

**TESTIMONY**  
**Before the**  
**NATIONAL COMMITTEE ON VITAL AND**  
**HEALTH STATISTICS**  
**SUBCOMMITTEE ON STANDARDS**  
**ON**  
**PROPOSED OPERATING RULES**

**Introduction**

Thank you, Mr. Chairman and members of the Subcommittee, for allowing me to testify today concerning the proposed operating CAQH CORE Phase IV rules on claims transactions.

We have also filed a more inclusive written testimony with the Subcommittee.

I am Christol Green, Senior Business Consultant, E-Solutions, at Anthem, Inc.

- I have been working on HIPAA Administrative Simplification and active in implementing and integrating healthcare electronic transactions for over 20 years.
- I am a current member of WEDI, X12, HL7, NPAG and other healthcare related industry organizations and I currently serve as chair person for the National Plan Automation Group.

With over 72 million people served by its affiliated companies, including more than 38 million enrolled in its family of health plans, Anthem is one of the nation's leading health benefits companies. Anthem is currently a CORE certified health plan with the Council for Affordable Quality Healthcare (CAQH) for Phase I and Phase II.

On behalf of Anthem Inc., an organizational member of America's Health Insurance Plans (AHIP) and the BlueCross and BlueShield Association (BCBSA), I would like to thank you for the opportunity to respond to subcommittee questions and provide our perspective on the proposed operating rules.

We hope that sharing our experience and recommendations with NCVHS will help improve efficiencies and usage of electronic healthcare transactions

**Comments CAQH CORE Phase IV proposed operating rule on claims**

- The operating rules on claims, along with the other operating rules, are concentrated on infrastructure requirements.
  - The claims operating rules do not conflict with the existing standards as they cover connectivity and security requirements in regards to the exchange of 837s between business entities/trading partners.
  - These operating rules do not provide a complete set of information needed to achieve the purpose of the claims transaction due to the lack of data content being addressed.
- Safe Harbor Provision

- We recognize that the safe harbor provision limits the industry's ability to ensure consistent methodologies are used across all stakeholders. This is not cost effective over the longer-term.
- However, the safe harbor is critically important in the short-term as to not disrupt existing operations with our current electronic trading partners. Therefore, we recommend that the safe harbor be kept in place in the near-term and that the industry has adequate lead time and notification to handle any phase out or transition.
- Initially, we had significant concerns with the added technical, processing mode and connectivity, until Safe Harbor was included and explained. Our concerns were the following:
  - The chosen processing and connectivity modes as outlined in Phase IV may not be the most secure options;
  - Anthem would have to 'migrate' all of our trading partners from current chosen processing modes and connectivity to the Phase IV only options which would be timely and costly not only for us but also our trading partners;
  - Not having current options available (although secure) in order to continue to do business with our trading partners
- Flexibility in the operating rules to support changes in technology is critical for future security and/or connectivity methods.
  - The current standard minimally supports changes in connectivity. Fast Health Interoperability Resource (FHIR) is a good example of an emerging connectivity technology that could be supported.
  - We agree that flexibility of standards and operating rules are needed, however we do not support multiple standards and operating rule for each business purpose.

Thank you again for this opportunity today. I would be happy to take any questions at the end of this session.



## **ADDENDUM**

### **NCVHS Standards Subcommittee Hearings on Hearing on Phase IV Operating Rules Health Care Claims**

#### **Statement for the Record America's Health Insurance Plans February 16, 2016**

On behalf of America's Health Insurance Plans (AHIP) we are writing to submit this statement for the record in response to the NCVHS Standards Subcommittee's hearing on the proposed Phase IV Operating Rules for health care claims transactions. AHIP is the national association representing health insurance plans that provide coverage to 200 million Americans. We support the testimony submitted on behalf of AHIP by our member company, Anthem, and agree with the themes and recommendations presented in that testimony. We are submitting this statement for the record to provide additional insight into the broader industry perspective on this topic for the Subcommittee's consideration.

#### Phase IV Operating Rules for Health Care Claims

The Phase IV operating rules for health care claims, as well as other operating rules, are an important initial step in moving toward administrative simplification. The proposed operating rules focus on infrastructure requirements, which are critical for standardization and establishing connectivity and security. However, content is needed to support meaningful data exchange and reduce manual processes. In previous testimony submitted to the Standards Subcommittee and ACA Review Committee, AHIP and stakeholders across the industry have emphasized the need for iterative development of operating rules to drive adoption, interoperability, and administrative efficiencies. We continue to emphasize the importance of prioritizing content development and strongly recommend more rapid development cycles to maintain momentum and address evolving industry needs.

Adoption of the claims transaction, and other HIPAA transactions, is voluntary for providers, which results in low adoption rates and continued use of paper transactions, especially for non-major medical providers (e.g., long term care and supplemental). Without broader adoption, there will always be manual processing of paper claims. HIPAA transactions cannot realize their full value without broad adoption across the industry by all stakeholders. Thus, iterative development of operating rules should include a broad array of stakeholders to address content needs across the industry and drive adoption.



Finally, ongoing development of operating rules should start to bring together the various transactions for an integrated administrative workflow. For example, when prior authorization is required, the eligibility, prior authorization, claim, and claim attachment should interoperate in an integrated workflow to support auto-adjudication and electronic payment. Without this integration, any one of these transactions on its own is not very use friendly and requires manual work by both providers and payers and can cause delays to patient care. The proposed operating rules take the first steps by establishing connectivity, but the bigger issues of content and integration need to be addressed to reduce administrative burden and achieve cost savings across the industry.

We thank the Subcommittee for the opportunity to submit written testimony for the record on this topic.