

NEWS RELEASE

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NCPDP RELEASES A NEW VERSION FOR THE TELECOMMUNICATION STANDARD AND NEW PUBLICATIONS OF THE BILLING UNIT STANDARD AND THE PHARMACY AND/OR COMBINATION ID CARD IMPLEMENTATION GUIDE

SCOTTSDALE, AZ - The National Council for Prescription Drug Programs' (NCPDP) Board of Trustees has approved the release of a new version of the Telecommunication Standard Implementation Guide Version C Release 4 and new publications of the Billing Unit Standard and the Pharmacy And/Or Combination ID Card Implementation Guide.

Telecommunication Standard

What is the Telecommunication Standard and why is it needed?

The Telecommunication Standard defines the record layout for real-time prescription claim transactions and provides practical guidelines for software developers. The standard not only provides a format for billing of pharmacy transactions, it also encompasses certifying eligibility and prescription drug benefits for traditional, managed care and government programs; response detail information defining the reimbursement or denial of compensation with explanations; and concurrent drug use review. Every year billions of pharmacy claims are formatted using the Telecommunication Standard for electronic data interchange at the point-of-sale. In addition, the Telecommunication Standard provides the framework for the Detail Record in the NCPDP Batch Standard. Work Group 1 Telecommunication maintains the Telecommunication Standard.

Telecommunication Standard Implementation Guide Version C.4

Version C.4 provides:

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- Values to support the approved 9 occurrences of Other Payer Coverage Type (338-5C).
- A data element that would uniquely identify a claim.
- Enhancements to address Long Term Care billing requirements.
- A data element to give informational data on the patient's estimated generic savings.
- New reject code guidance into *Appendix G. Two-Way Communication to Increase the Value of On-Line Messaging* and a data element to clarify Prior Authorization messages.
- New reject codes guidance into *Appendix G. Two-Way Communication to Increase the Value of On-Line Messaging to better define when* the pharmacy is not contracted with the plan.

Governing Work Group

Requests for changes to the Standard, resulting in Telecommunication Standard Version C.4, were approved by WG1 Telecommunication, balloted, and approved by the Board of Trustees. WG1 Telecommunication is currently co-chaired by Annette Gabel, Executive Director, Industry Standards Compliance, Medco Health; David Kilgo, R.Ph., Senior Manager, Wal-Mart Stores, Inc.; and Roger Pinsonneault, R.Ph., Senior Consultant, Total Pharmacy Solutions.

Billing Unit Standard

What is the Billing Unit Standard and why is it needed?

The NCPDP Billing Unit Standard establishes a "common billing unit language" for the submission of prescription claims. It is intended to meet two needs within the pharmaceutical drug claim industry: 1) to provide practical guidelines for software developers throughout the industry and 2) to ensure a consistent implementation of standardized billing units. Use of this standard reduces the chance for rejected claims, payment errors, and delayed payments for both claim submissions and rebate billings.

Billing Unit Standard Implementation Guide Version 2.0 Republication of January 2007

The new publication provides:

- A new exception for Pulmicort Inhaler
- 5 new Frequently Asked Questions (FAQ)
- An update to an existing FAQ

Governing Work Group

Requests for changes to the Standard, resulting in Billing Unit Standard Implementation Guide Version 2.0 republication of January 2007, were approved by WG2 Product Identification, balloted, and approved by the Board. WG2 Product Identification is currently co-chaired by Anne Johnston, R.Ph., Senior Director / Drug File, Medco Health Solutions, Inc.; John Klimek, R.Ph., Manager – RxView, SuperValu - Drug Division; and Kay Morgan, Vice President of Drug Products, Gold Standard.

Pharmacy And/Or Combination ID Card Implementation Guide

What is the Pharmacy And/Or Combination ID Card Implementation Guide and why is it needed?

The NCPDP Pharmacy And/Or Combination ID Card Implementation Guide provides practical guidelines for organizations or entities producing member identification (ID) cards for use in the

pharmaceutical drug benefit industry and to promote a consistent implementation of the NCPDP adopted ID card standard throughout the industry. Version 2.0 of the Implementation Guide represents a collaborative effort by the Work Group for Electronic Data Interchange (WEDI) and NCPDP to develop a uniform ID card that incorporates combined data elements for both medical and pharmacy claims processing.

Pharmacy And/Or Combination ID Card Implementation Guide Version 2.0 Republication of January 2007

The new publication provides a change to Section 5.1 Data Elements. The Cardholder Identification Name (Cardholder first name, middle initial, cardholder last name) for the NCPDP Label was changed from *A suitable label identifying this value or blank* to *Name or blank*.

Governing Work Group

Requests for changes to the Implementation Guide, resulting in Pharmacy And/Or Combination ID Card Implementation Guide Version 2.0 Republication of January 2007, were approved by WG3 Standard Identifiers, balloted, and approved by the Board. WG3 Standard Identifiers is currently co-chaired by Melanie Benson, Director, Network Systems, Caremark, Inc.; Perry D. Don, R.Ph., Director, Third Party Operations, Walgreen Company; and Wayne P. Karp, R.Ph., Consultant, Pharmacy Industry Consultants, LLC.

Getting involved

NCPDP Standards are developed by the membership. Without membership involvement and participation, further development of the standards would be halted. For more information on the NCPDP Standards, other NCPDP activities, and how you may get involved, visit the NCPDP website at www.ncdp.org. The next NCPDP Joint Technical Work Group meetings are February 19-23, 2007 at the Renaissance Waverly Hotel in Atlanta, GA and May 6-7, 2007 at the Westin Kierland Resort and Spa, Scottsdale, AZ. In conjunction with the Joint Technical Work Group meetings, on February 20, 2007, NCPDP will host an Educational Program entitled, *'Pay for Performance: Yesterday, Today and Tomorrow*. NCPDP will host its Annual Conference celebrating its 30th anniversary this year at the Westin Kierland Resort in Scottsdale, AZ from May 7-10, 2007. For more information on these meetings, please visit www.ncdp.org or call (480) 477-1000 to register.

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About NCPDP

Founded in 1977, NCPDP is a not-for-profit, ANSI-accredited, Standards Development Organization with over 1500 members representing virtually every sector of the pharmacy services industry. Our diverse membership provides leadership and healthcare business solutions through education and standards, created using the consensus building process. NCPDP has been named in federal legislation, including HIPAA and the MMA. NCPDP members have created standards such as the Telecommunication Standard and Batch Standard, the SCRIPT Standard for e-Prescribing, the Manufacturers Rebate Standard and more to improve communication within the pharmacy industry. Our data services include the NCPDP Provider Identification Number, a unique identifier of over 68,000 pharmacies and HCIda, *"The Prescriber Identity Solution"*. For more information about NCPDP Standards, Educational Programs and Work Group meetings, go online at www.ncdp.org.

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