Statement of Pat Waller
Cambia Health Solutions
On Behalf of America's Health Insurance Plans
to the
National Committee on Vital and Health Statistics'
Subcommittee on Standards
Regarding Proposed Phase IV Operating Rules
Enrollment and Premium Payment
February 16, 2016

Introduction

My name is Pat Waller and I am a senior IT staff consultant with Cambia Health Solutions. I have over 30 years IT experience in healthcare related businesses and have been involved in healthcare EDI for the majority of my career.

Cambia Health Solutions is a health care solutions company headquartered in Portland, Oregon. With six health plans that serve members throughout Oregon, Washington, Idaho and Utah, our focus is to transform health care by exploring innovative, person-centered and economically sustainable models of care.

Cambia is building a family of companies to become a comprehensive health solutions organization. Holding a mix of wholly-owned and minority interest direct investments, Cambia's portfolio includes more than 20 companies in addition to its health plans. From information technology and retail health care to pharmacy benefit management and health insurance plans, our growing portfolio of innovative and diverse companies are helping to transform health care in the 21st century.

I am testifying on behalf of America's Health Insurance Plans (AHIP), whose members provide health and supplemental benefits to 200 million Americans through employer sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. Our industry processes millions of claims, eligibility requests, payments, and other administrative and clinical transactions on a daily basis.

Recommendations

My testimony will address use of the enrollment/disenrollment (834) and premium payment (820) transactions and recommendations for their future use. In general, we recommend NCVHS review these two transactions separately as the value proposition for adopting new operating rules for each transaction may not be the same.

The value of both transactions is limited by their use by other stakeholders. While health plans are mandated to support both transactions, other HIPAA covered and non-covered entities are not. Namely, employer groups are not covered entities and thus not required to use the transactions. As AHIP reported in its June 2015 ACA Review Committee testimony, the only way to ensure stakeholders who are not covered entities comply with a HIPAA transaction standards is to require it contractually, which can be very difficult to do. Thus, employer groups have little incentive to adopt the standards and often turn to alternative proprietary business solutions.

Adoption rates of the 834 and 820 vary, however, which is why we recommend NCVHS examine the value of the next phase of operating rules separately. Health plans have found that adoption of the 834 is higher than the 820, especially for large groups, due to use of an intermediary to process the transaction. For example, Cambia uses a third party to accept the majority of 834 from its large employer groups. This has streamlined our processes and has led to increased efficiencies and automation. Smaller accounts typically do not utilize the 834 given the costs and complexity on the part of the account. Cambia's experience with the 820 is limited to one large employer group and the health insurance exchanges. We have found that systems used by our accounts do not support the 820 and limit the accounts to an alternate electronic or paper format.

While broader mandates for providers, vendors, and employers are still needed to increase adoption across stakeholders, we believe there is value in adopting the Phase IV operating rules for the 834 at this time. However, many employer groups do not have the capacity to support the 820 transaction and instead request alternate formats such as flat files that are less complicated than the 820 transaction standard. Because utilization of the 820 transaction is so low, we are concerned that the resources needed to implement the Phase IV operating rules would not be justified by the value added. Instead, efforts should be focused on increasing adoption of the current transaction standard, for example through increased use of intermediaries to process premium payments via the 820, prior to adoption of the next phase of operating rules.

Finally, we caution against adoption of new operating rules in the health insurances exchanges at this time which use unique companion guides. AHIP submitted testimony for the June 2015 ACA Review Committee hearing in which we strongly recommended against any revisions to Marketplace policies, processes, or transactions (with their corresponding standards, code sets, and identifiers) at this time. Marketplace stakeholders continue to work toward successful data exchange through incremental enhancements but any major changes to business and data requirements at this time would disrupt those efforts.

Closing

In closing, we recommend that the Subcommittee evaluate the industry's readiness to support Phase IV operating rules for the 820 and 834 transactions separately. In its evaluation, the Subcommittee should assess ways to continue to increase adoption of the standards. We recommend the Subcommittee support broader requirements across stakeholders to deliver greater efficiency and cost savings to the 834 and 820 transactions. While the 834 may be ready

for adoption of the next phase of operating rules, the 820 would benefit from broader industry use prior to adopting the next phase of operating rules in order to fully realize its value.

Thank you for the opportunity to provide feedback to the Subcommittee.