



## **Implementation of the Telecommunication or Batch Standard**

NCPDP has created documentation to assist in the implementation of the HIPAA-named NCPDP transactions. For the most comprehensive information, it is suggested to become a member of NCPDP, to receive bi-weekly email updates with news of HIPAA and the organization, to receive notification of updates on the website, and to be involved in work group updates and activities.

### ***NCPDP Website***

The NCPDP website ([www.ncdp.org](http://www.ncdp.org)) has many areas devoted to public knowledge. There is also a section for Members only. The Members section contains the standards documents available for download, and information from each of the work groups of activities currently underway.

NCPDP has provided HIPAA information in the public section of the NCPDP website. This information is updated whenever there is news to report, so check frequently. Also on the main page of the website, there is an "Updates" section which lists changes to the website at a glance. The public HIPAA menu item has submenus, for various HIPAA topics.

NCPDP also provides a HIPAA informational section for Members only. This section is a submenu item under the "Government Related" section.

### ***Final Rule Information on Electronic Transactions as it Relates to the Pharmacy Industry***

For a general overview of the transactions and code sets named in HIPAA, as it relates to pharmacy, the document "Final Rule Information on Electronic Transactions As It Relates to the Pharmacy Industry" is available at [http://www.ncdp.org/frame\\_news\\_hipaa\\_trans.htm](http://www.ncdp.org/frame_news_hipaa_trans.htm) This document is updated periodically as new information is available. This document assists with answering questions such as

- What are the transaction types that I must support to be HIPAA compliant in retail pharmacy?
- What are the requirements to be HIPAA compliant on 10/16/2002?
- What changes are expected by 10/16/2003?

This document is to be used as a reference, as companies should be evaluating the HIPAA regulations based on their own review.

## ***The NCPDP Standards***

NCPDP creates three types of documents for the use of their standards. The three documents should be used together, to provide a complete picture of the implementation of the standard. These documents are:

- Standard
- Implementation Guide
- Data Dictionary

The Standard contains the technical definition of the transactions – the actual transaction layouts, the syntax and formatting rules, the transaction rules and usage.

The Implementation Guide contains further information about the implementation of the standard by the use of descriptive paragraphs, business situations, examples, and frequently asked questions.

The Data Dictionary contains the actual field descriptions – sizes, formats, code values, comments, and usage instructions.

On the CD, refer to the directory for Data Dictionary or Standards. For the purposes of this document, the subdirectories under Standards for Telecommunication or Batch should be referenced for the actual Standard and Implementation Guides. In addition, a Matrix document is also included that contains a chart of the NCPDP documents.

## **NCPDP Telecommunication Standard**

To implement the Telecommunication Standard Version 5.1 for HIPAA, the Telecommunication Standard and Implementation Guide for Version 5.1 dated September 1999, and the Data Dictionary dated September 1999 would be used.

## **NCPDP Batch Standard**

To implement the Batch Standard Version 1.1 for HIPAA, the above three documents for the Telecommunication Standard are used, and in addition, the Batch Standard and Implementation Guide Version 1.1 should be used. Please see the “Understanding the NCPDP Batch Standard” section for more information.

## **NCPDP Telecommunication and Batch Standard – Version 5 Editorial Document**

In addition to the Telecommunication Standard or the Batch Standard, the document “Telecommunication Version 5 Questions, Answers and Editorial Updates” should also be used. Due to the HIPAA regulations, the Telecommunication and Batch Standard documents are frozen from changes. However, as with all documents, editorial revisions, clarifications, frequently asked questions, etc are found. The “Version 5 Editorial” document was created to note this important information. The “Version 5 Editorial” can be found on the NCPDP website on the public HIPAA menu page [http://www.ncpdp.org/frame\\_news\\_hipaa.htm](http://www.ncpdp.org/frame_news_hipaa.htm) or the WG1 page [http://www.ncpdp.org/frame\\_members\\_wg01.htm](http://www.ncpdp.org/frame_members_wg01.htm) or the members Standards Download page [http://www.ncpdp.org/members/members\\_download.htm](http://www.ncpdp.org/members/members_download.htm)

The document is updated frequently (at least quarterly, sometimes monthly), so please check the website. Notification of a new version of this document is also sent in the bi-weekly NCPDP NOW.

## **Other Reference Documents**

For specific subject matter, other NCPDP documents may provide valuable information. These documents include:

- Professional Pharmacy Services Implementation Guide
- Billing Unit Standard
- Billing Unit Implementation Guide
- Pharmacy ID Card Implementation Guide

Information about these documents is available at

[http://www.ncdp.org/PDF/basic\\_guide\\_to\\_standards.pdf](http://www.ncdp.org/PDF/basic_guide_to_standards.pdf)

## **Understanding the NCPDP Batch Standard**

Many of the pharmacy transactions today are processed online, real-time; hence the NCPDP Telecommunication Standard is used. There was a business need to support the same functionality as the Telecommunication Standard, except in a batch environment. The batch environment might be for transactions outside the norm, or low-volume specialty business cases, or in cases where a batch method of delivery was preferable.

The NCPDP Batch Standard was created to use the functionality of the Telecommunication Standard. Therefore, the Batch Standard uses the same syntax, formatting, data set, and rules as the Telecommunication Standard. The Batch Standard “wraps” the Telecommunication Standard around a detail record; then adds a batch header and trailer. This allowed implementers to “code once”. It was intended that once a NCPDP Data Record (containing the Telecommunication Standard transaction) was built, it could then be “wrapped” with the Detail Data Record. Then the batch header and trailer record would be created and the Batch consisting of Header, Detail Data Records, and Trailer formed into a batch file. The creation of the Detail Data Record could be processed in the same manner as the online, real-time transaction, since they both began as the Telecommunication Standard transaction.

A pharmacy system could generate the same billing transaction and submit the billing online (via the Telecommunication Standard), or collect other billing transactions and later submit the batch (via the Batch Standard). The health plan could funnel the batch Detail Data Records into the same system that processes the online billing transactions. The health plan, upon receipt of a batch, could set aside the batch header and trailer information, and process the detail record in the same manner as the online transaction. Then once the batch of transactions was processed, the health plan returns a file containing a batch header, a Detail Data response record for every billing transaction and a batch trailer. Each Detail Data response record will contain a valid formatted Telecommunication Standard response. If the health plan finds an error in the integrity of the batch file, the response file will contain a batch header and a batch trailer with the appropriate error noted in the message field. No Detail Data records will be returned.

### ***Difference Between Batch Standard Version 1.0 and Batch Standard Version 1.1***

The difference between NCPDP Batch Standard Version 1.0 and Version 1.1 is a modification to the header and the transaction designation in the Detail Record. In Batch Standard Version 1.0 the transaction designation in the Detail Record is NCPDP Telecommunication Standard Version 3.2. In Batch Standard Version 1.1, the transaction designation is the NCPDP Telecommunication Standard Version 3.2 *or higher*.

For consistent implementation of the NCPDP Standards under HIPAA, it was important that the NCPDP Data Record in the Batch Standard be the same as the named Telecommunication Standard. By naming Batch Standard Version 1.1, the use of the Telecommunication Standard Version 5.1 as the NCPDP Data Record is supported.

The corrected HIPAA regulations will read the usage of the "NCPDP Batch Standard Version 1.1, supporting Telecommunication Version 5.1 for the NCPDP Data Record in the Detail Data Record."