP Standards

- **Guidance Documents**
 - Pharmacy ID Card Implementation Guide
 - Billing Unit Standard
 - Professional Pharmacy Services
 - Online Real-time Drug Utilization Review
 - Compound Processing
 - Prior Authorization Processing
 - Version 5 Editorial

NCPDP Standards

- **Batch Standards**
 - Medicaid Subrogation
 - Post Adjudicated History
 - Manufacturer Rebate
 - Batch Standard for Telecommunication usage
 - Formulary And Benefit

- **In development**
 - Prescription Transfer
 - Prior Authorization Transfer

NCPDP Standards

- **Real-Time Standards**
 - **Telecommunication Standard**
 - 1988 NCPDP developed Version 1.0 of the Telecommunication Standard for online, real-time claims processing
 - Transactions for eligibility, billings, prior authorization, information reporting, etc
 - 2007 Telecommunication Version D0
 - **SCRIPT Standard**
 - 1997 SCRIPT Version 1.0 for electronic prescribing
 - Transactions for new prescriptions, refills, change, cancel, medication history, fill notification, census, etc
 - 2007 SCRIPT Version 10.1

Real-Time Shift

- Real-time is not “batch, just faster”
- Real-time is not “I got it. Check back later to see what I did with it.”
- Shift in thinking and in practice to
 - More information
 - Faster access to information
 - Faster response time
- *...and this isn't even talking about the real-time transmission*

Now? ...Really?

- Real-time information is NOW
- Real-time troubleshooting is NOW
- A real-time transaction happens at the press of the “Enter” key
- Expectation for everything is NOW
 - *How fast do you expect your credit card transaction to go through?*
 - *How fast do you expect your browser to work?*
 - *You expect it to work right the first time...and give you the right response to your query*
 - *You hit “Enter” multiple times expecting different results?*
 - *You are frustrated with incomprehensible error messages*
 - *.....hmmmm*

Information Updated Now

- Real-time updates and access to Payer/Plan sheets for Routing information, Plan parameters, changes to Plans
 - What do your customers need – real-time information?
- More explicit acceptance and reject codes, additional messages
 - Every request must have a response, whether you or a connectivity partner generate it
- Better tools for support centers to troubleshoot problems
 - Support center to have access to entire route/different failure points of transaction to help with failures

Real-Time Functionality?

- Impacts to enrollment and eligibility data from health plans to payers – what data is needed now?
- Evaluate Reversals/Adjustments processes
 - Claims need to be corrected/modified/or just retracted
- Eligibility Verification? Claim Status checking?
 - May be the first real-time business process offered?
 - But don't be misled, the desire is claim adjudication.
- Coordination of Benefits?
- Prior Authorization?
- What current business processes/requirements will require timely information because they are impacted by the real-time processes?

Processing Considerations

- Expect a higher percentage of rejected transactions
 - Learning to use the real-time processing
 - Impacted by plan changes/cycles, new functionality introduced
 - Easy to fix “something” and resubmit, then try *again...and again....and again*
 - Analytical tools will need to be evaluated for real-time reject impacts
- Identify the source of the reject (switch/clearinghouse/payer) for better troubleshooting
- Duplicate logic in a time out world
- Time outs – transmission failures
 - Stand in response must be generated

Processing Considerations

- Evaluation of internal batch processes that may interfere with real-time productivity (*resource hogs*)
 - Once you support real-time transactions, they (and your real-time customers) rule the network – segregate the resources
- Vendor certification from submission of batch file to real-time transactions
 - Creation of a test system for real-time processing certification
- Testing environments with your network connectivity trading partners
 - Provider HQ to Clearinghouse/Switch
 - Clearinghouse/Switch to Payer/Processor
 - To/From Health Plan
 - Keep these “hot” – available for use

Network Considerations

- Network monitoring of real-time transactions
- 24 * 7 * 365 up time plus staffing
- Watchdog process and procedures for
 - Tracking response times
 - Tracking error percentages from given processes
 - Connectivity stability
 - Load balancing
 - Spikes that will affect performance
- Volume projection planning
- Recognize the weakest link(s)
 - One major process slows down (one payer/one plan), the entire network may be affected – how will you react?

Network Considerations

- Communication processes with connectivity partners
 - The human support functions
 - Reporting unplanned downtimes
 - Coming back up
 - Scheduled maintenance
 - Network productivity
- Downtime
 - It will occur
 - Queuing up of transactions?
 - Plan of attack for the volume hit when back up and transactions are flying
- Use of a switch/clearinghouse for some functions...
 - *...but don't underestimate your network responsibilities*

Questions?

Thank you

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