Testimony of

The Healthcare Billing and Management Association

Before

The National Committee on Vital and Health Statistics (NCVHS)

Subcommittee on Standards

Claims Attachment Standards

Presented By

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Mr. Chairman and members of the Standards Subcommittee.

The official birthday for HIPAA is August 21st, I hope you will join me in lighting a few candles that day. Unfortunately, I must say that the candles we are likely to light in August will be candles of mourning, not candles of celebration. Mourning, because we will have gone 20 years without realizing a key benefit of HIPAA – administrative simplification.

When it comes to the administrative simplification requirements of HIPAA, it seems as though we've been in a perpetual "leap year" and the actual birthday of the AS standards never comes because in many instances, they've never been birthed. And, in those instances where we have seen Administrative Simplification standards and regulations proposed and finalized, they are not effectively enforced.

Some of you, I'm sure, will recall that we just celebrated the 10th anniversary – September 21, 2015 – of the issuance of the CMS Notice of Proposed Rulemaking that would have set, for the first time, claims attachment standards. Unfortunately, that proposed regulation was never finalized and died after three years due to inattention.

We pulled the following from a joint press release issued by ASC/X12 and HL7 the day the Claims Attachment Proposed Rule was released.

> The Accredited Standards Committee (ASC) X12 and Health Level Seven (HL7) announced today that the Department of Health and Human Services (HHS) published a Notice of Proposed Rule Making (NPRM) for electronic claims attachments in the Federal Register. The publication of this NPRM-in accordance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996 - **is a landmark event** for ASC X12 and HL7, whose

members have worked collaboratively on these complex standards for electronic claims attachments since 1997.

Sadly, that was 2005. And today, we come before you to again plead for attachment standards that should have been adopted 10 years ago.

An attachment standard is critically important and much needed. In my company – we specialize in radiology, ER, and pathology billing – a day does not go by that we are not mailing or faxing information requested by an insurer or health plan that could have easily been submitted as an electronic claims attachment.

Most of these responses are submitted via Fax as this provides us with a record of submission and is less expensive than sending the requested information via certified mail.

Mr. Chairman and members of the Subcommittee, we are finding that insurers are increasingly requesting clinical documentation to support the claim. We think that with the advent of ICD-10, which allows for greater diagnostic specificity, particularly as it relates to illness or injury severity requests for clinical documentation will only increase. This may be particularly true as payment models evolve to bundled payments or episode of care payments that will be linked to the patient's primary diagnosis.

In many cases, based upon our experience with different payers, we know that the claim is going to result in a request for additional information from the insurer. In these instances, we will automatically prepare the claim as a paper claim and submit the 1500 claim form with the attachments to try to expedite the claims processing at the payer. Think of the added cost of building the claim because it is now paper, the added cost of mailing in the claim and the lost revenue due to

delayed claim processing by the payer because the claim was submitted on paper rather than electronically.

The inability to submit claims attachments electronically slows down the claims processing time – even when we know ahead of time that the insurer will request additional information – some plans will not accept

We are aware of research conducted by CAQH/CORE that found that "the vast majority of entities are still using paper to provide clinical data on a claim or other administrative transactions, and, when attachments are electronic, the most common formats are PDF, JPG, TIF, and Word." The experience of HBMA member companies would support these findings.

This outdated and cumbersome process is completely counter to the entire concept of administrative simplification and it leads us to ask the simple question – Why?

Why has it taken 20 years to just come up with the standards for claims attachments? Think about it, since the adoption of HIPAA in 1996, we have literally planned, built and landed a spacecraft on Mars. More specifically, during that 20 years, we have gone from medical images taken on film that had to be read in the hospitals reading room, to digital images that can be taken at a hospital in Baltimore and read almost instantaneously by a Radiologist sitting in California. Yet if I wanted to transmit that image as part of a medical claim that was submitted electronically from Maryland to a health plan claims process center located in California, suddenly the electronic transmission process comes to a screeching halt. We move from Star Trek and Dr. McCoy to Eliot Ness and the Untouchables

It makes no sense!

As I noted, in the absence of electronic claims attachment standards, we have had to develop a variety of workarounds including health plan portals, secure emails and use of standard 1500 paper claim transactions. Each one different!

HBMA joins with our colleagues in recommending the adoption of the X12 278 and 277 request for clinical data, the X12 278 for attachment envelopes and the HL7 Consolidated-Clinical Document. Architecture (C-CDA) R2 standard for clinical content.

There must be a single set of standards and adherence to this single set of standards should be mandatory for ALL health plans and providers seeking to electronically exchange clinical content. Having multiple sets of standards – as some have suggested in the past – would be counterproductive and completely contrary to the intent of HIPAA.

On behalf of HBMA and our member companies, we appreciate this opportunity to testify on this critically important issue and I would be happy to answer any questions you might have.