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NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS

**Subcommittee on Standards
Review Committee**

HEALTH PLAN ELIGIBILITY, BENEFITS INQUIRY & RESPONSE

**Comments from
Department of Veterans Affairs
as Health Care Provider**

Good morning and thank you for the opportunity to make this presentation today.

These remarks address the questions posed by NCVHS on Health Plan Eligibility, Benefits Inquiry & Response and are organized in two main sections:

- 1. VA successes and challenges with the Operating Rules**
- 2. VA view on efficiencies moving forward with future Operating Rules**

VA successes and challenges with the Operating Rules

As the largest integrated healthcare system in the US, VA sent and received over 65 million healthcare transactions in 2014. Of those 65 million transactions, 19 million were real time eligibility transactions.

VA was compliant with 270/271 transactions before most payers and clearinghouses. In Fiscal Year 2004 VA received roughly 325,000 271 transactions compared to the 9.4 million received today. With implementation of the Operating Rules, transaction volumes soared.

Everyone here today knows the critical importance of identifying a patient's insurance coverage before providing care in order to support revenue. One of the greatest benefits of this transaction is the amount of time, measured in seconds, in which we can now verify insurance as opposed to spending significant amounts of time on the phone or digging through payer websites.

Another major success VA had with implementation of the Operating Rules was the ability to get payers to actually use the eligibility transaction. The Operating Rules state that if a provider requests a real time response to the 270, a payer is required to do so. While payer outreach and education is a challenge, this language in the rules improved payer connections. VA made the decision during 5010 development efforts to adopt real time transactions only. While the industry waited for the Operating Rules to be finalized, it was a struggle to get payers to connect. Once the compliance date passed, payers were more responsive to requests for the real time transactions.

One of the greatest challenges continues to be readiness across the industry. In order to tackle challenges faced with readiness, VA began a very aggressive payer outreach campaign assuring that payers were aware and ready to accept this new standard.

Starting in September 2011, VA reached out to nearly 100 of our top payers that were not currently using the transaction to gauge their readiness. Over half of the payers were initially non-responsive. When this occurs a noncompliance letter is sent to the CEO of the company. After 2 attempts, if we still do not receive a response and movement to comply, a formal complaint is filed with CMS. To date VA has submitted 13 CMS complaints for the 270/271 transaction. Currently VA is active with 277 real time payers, with more added every month.

VA view on efficiencies moving forward with future Operating Rules

Generally, we consider the Operating Rule implementation to be a success, but some roadblocks continue.

Compliance issues and payer discretionary issues continue to remain the largest challenge. While Operating Rules may not fix all of the issues, VA does suggest that the industry define stricter enforcement standards with future implementations that does not depend on provider reporting.

Another challenge is education on transactions and compliance. In our extensive payer outreach we find ourselves first teaching payers the law, and then asking them to implement it. Education is improving every day, but we do think that more can be done.

Finally, the last efficiency is specificity. We have found with this Operating Rule, there tends to be some room for interpretation and discretion. We constantly find ourselves having discussions with other stakeholders about differences in interpretation. VA's position is the more specific, the better.

I hope these remarks have been helpful, and I thank you for the opportunity to address this committee.

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