

**Testimony
On
Proposed Operating Rules
&
Proposed Health Claim Attachment Standard**

**Before the National Committee on Vital and Health Statistics (NCVHS)
Subcommittee on Standards**

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Good afternoon Mr. Chairman and members of the Subcommittee,

Thank you for the opportunity to provide testimony on behalf of Anthem Inc. regarding our perspective on the proposed operating rules and health claim attachment standard. We provide our testimony with the goal of providing information to NCVHS to accomplish its task of assisting and advising the Secretary of the U.S. Department of Health and Human Services in the implementation of the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act.

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.

Anthem is working to transform health care with trusted and caring solutions. Our health plan companies deliver quality products and services that give their members access to the care they need. 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. For more information about Anthem's family of companies, please visit www.antheminc.com/companies.

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

PART 1 - OPERATING RULES

NCVHS Questions for Industry

- Do the proposed operating rules comply/support with the existing standards?

- Does the standard require modification before implementing the proposed operating rules?

Anthem Response

The proposed operating rules do not conflict with the existing standards as they address only infrastructure and not data content. However, the claim related operating rules impose requirements on the use of acknowledgement standards (999, 277CA) that have yet to be mandated for use under HIPAA. While Anthem supports the non HIPAA mandated acknowledgments (i.e. 999, 277CA), many other healthcare entities do not.

In the short-term the safe harbor is important because it allows for current (non-CORE –SOAP, X.509) connectivity and security.

NCVHS Questions for Industry

- Do the proposed operating rules support the intended business function/intended use?
 - Do they provide a complete set of information needed to achieve the purpose of the transaction?
 - Do the operating rules achieve the transaction in the fastest, simplest, and cost –effective manner?

Anthem Response

The proposed operating rules support the connectivity and security infrastructure needs. However, the business function and transaction cannot be fully realized without data content being addressed.

NCVHS Questions for Industry

- What is the potential impact of the proposed operating rules to various health care entities (providers, payers, etc.) on the daily workflow/transaction process; administrative costs, required capabilities and agility to implement the operating rules changes?
 - Do the proposed operating rules provide efficiency improvement opportunities for administrative and/or clinical processes in health care?
 - Has the potential for decrease in cost and improved efficiency been demonstrated by using the proposed operating rules?

Anthem Response

The proposed rules may cause short-term disruption and increased administrative costs for entities that do not support the acknowledgement transactions (i.e., 999, 277CA). In order to achieve efficiency improvements in the future, standards on data content will be required given that the existing operating rules are simply laying the foundation and infrastructure to make these improvements a possibility.

NCVHS Questions for Industry

- Do the proposed operating rules support changes in technology and health care models?

Anthem Response

The current standard minimally supports changes in connectivity. Fast health Interoperability Resource (FIHR) is a good example of an emerging connectivity technology that is minimally supported. Flexibility in the operating rules to support changes in technology is critical for future security and/or connectivity methods.

NCVHS Questions for Industry

- How will the operating rules provide consistency or limit the degree of variability to achieve optimal intended results?

Anthem Response

Achieving optimal intended results may not be possible so long as the acknowledgement 999, 277CA or any other future standard is voluntary. While these standard offer a minimum technological baseline that all payers can support, optimal intended results may not be achieved until all stakeholders are required to implement and support these standards.

NCVHS Questions for Industry

- How does the new set of proposed operating rules relate to, or affect the implementation of the operating rules already adopted?
 - Are there any consistency issues between the two versions?
 - What are the benefits or concerns with implementing the two versions concurrently?

Anthem Response

The new set of proposed operating rules have no effect on the operating rules already adopted. There are consistency issues between the two versions including: (1) Phase IV removed the MIME messaging envelope options; and (2) Changed submitter authentication to x.509 digital certificate over security layers which removed the user name/password requirement. Our understanding is that this newer version overrides previous versions. Our concern with implementing the two versions concurrently are the costs and resources needed to support both.

NCVHS Questions for Industry

- Will system changes be required by the industry to implement the proposed operating rules?

Anthem Response

Yes. Some entities will need to make system changes to implement the proposed operating rules. However, it is important to note that not all parts are required to comply. Some in the industry, including Anthem, are currently compliant with implementing the 999 and 277CA acknowledgements. Furthermore, the safe harbor options on connectivity and security allows Anthem and others to use other methods previously in place with our Trading Partners.

NCVHS Questions for Industry

- Have the proposed operating rules demonstrated ease in adoption and use?

Anthem Response

It is too soon to determine given that these rules are proposed and voluntary.

NCVHS Questions for Industry

- What amount of time is needed for the industry to implement the proposed Operating Rules?

Anthem Response

At least two years after the final rule is announced in order to plan and align the resources necessary for implementation and compliance.

