



NEWS FROM THE NATIONAL COUNCIL FOR PRESCRIPTION DRUG PROGRAMS

# NEWS FLASH



December 5, 2011

**Welcome to the NCPDP News Flash: HIPAA Special Edition.** The deadline for implementation of the Health Insurance Portability and Accountability Act (HIPAA) transaction standards is just weeks away. Are you ready for NCPDP Telecommunication Standard Version D.Ø, Medicaid Subrogation Version 3.Ø, Batch Standard Version 1.2, and the ASC X12 Version 5010 transactions? This News Flash provides important information you need to know for successful HIPAA implementation.

---

On Thursday, November 17, 2011, the [Centers for Medicare & Medicaid Services \(CMS\) Office of E-Health Standards and Services \(OESS\)](#) announced a [90-Day Period of Enforcement Discretion for Compliance with new HIPAA Transaction Standards](#).

There are important points that will impact the operations of the pharmacy industry:

1. The expectation from the notice is that covered entities **will be compliant with HIPAA transactions by January 1, 2012.**
2. While enforcement actions will not be initiated until March 31, 2012, if asked by OESS, covered entities must produce evidence of either compliance or a good faith effort to become compliant with the new HIPAA standards during the 90-day period.
3. The pharmacy industry operates in a collaborative on-line, real-time environment, with immediate impact to patient care. **The weakest link in the electronic process may affect the entire process.**

If you are not compliant by January 1, 2012:

- You will impact others that are compliant.
  - Impacts will be felt in all areas of patient coverage including but not limited to, coordination of benefits and the updating of patient accumulators.
  - Hard cutovers without prior adequate testing can cause significant patient care and operational disruptions.
4. Medicare Part D regulatory requirements are tied to the use of the NCPDP Telecommunication Standard Version D.Ø and contain implementation timeframes. Consult the [CMS-issued Medicare Part D notices](#) for specifics.
  5. The transition steps found in the [NCPDP Telecommunication Standard Version D.Ø Transition Guidance](#) are still the official NCPDP recommendations to the industry and are complementary to the CMS notice.