Version 5010: How Health Care Providers Can Ensure a Smooth Upgrade

Health care providers covered by the Health Insurance Portability and Accountability Act (HIPAA) who submit transactions electronically were required to upgrade from Version 4010/4010A to Version 5010 transaction standards by January 1, 2012.

To be compliant, providers must use Version 5010 standards for claims and other specific electronic transactions.


Version 5010 Testing

If you have not upgraded to Version 5010, time is running out, especially since you will need to allow time for Version 5010 testing before processing live transactions. Testing transactions using Version 5010 standards helps ensure that health care providers will be able to:

- Send and receive compliant transactions effectively
- Address any potential issues
- Avoid problems with submitting claims for reimbursement after the compliance deadline

How to Ensure a Smooth Upgrade to Version 5010

Below is an overview of steps you can take to maintain continuity of operations for your practices as you prepare to complete Version 5010 testing and implementation.

- Be sure to have an upgrade plan in place. Review your upgrade plan to be sure that it documents the steps that are being followed and the dates that milestones will be achieved to comply with Version 5010 requirements. Verify that your plan is available to payers and other business partners so that testing can be scheduled.
• Communicate with your vendors regularly; encourage them to take action now to avoid any future problems with reimbursements. Providers should have identified areas within their practice that depend on vendor support. Communicate regularly and often with your vendors to ensure their systems are up-to-date. Hold vendors accountable by discussing business requirements to ensure products are Version 5010 compliant. Ask vendors about the new Version 5010 features and request trainings to make sure your internal staff is comfortable using the updated system. Lastly, ensure that negotiations with your vendors have included any contract changes or costs involved with implementing the new software.

• Reach out to a clearinghouse for assistance. A clearinghouse can ensure that claims smoothly transition between practices and payers. When providers submit noncompliant claims, the clearinghouse translates the claims into a compliant format and sends the compliant transactions to payers. The clearinghouse can serve as a translator from the Version 4010/4010A to 5010 format. Even if you normally submit your claims to your business partners directly, a clearinghouse can bridge the gap if you are behind in implementing Version 5010, and maintain the submission and processing of compliant claims while you complete your upgrade.

• Establish a line of credit. Providers should work with their financial team to establish or increase a line of credit to cover potential cash flow disruptions. A line of credit will help a provider’s practice prepare for potential delays and denials in payer claims reimbursements due to noncompliant Version 5010 transactions being submitted. A practice should also evaluate its cash reserves.

• Take advantage of the free software available to Medicare Fee-for-Service (FFS) providers via Medicare Administrative Contractors (MACs). Providers should contact their MAC for more information.

This fact sheet was prepared as a service to the health care industry and is not intended to grant rights or impose obligations. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.