NCVHS Questions for Industry

- What lessons learned from previously adopted operating rules have been applied/addressed in the proposed operating rules?

Anthem Response

We are not aware of any lessons learned from previously adopted operating rules that have been applied to the proposed operating rules.

NCVHS Questions for Industry

- Do the proposed operating rules incorporate the concerns raised by the industry at the June 2015 Review Committee hearing? Which concerns? How?

Anthem Response

As previously stated, the proposed operating rules support the connectivity and security infrastructure needs. However, the business function and transaction cannot be fully realized without data content being addressed.

NCVHS Questions for Industry

- Has the industry developed strategies to measure the impact of adopting the proposed operating rules on the industry?
- Has the industry developed metrics to measure the effectiveness and value of adopting the proposed operating rules? What are they?

Anthem Response

No. Since these are proposed rules, we have not developed a strategy or metrics to measure the impact of adoption of the proposed operating rules.

NCVHS Questions for Industry

- How do the proposed operating rules facilitate potential emerging or evolving clinical, technical and/or business advances?
- Do the proposed operating rules provide potential impact and/or improvement to health care related data and/or data infrastructure?
- If applicable, do the proposed operating rules incorporate privacy, security and confidentiality?

Anthem Response

We believe these three questions relate to one another. As previously stated, the proposed operating rules support the connectivity and security infrastructure needs only. However, the business function and transaction cannot be fully realized until they are mandated on the provider side and address data content.

NCVHS Questions for Industry

- Do the proposed operating rules sufficiently align with the HITECH Stage 3 Final Rules on interoperability/Health Information Exchange so as to be reasonable for effectiveness and efficiency of the industry?

Anthem Response

No. We do not see this with the proposed Phase IV rule.

NCVHS Questions for Industry

- Can the proposed operating rules be enforced? How?

Anthem Response

The ability to enforce the rules is limited. The rules are written in such a way they apply primarily to health plans and clearinghouses, often including safe harbor provisions which allow providers to choose to continue the use of other methods than that prescribed in the rule. The rules are also not consistent across all phases with respect to the connectivity provisions. There are transactions in Phases I-III that use the same

environments as a transaction in Phase IV, which could require additional effort and infrastructure to meet Phase IV requirements.

NCVHS Questions for Industry

- Should NCVHS recommend the adoption of the proposed Operating Rules? Please explain.

Anthem Response

We support the adoption of the proposed Operating Rules for Claim transactions as necessary for alignment within the industry. We support Safe Harbor that its elimination be pushed out by at least five years for connectivity and security provisions be aligned across all transactions consistently as outlined earlier in our comments.

PART 2 - ATTACHMENTS

NCVHS Questions for Industry

- In addition to the use of the proposed standards and code sets in health care claims transaction (Claim Attachments), what other transactions can the standard support (for example, eligibility, prior authorization, post-paid claim audits).

Anthem Response

The standard can support any types of services that require attachments including claim payments, prior authorization, referrals, notifications, post adjudicated claims, and care coordination.

NCVHS Questions for Industry

- Do the proposed standard and code sets support the intended business function/intended use?
 - Does it provide a complete set of information needed to achieve the purpose of the transaction?
 - Does the standard achieve the transaction in the fastest, simplest, and most cost –effective manner?

Anthem Response

The proposed standard and code sets support the intended business function. At this time an attachment standards rule is required to allow many of the healthcare entities to move forward with the work and projects to standup attachments in the multiple formats (X12 275, HL7, LOINC) and usage within numerous systems. We urge NCVHS and HHS to allow for evolving and new technologies over time.

NCVHS Questions for Industry

- What is the potential impact of the proposed standard and code sets to various health care entities (providers, payers, etc.) on the daily workflow/transaction process; administrative costs, required capabilities and agility to implement the standard changes?
 - Does the proposed standard provide efficiency improvement opportunities for administrative and/or clinical processes in health care?
 - Has the potential for decrease in cost and improved efficiency been demonstrated by using the proposed standard?

Anthem Response

The potential impact is significant for all entities to build out attachment standards. This includes providers, payers and vendors. However there will be significant administrative and clinical returns on investment with these names attachments. For example:

- Mayo Clinic has reported efficiencies and cost reductions with implementing electronic attachments.
- Anthem has proprietary processes today (i.e. MEA/NEA, 837 claims PWK fax/mail) which achieved cost savings.

NCVHS Questions for Industry

- Are there potential emerging or evolving clinical, technical and/or business advances the proposed standard intends to address or facilitate.

Anthem Response

It is important that industry is offered approaches for adoption that allow for flexibility for new and/or advancing technologies. For example, we recommend that the required support for the first phase of HIPAA regulation is only the header and the narrative only. Support for any use of machine readable templates is based on individual payer decisions with their business partners.

NCVHS Questions for Industry

- How will the proposed standard provide consistency or limit the degree of variability to achieve optimal intended results?

