



*Partnering for Electronic Delivery  
of Information in Healthcare*

**Statement To  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS  
SUBCOMMITTEE ON STANDARDS  
Review Committee**

**Panel 2 - Eligibility**

June 16-17, 2015

Presented By: Laurie Darst  
WEDI Board of Directors  
WEDI Chair-Elect

Members of the Review Committee, I am Laurie Darst, the Chair-Elect of the Workgroup for Electronic Data Interchange (WEDI) Board of Directors and Revenue Cycle Regulatory Advisor at the Mayo Clinic. I would like to thank you for the opportunity to present testimony today on behalf of WEDI concerning the adopted standards, code sets, identifiers and operating rules related to the Eligibility (270/271) transactions.

WEDI represents a broad industry perspective of providers, clearinghouses, payers, vendors and other organizations in the public and private sectors that partner together to collaborate on industry issues. WEDI is named as an advisor to the Secretary of Health and Human Services (HHS) under the Health Insurance Portability and Accountability Act (HIPAA) regulation and we take an objective approach to resolving issues.

**BACKGROUND**

There continues to be a need for greater adoption of HIPAA transactions, compliance with requirements and consistency of data. WEDI feels that the adopted standards, code sets, identifiers and operating rules are important tools that can help aid the industry in moving forward with health IT. WEDI has previously provided testimony on Operating Rules in 2010, 2011 and 2015. To date, many of the implemented standards, code sets, identifiers and operating rules have provided benefit to industry stakeholders. However, significant barriers and challenges remain before their full adoption, use and potential can be fully realized. In subsequent panel testimony, you will hear from colleagues who will be discussing issues, concerns and proposed changes to prior authorization, claim status, and healthcare payments and remittance advice standards and operating rules; my comments will largely be limited to issues related to eligibility.

**SURVEY OVERVIEW**

To support our testimony in these panels, WEDI conducted a national survey of health plans and clearinghouses in collaboration with the Cooperative Exchange between May 12 and 27, 2015. The survey measures the adoption, use and impact of standards, code sets, identifiers and operating rules,

and some of their associated challenges, barriers and opportunities. Responses were received from 137 organizations, including 68 health plans, 12 Medicare/Medicaid plans, 17 clearinghouses, 21 software vendors and 17 clearinghouse software vendors. The survey asked 31 questions around ten standards: prior authorization (278), remittance advice (835), premium payment (820), claim status (276/277), benefit enrollment (834), eligibility (270/271), healthcare claims (837I, 837D and 837P) and electronic fund transfer (EFT).

## **COMMENTS ON ELIGIBILITY STANDARDS, TRANSACTIONS AND OPERATING RULES**

Based on findings from our national survey of health plans and clearinghouses and from the multi-stakeholder input received from our Board of Directors Executive Committee, WEDI makes the following observations and recommendations:

### **SUMMARY OF SURVEY FINDINGS**

Feedback from health plans and clearinghouses suggests that 270/271 transactions could be enhanced to contribute more value and better achieve the intended benefits. Comments indicated eligibility standards and transactions are difficult for stakeholders to use – and often times confusing to interpret. While data content is already complex, many stakeholders urge the transactions to better reflect current business needs and evolving insurance plans, products and benefit structures. Opportunities for improving eligibility should balance the need for more granular, accurate data supplied by expanded customer and provider functions with the need for more transparent data that is easier to interpret.

### **VOLUME**

**Adoption and use of the eligibility standards, transactions and operating rules could be more widespread.** Survey respondents perceive varying degrees of usage by health plans of the eligibility operating rules, including 34 percent indicated significant usage, 34 percent indicated moderate usage and 16 percent indicated slight usage. In addition, survey respondents report a variability in the perceived or qualified usage of eligibility transactions and operating rules, with 8 percent of respondents reporting extremely variable, 33 percent reporting moderately variable and 31 percent reporting slightly variable. Seventy-one percent of survey respondents reported moderate to significant use of non-batch options for eligibility requests and responses.

### **VALUE**

Respondents also indicated the 270/271 transactions are difficult to use and interpret, and significant variability in adoption may be hindering the return on investment for stakeholders. Eligibility transactions are reported to be meeting industry needs by 64 percent of respondents, and 69 percent believe that the transaction and corresponding standards, code sets and identifiers are achieving their intended benefits. While 72 percent of respondents believe operating rules are meeting industry needs, 38 percent believe intended benefits are not being achieved.

