June 17, 2015

NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS

Subcommittee on Standards
Review Committee

HEALTH CARE PAYMENT, REMITTANCE ADVICE AND ELECTRONIC FUND TRANSFER

Comments from
Department of Veterans Affairs
as Health Care Provider

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

These remarks address the questions posed by NCVHS on Health Care Payment, Remittance Advice and Electronic Fund Transfer and are organized in two main sections:

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

VA's successes and challenges with the Operating Rules

As the largest integrated health care system in the US, VA sent and received over 65 million healthcare transactions in 2014, with nearly 800,000 EFTs received, representing 79.1% of revenue.

VA was an early adopter of ERA and EFT. Thanks to our partners, PNC Bank and the US Treasury, VA developed the ePayments system to replace paper checks and remittances across all 128 VA Medical Centers, and in 2003, we began receiving ERAs and EFTs from our first electronic payer, Aetna. In 2004, VA was awarded the National Automated Clearinghouse Association's Kevin O'Brien ACH Quality Award for nationwide implementation of VA's health care remittance and payment processing system complying with the HIPAA electronic transaction standard.

When VA began receiving ERAs and EFTs, EFTs were not mandated under HIPAA, but if they were sent in conjunction with an 835, it was required to be in either a CTX or CCD+ formatted EFT. An internal decision was made to only accept CCD+ EFTs,

specifically relating to the ability to reassociate the EFT and ERA. However, this decision, limited the payers to which VA could connect. Looking back it was fortuitous as the CCD+ was eventually specifically named in the operating rules.

As the industry began implementing VA experienced great success with ERAs, but until the operating rules were published, struggled with EFTs.

In 2013 VA was connected with 127 separate payer TINs for EFTs and 1,841 separate payer Tax ID Numbers for ERAs. To prepare for the 2014 compliance deadline, nearly 200 payers were contacted to determine their readiness. The success from the outreach program was significant, resulting in over a 164% growth in the number of TINs from which we received EFTs. Smaller growth was seen for ERAs, but growth was realized none the less.

VA's view on efficiencies moving forward with future Operating Rules

Perhaps the most frustrating aspect of the current operating rules is that they continue to allow too much discretion on the part of the payer and health care clearinghouses. Instead of providing for administrative simplification, some of these discretionary aspects create further work for the provider.

1. One such example is how payers and clearinghouses continue to partner to provide credit card payments to providers, even though the CCD+ EFT is named in the operating rules. When questioned as to why the payer or clearinghouse is offering credit card payment, VA has been told that credit card payments are electronic so these payers are meeting the ACA mandate. Also, credit card payments don't allow reassociation to occur and therefore don't allow auto-posting thus requiring many manual interventions. And most importantly, providers are charged for payments with credit cards, either a percentage or flat rate. This is not Administration Simplification and not cost effective.

2. There is also a need to further clarify CARC and RARC codes as payers still continue to utilize discretion in the use of CARC and RARC codes.

3. Enrollment with health plans for ERAs and EFTs also remains challenging. Requiring separate enrollment processes for different TINs at a payer is

arduous. Once a provider submits enrollment forms for a payer, all TINs that payers utilize for payments should be automatically enrolled for EFTs. Some payers are even requiring re-enrollment when the payer makes system changes. This often occurs without any notice to providers; and the only way the provider is aware of the need is when their ERAs or EFTs stop flowing.

VA encourages NCVHS to continue to refine the future operating rules to prevent payer discretion around the issues highlighted.

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

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