Anthem Response

Consistency and limited variability will be achieved by naming specific standards for use by the industry.

NCVHS Questions for Industry

- How does the new set of proposed standard relate to, or affect the implementation of the standards already adopted?
 - Are there any consistency issues between the two versions?
 - What are the benefits or concerns with implementing the two versions concurrently?

Anthem Response

The industry will benefit with specific standards named within the Attachments rule. There are some consistency issues between the two versions which will require minor changes in the 275 5010 to 6020 to 7030 versions. Because it is more resource efficient and less time intensive, we would recommend naming one version to X12 275 transaction in order to lessen the impact to providers, vendors and payers.

NCVHS Questions for Industry

- Will system changes be required by the industry to implement the proposed standard and code sets?

Anthem Response

Yes, all entities including providers, vendors and payers will require system changes.

NCVHS Questions for Industry

- Has the proposed standard and code set demonstrated ease in adoption and use? What amount of time is needed for the industry to implement the proposed standard?

Anthem Response

We recommend at least two years or more after the final attachment standard is announced in order to plan and align the resources necessary for implementation and compliance.

NCVHS Questions for Industry

- What lessons learned from previously adopted standards have been applied/addressed in the proposed standard?

Anthem Response

Our lessons learned from the Medicare NGS 275 6020 pilot were previously shared.

WEDI has conducted survey's, which shows that most providers do not implement a significant portion of the standard. As a result, education, communication, and outreach on the benefits and efficiencies for the provider community are a critical activity to encourage adoption. In addition, we are comment a staggered implementation approach given that implementing multiple standards at once is difficult.

NCVHS Questions for Industry

- Has the industry developed strategies to measure the impact of adopting the proposed standard and code sets on the industry?
- Has the industry developed metrics to measure the effectiveness and value of adopting the proposed standard and code sets? What are they?

Anthem Response

Multiple metrics would be implemented based on healthcare entity (provider, vendor, payer etc.) From a payer perspective the improvement in patient care plan and coordination will be a positive outcome and improvement of patient health. Electronic authorization and supporting data for claims and or audits will increase healthcare efficiency and decrease costs.

NCVHS Questions for Industry

- Do the proposed standard and code sets provide potential impact and/or improvement to health care related data and/or data infrastructure?

Anthem Response

Health plans have piloted earlier versions of the attachment standards and use clinical data standards to exchange some clinical data today. Given that the return on investment was significant in these pilots, we would expect that the proposed standard has the potential for similar efficiency improvements.

NCVHS Questions for Industry

- Does the proposed standard incorporate privacy, security and confidentiality?

Anthem Response

Yes. Standards, protocols and rules for health data exchange should be fully open and supportive of data portability and interoperability.

NCVHS Questions for Industry

- How will the attachment standard support interoperability and efficiencies in a health care system?

Anthem Response

Shifting from paper to electronic attachments will decrease manual processes that include resources needed to process paper attachments for administrative and clinical purposes.

NCVHS Questions for Industry

- Can the proposed standard be enforced? How?

Anthem Response

EHR vendors could certify implementation of the attachment rules (i.e., all templates and sections for C-CDA and/or CDP1).

NCVHS Questions for Industry

- Should NCVHS recommend the adoption of the proposed standard? Please explain.

Anthem Response

Yes, Anthem supports the adoption of the proposed standard including the following recommendations:

- ASCX12 275 Envelop. Also allow current approaches (not to interrupt current feeds) with Trading Partner Agreement
- ASC X12N 277 Request for Additional Information
- HL7 Consolidated CDA R2.1 - Similar to a TR3
 - Unstructured document
 - Structured document Types
- HL7 Supplemental Guide –C-CDA R2.1 for Attachments
- HL7 Clinical Documents for Payers Set 1 (CDP1) – Optional
- Logical Observation Identifiers Names and Codes (LOINC). Codes to identify/request attachment types and data content.

In addition, we recommend that any provider, payer or vendor may use any structured document defined by an HL7 Standard (DSTU,STU, Normative), as long as the C-CDA document fully supports (including via backward compatibility):

- The C-CDA R2.1 Header; and
- Requires a narrative block for each populated section, which will thus include the human readable text content of all entry level templates (for that section)

This will support existing and future evolution of CDA-based standards as well as any changes identified in production pilots or full production use by payer and/or providers.

Electronic attachments are a high priority for administrative simplification from a health plan perspective. The industry will benefit with specific standards named within the Attachments rule and we encourage you to offer approaches to adoption that allows the flexibility for advancing technologies.

Again, thank you for allowing me the opportunity to testify regarding our perspective on the proposed operating rules and health claim attachment standard. I'd be happy to answer any questions you may have. Should you have later questions, I may be reached at (303) 435-6195, or via email at Christol.Green@anthem.com.