Since the survey was conducted with health plans and clearinghouses only, some of the WEDI Board members representing providers indicated that member-specific network benefits based upon the contracted provider's agreements would be of substantial value. In addition, reporting of specific procedure codes and diagnoses requiring prior authorization would provide more value to providers. They also reported greater data information was found when accessing some health plans' web portals than found using the eligibility transaction.

### **BARRIERS AND OPPORTUNITIES FOR ELIGIBILITY**

**Data must be more consistently available, accurate and complete in order to achieve the greatest benefits and address industry needs.** In order for definitions to be universally interpreted, data requirements and content need to be more clearly defined. In addition to definitions, data could be more comprehensive by requiring additional transaction capabilities, such as identifying the patient's primary care provider, health plan product information and estimating co-pay, coinsurance and deductible costs.

WEDI Board members representing providers indicated that in addition to the reporting of provider specific network benefits, notification of a patient in a health insurance exchange grace period is beneficial – and would continue to become more so as it becomes a more widespread practice.

## **BARRIERS AND OPPORTUNITIES FOR TRANSACTIONS**

### **Transactions and operating rules must meet evolving needs of fee for value arrangements.**

As new payment models and innovative encounters continue to mature, further review is needed to the impact of current workflows, transactions and data content for all the transactions in order to reduce the manual processing associated with these new payment methodologies. WEDI has recently established ACO and Bundled Payment workgroups to assess and recommend changes needed to support these new payment models. WEDI offers to continue to work in this area.

**Data must be better integrated to deliver greater value.** Information must be integrated into workflows and redundancies with other data provided in transactions must be avoided in order to prevent overload and fatigue. It is well demonstrated that electronic transactions, when used appropriately, are able to reduce workflow barriers, simplify or automate administrative processes and create more efficiencies. Based on a letter WEDI sent to the Secretary in 2012 on "Lessons Learned for 5010 Implementation," HHS should consider promoting and supporting voluntary certification processes - such as the Practice Management System Accreditation Program (PMSAP) offered today by EHNAC and WEDI – to ultimately support more effective use of transactions. It became very clear in the deployment of new regulations that vendors are critical to successful implementations. As an example, many providers rely on practice management vendors to comply with regulatory changes. These vendors, however, are not covered entities and significant challenges exist in the readiness of these vendors.

**While we understand the need and desire to move the industry forward with the adoption of standards, operating rules, code sets and transactions, we urge more consideration on the total cumulative impact of changes.**

**For subsequent administrative simplification regulations, HHS should work with WEDI to develop steps and processes to understand appropriate testing approaches, timelines and capabilities that will facilitate industry readiness.** WEDI recommends that HHS work with WEDI to develop industry consensus on steps and processes to understand appropriate and feasible testing approaches, timelines and capabilities that will define the appropriate level of testing and facilitate industry readiness, including the identification of needs related to education, data capture and data usage. We urge HHS to work with WEDI as early as possible in the regulatory process to establish these requirements for the specific implementation subject to the regulation.

In order to better monitor challenges, it is recommended that a system be developed to capture testing and implementation issues in order to provide the industry with a common database of issues that can be consulted. For example, WEDI previously partnered with CMS and industry representatives to implement an ASC X12 5010 database that was useful in collecting implementation challenges and triaging problems.

**Partner with WEDI on surveying industry readiness.** There are many challenges and opportunities that must be further examined – particularly around the return on investment (ROI), volume and value of transactions, and the appropriate level of coding specificity - across all healthcare stakeholders. If NCVHS wishes to consider conducting a more thorough and scientific survey related to industry readiness, WEDI recommends that funding be directed for a more statistically valid survey instrument. WEDI offers to continue to work in this area.

**WEDI encourages HHS to work with WEDI to educate stakeholders and raise awareness on the appropriate use and application of different standards, transactions and code sets.**

WEDI and HHS have a long history of working together in offering joint educational programs to help educate stakeholders on regulatory changes. WEDI has previously conducted privacy education programs for the Office of Civil Rights and held joint webinars on implementation support. WEDI recommends that HHS work collaboratively with WEDI to develop educational briefings and webinars to help key stakeholders learn about the transactions and standards.

**CONCLUSION**

In recognition of the value of the electronic transactions, operating rules, standards and code sets discussed in today's testimony, we would urge the Review Committee to strongly consider the items noted above. Thank you for the opportunity to testify; WEDI offers our continuing support to the Secretary and the healthcare industry.