

STATEMENT ON THE ISSUE

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MISCONCEPTIONS AROUND THE NCPDP TELECOMMUNICATION STANDARD

SCOTTSDALE, AZ --The National Council for Prescription Drug Programs (NCPDP) would like to address some misconceptions regarding the NCPDP Telecommunication Standard Version 5.1, which has been named in the HIPAA legislation.

These misconceptions have been heightened by inaccurate and biased reports, such as the article titled, "HIPAA: 'The End Of The Beginning'", which was printed in the April issue of *America's Pharmacist* magazine from the National Community Pharmacists Association (NCPA).

In the article, NCPA's associate director of professional affairs, Scott Pace, was quoted as saying, "as it stands right now, 5.1 is not a true standard."

NCPDP is accredited by the American National Standards Institute (ANSI) as a Standards Development Organization (NCPA is not). The article also inaccurately claims that the NCPDP Telecommunication Standard Version 5.1 was not created through industry consensus and that NCPA, along with other associations, have been "working to make 5.1 a true standard".

The NCPDP Telecommunication Standard Version 5.1 was developed and approved by the NCPDP members through the ANSI process. NCPDP is driven by its balanced membership, representing chain and independent pharmacies, pharmaceutical manufacturers, government agencies, health insurers, pharmacy benefit management companies, software vendors and virtually every other faction involved in the pharmacy industry.

In reality, NCPDP must work in a true consensus-building environment just to maintain ANSI accreditation status and the only way to assist in the standards development process is to participate as an NCPDP member. NCPDP does not create standards. NCPDP members create standards. The standards development process must work within the parameters of the ANSI requirements, which is consensus driven through input from all corners of the industry, not just a limited and specialized segment from within the industry.

In order to meet the needs of the industry, NCPDP members continue to develop enhancements to the standard. NCPDP members have also created Payer Template

documents and a Protocol Document to assist in a standardized way of communicating business and data requirements of the NCPDP Telecommunication Standards.

In the NCPA article, there is reference to the “*Community Retail Pharmacy Rules-Based Implementation Guide*”. NCPA and NACDS took the NCPDP Telecommunications Standard Implementation Guide, which was developed by NCPDP members, and revised it in an attempt to accommodate their own members, but outside of the consensus-building framework.

As stated in the article, “The guide was submitted to HHS Secretary Tommy Thompson, who declined to accept it. Rather, he said he would require any changes to go through the Data Maintenance Standards Organizations (DSMOs) as outlined in HIPAA.”

What the article did not illustrate was the response to the DSMO change request. The DSMO response rejected the alternative guide because:

- “It was not created in a consensus manner without representation of the industry.”
- “It was not created under an ANSI-accredited standards development organization as outlined by the HIPAA legislation.”
- “It contains data elements not present in the NCPDP Version 5.1 Telecommunication Standard.”
- “It did not make provisions for the submittal of batch claims.”
- “It has no structure in place for continued development, nor public comment process.”

Another misleading statement from the article was from NCPA Executive Vice President and CEO Bruce Roberts. He indicated that the ASC X12N 837 has been named as “the standard” for pharmacist professional services.

In reference to professional pharmacy services, the actual DSMO recommendation was, “The DSMO recommend that these types of claims should continue to be submitted as they are currently submitted.” This allows the use of EITHER the X12N 837 professional guide OR the NCPDP Telecommunication Standard Version 5.1.

While NCPA has identified what they perceive as issues of concern to their members, they came up short in correctly addressing these issues. NCPA is not an ANSI-accredited standards development organization. NCPDP encourages participation in the standards development process by active participation through NCPDP membership.

Although the article in the April issue of *America’s Pharmacist* magazine was laced with inaccuracies, NCPA’s Scott Pace did make one profound and true statement, “The fact is, 5.1 is being implemented around the country. The deadline is October 16, so it is best for pharmacists to contact their software vendors to see how they are proceeding with the transition to 5.1.” This is the same message NCPDP has been telling its members for the past year.

One thing is clear in standards development; working outside of the correct process is simply wasted effort.

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ABOUT NCPDP

Founded in 1977, NCPDP is a not-for-profit, ANSI-accredited, Standards Development Organization (SDO). With over 1350 members representing virtually every sector of the pharmacy services industry, NCPDP has made great strides over the last 25 years. NCPDP has established HCIda, a new company that will create a health care identifier for individual health care prescribers. The NCPDP Provider Identification Number provides over 69,000 pharmacies with a unique identifying number for interactions with federal agencies and third party processors. NCPDP has 11 active Work Groups dedicated to the technological advancement of pharmacy through standards development. NCPDP's Telecommunication Standard Version 5.1 and Batch Standard Version 1.1 were named the official standards for pharmacy claims in the Health Insurance Portability and Accountability Act's Final Rule. For more information about NCPDP Standards, Educational Programs and NCPDP Work Group meetings, visit the NCPDP web site at www.ncdp.org.