HIPAA 5010 Format Deadline Looming for 2012

BY MARY ELLEN SCHNEIDER

Physicians have a little more than 2 years to complete their transition to new HIPAA X12 standards for submitting administrative transactions electronically, according to Medicare officials.

As of Jan. 1, 2012, physicians and all other entities covered under HIPAA (Health Insurance Portability and Accountability Act) will be required to use the HIPAA X12 version 5010 format when submitting claims, receiving remittances, and sending claim status or eligibility inquiries electronically. The new standard replaces the version 4010A1 currently in use. The change will affect dealings not only with Medicare, but also with all private payers.

The Medicare fee-for-service program will begin its own system testing next year and will begin accepting administrative transactions using the 5010 version as of Jan. 1, 2011. Throughout 2011, the Centers for Medicare and Medicaid Services will accept both the 5010 and 4010A1 versions. However, beginning on Jan. 1, 2012, only transactions submitted using the 5010 version will be accepted.

During a recent conference call to update providers, officials at the Centers for Medicare and Medicaid Services urged physicians not to wait until the last minute to make the transition to the new format.

"There's no room to delay. We cannot possibly convert all of the Medicare trading partners at the 11th hour," said Christine Stahlecker, director of the Division of Medicare Billing Procedures in the CMS Office of Information Services.

The switch is necessary, according to the CMS, because the 4010A1 version is outdated. For example, the industry currently relies heavily on companion guides to implement the standards, which limits their value. The new version includes some new functions aimed at improving claims processing, such as resolving ambiguities in the situational rules and providing more consistency across transactions.

But Medicare officials urged physicians to analyze the new version carefully prior to implementation. Billing software will need to be updated, and business processes may need to be changed as well. "There are real changes in these formats," Ms. Stahlecker said.

A comparison of the current and new formats can be viewed at www.cms.hhs.gov/ElectronicBillingEDITrans/18_5010D0.asp.

Ms. Stahlecker advised physicians to contact their system vendors as soon as possible to find out if their licensing agreement includes regulatory updates and to get the vendor's timeline for upgrading its systems. ■

Obesity Cost Soars to $147 Billion Annually

WASHINGTON — The health cost of obesity in the United States jumped over the past decade, from $74 billion in 1998 to approximately $147 billion today, based on data from a study conducted by the Centers for Disease Control and Prevention and the Research Triangle Institute.

"Obesity affects every body system," Dr. Thomas R. Frieden, director of the CDC, said during opening remarks at the agency's inaugural Weight of the Nation conference on obesity.

Obesity accounted for 6.5% of overall annual medical costs in the United States in 1998, but that proportion increased to 9.1% by 2006, said the study's lead author, Eric Finkelstein, Ph.D., of the independent Research Triangle Institute.

The annual cost of medical care per adult in the United States is 41% less for a normal-weight individual than for an obese individual. Prescription drugs are among the top contributors to the costs of obesity, Dr. Finkelstein said. In 2006, across all insurance payers, the average annual prescription drug cost for a normal-weight individual was $707, compared with $1,275 for an obese individual.

—Heidi Splete