



*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 6 – Health Care Claim Status

June 16-17, 2015

Presented By: Jean Narcisi
WEDI Board of Directors
WEDI Chair

Members of the Review Committee, I am Jean Narcisi, the Chair of the Workgroup for Electronic Data Interchange (WEDI) Board of Directors and Director of Dental Informatics at the American Dental Association. 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 claim status (276/277).

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.

COMMENTS ON CLAIM STATUS STANDARDS, TRANSACTIONS AND OPERATING RULES

To support our testimony, WEDI conducted a national survey of health plans and clearinghouses that was previously summarized in prior panel testimony. Based on findings from the survey 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 276/277 standards and transactions could deliver greater benefits and return on investment through more automated processes, and alignment with implementation timelines of other standards development bodies.

Despite not presenting significant challenges to date, there is significant perceived or qualified variability in the use of claim status transactions. Efficiencies could be improved by standardizing minimum requirements for responses, acknowledgments and explanations of codes. Opportunities for improving claim status should educate users to reduce confusion, balance the need for more granular, accurate data with the need for more transparent data that is easier to interpret.

VOLUME

Adoption and use of claim status standards, transactions and operating rules could be more widespread. Survey respondents perceive that health plans use claim status operating rules to varying degrees, with 31 percent reporting significant usage, 31 percent reporting moderate usage and 19 percent reporting slight usage. Compared to others measured in the survey, there is less variability in usage of claim status transactions and operating rules; with 19 percent of respondents reporting extreme variability, 28 percent reporting moderate variability and 25 percent reporting slight variability.

Since the survey was only conducted with health plans and clearinghouses, some of the WEDI Board members representing providers opined that operating rules may need to be developed that detail searching and filtering mechanisms in order to prevent improper "claim not found" issues from occurring and further burdening stakeholders with the resulting review processes. Currently, some health plans direct providers to portals, which often times contains very useful information. This could be a more valuable transaction once there is a clearer understanding of how to submit, consume, review and respond to a claim among all parties so that educational materials are as universally clear as possible.

VALUE

Claim status transactions and operating rules are generally providing benefit and meeting industry needs. Claim status transactions are reported to be meeting industry needs by 83 percent of respondents, and 67 percent believe that the transaction and corresponding standards, code sets and identifiers are achieving their intended benefits.

While 65 percent of respondents believe operating rules are meeting industry needs, 47 percent believe intended benefits are not being achieved. Our qualitative research suggests that 276/277 transactions are generally not as difficult to use and interpret, though significant variability in adoption and content may be hindering the return on investment for stakeholders.

BARRIERS AND OPPORTUNITIES

Data must be better integrated to deliver greater value. Some health plan and clearinghouse respondents suggested allowing the provision of multiple adjudications in 276/277 transaction to allow a full claims history.

Some of the WEDI Board members representing providers indicated that claim status codes are not being used consistently across payers. This lack of consistency means that the providers must refer to different tables of codes in their systems for each of their payers.

Transactions and acknowledgments must be better automated. Survey results suggest that significant cost savings could be achieved if manual processes (such as claim status calls) are reduced and/or eliminated by using electronic transactions. Given the confusion on data interpretation, workflow could be improved with clearer explanations of codes (particularly for rejection and resolution).

Based on a letter WEDI sent to the Secretary in 2012 on "Lessons Learned for 5010 Implementation," HHS should encourage the consistent use of Acknowledgement transactions. WEDI believes there is still significant return on investment (ROI) in the consistent use of acknowledgments. Identifying where transactions were getting delayed in between trading partners became a crucial challenge during the ASC X12 5010 implementation. In some cases, claims were found to pass through up to 11 different intermediaries before reaching their destination. During the ASC X12 5010 implementation, it became unclear where certain problems were, because organizations could not easily tell where the claim was in transport.

WEDI strongly urges HHS to consider mandating use of acknowledgement transactions in order to provide a trail that can be used to more easily triage these challenges in future implementations. HHS should partner with WEDI to convene a meeting of the key stakeholders (including appropriate standards organizations and operating rules entities) to facilitate industry consensus and appropriate next steps. Our survey indicates that there may be significant confusion and variance in adoption and use among stakeholders – particularly around 277 claim status responses and 835 remittance advice information. Moderate to extreme difficulty in adopting and expanding usage with claim status transactions and operating rules is reported by 31 percent of respondents. WEDI recommends that HHS work collaboratively with us 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.