**National Committee on Vital and Health Statistics**
**Subcommittee on Standards**
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**Jopari Solutions Written Testimony on Health Care Attachments Transaction Standard**
Don St Jacques SVP, Business Development and Client Services
Sherry Wilson EVP and Chief Compliance Officer

Jopari would like to thank the National Committee on Vital and Health Statistics Subcommittee on Standards (NCVHS) for holding these important hearings and allowing Jopari to share its experience sending and receiving healthcare attachments **over the past nine years**.  Jopari is a national corporation that provides technology solutions as well as connectivity services between medical providers and payers in the Property and Casualty industry as well as Group Health.  Jopari is actively engaged in the following Standard Setting and Professional Organizations, which includes but not limited to, Health Level Seven International (HL7), Healthcare Information and Management Systems Society  (HIMSS) , Cooperative Exchange (CE) a national clearinghouse association, and holds leadership roles within: Accredited Standards Committee (ASCX12), Cooperative Exchange (CE), Work Group for Electronic Data Interchange (WEDI), and the International Association of Industrial Accidents Boards and Commissions (IAIABC)  which is the international workers' compensation **standards organization.**

Jopari is recognized as a Property and Casualty (P&C) industry leader and represents 70% of the Property and Casualty payer marketplace through direct and channel partners.  Jopari has been processing attachments **since 2007** and today is processing **about 3 million attachments a month**.

Many of the health care providers, vendors and payers that are engaged in Property and Casualty **attachment** processing are the **same entities** that are submitting/processing the **same X12 standard transactions** today for Government and Commercial Carriers.

At the request of the Committee, we are sharing  from a Property and Casualty perspective how the clinical and administrative data exchange is **taking place not only today, but over the past nine years to** help drive healthcare quality and cost improvement, as well as facilitate cost savings as a result of the administrative simplification. Our testimony will also address stakeholder reported return on investment (ROI)/cost savings **over the past nine years** that have been gained from electronic attachment processing due to administrative simplification and process efficiencies.

Jopari would also like to acknowledge **WEDI Property and Casualty Co Chairs,** Tina Greene, Sr. Regulatory Affairs Consultant, Mitchell International; Tammy Banks, VP, Relationship Management, Optum and Sherry Wilson, EVP and Chief Compliance Officer, Jopari, for their collaboration with this written testimony.


***NOTE:***  *In Property and Casualty the term* ***"Bill"*** *is used when referencing an X12* ***"Claim".***  *A* <u>Claim</u> *in Property and Casualty refers to the* ***entire case file for the patient*** *instead of a* ***n individual bill***. *For the ease of understanding we will use the term claim instead of bill.*

**Background – Evolution of Attachment Standards in the Property and Casualty Industry:**

Property and Casualty claim adjudication requires substantial documentation to support the level of services billed via paper and/or electronic submission for all of claim types, with the exception of pharmacy billing.  Attachments may also include supporting documentation regarding legal and/or disability status of the injured employee.  The cost of sending manual paper claims, the required attachments, and any follow-up with payers to ensure they received the claims, attachments or have sent denials, often results in a second paper claim and attachments set being generated.  This model has proven to be **unsustainable** in the P&C industry and continues to be a strong **motivating factor** to continue to evolve processes utilizing automated solutions.  As a result, in 2007, state regulation moved to adopt the HIPAA X12 EDI standards.  However, attachment standards were rarely used at that time.

- **In 2008** the IAIABC established Workers' Compensation Attachment Standards as part of the National Workers' Compensation Electronic Medical Billing and Payment Companion Guide.  This companion guide was intended to encourage:
    – states to adopt a national standard making it easier for provider, payers and vendors to send/receive/process claims
    – compliance with HIPAA Transactions and Code Set (TCS), as appropriate, to **allow the same** process as the group health industry, as vendors could and/or would not support a **one-off process**.
    – provider adoption as it would promote **one workflow for all lines of business**, payers and products

- During the development of the companion guide, the IAIABC recognized that any standard attachment solution would **need to be flexible** to address the **different** state **business requirements** as well as to be able to accommodate the range of low to high tech stakeholders that are today sending formats such as PDFs, TIFFs, C-CDA and/or Objects such as X-rays. Since 2008, states that have adopted the IAIABC Attachment Standards include California, North Carolina, Texas, Louisiana, Georgia, Oregon, Illinois, and New Mexico; others states are expected to follow.

- Most states have moved toward regulations and/or fee schedule mandates that identify what specific attachments are required to be sent with a claim to support services billed and for consideration of payment.  In many cases the attachment requirements are included as part of the eBill state's Electronic Medical Billing and Payment **" Complete Bill"** (Clean Claim) rule requirements.

- Over the **past nine years** the industry adoption for electronic attachment solutions has **expanded beyond P&C and now includes the Group Health industry.  This includes payers, clearinghouses, and practice management systems allowing** active engagement in providing compliant eBill State Attachment solutions. Examples of several entities processing P&C and Group Health electronic attachments today includes:  Jopari, Emdeon, Availity, ZirMed, SSI, Optum, Passport Health, Athena Health, and Practice Insight.

**Summary of eBill State Attachment Rules (IAIABC)**
The following is an overview of the eBill State Attachment Rules based on the IAIABC National Workers' Compensation Electronic Medical Billing and Payment Companion Guide:

- **Attachment Front End Edits:** Requires the ASCX12**/005010 Health Care Claim 837** "PWK segment" must be properly annotated based on services being billed.  If not, the payer is allowed to reject the claim upfront. **This rule applies to Professional, Intuitional and Dental Claims**.
- **Missing Documentation:**  Requires complete bills (clean claims) missing a required attachment to be **"pended"** by the payer during **pre-adjudication** for a specified time period (5 to 7 days).  *Note: exception Minnesota.*

- **Acknowledgement**: Requirements include:
    - ASCX12/005010 TA1 Acknowledgment
    - ASC X12C/005010X231A1 Implementation Acknowledgment (999
    - The payer is to notify the submitter of a **"pended"** claim status via the **ASCX12N/005010X214 Health Care Claim Acknowledgment (277CA).**
    - When the attachment is, or is not, received within the specified time period, a separate 277CA is required to be sent with the appropriate healthcare claim status message to indicate that the attachment was received and processed for adjudication or was rejected for missing documentation.

- **Attachment Header Data Requirements (aligns with HL7 and X12 Attachment Workgroup):** Requires Patient Name, Payer Name, Date of Service, Date of Injury, Property & Casualty Claim Number, SSN (if known) and Unique Attachment Control Number (PWK06 Value).

- **HIPAA Security and Privacy Rules:** Requires HIPAA Security and Privacy Rules be applied to the attachment processing addressing Protected Health Information (PHI). The IAIABC and states are also following HIPAA Meaningful Use regulations for consideration on how to align with these federal regulations, as appropriate.

- **Message Content/Format**: Requirements include:
    - State specific attachment regulations (resulting in 90% unsolicited attachments)
    - Allowing flexible formats based on Trading Partner Agreements (e.g., PDFs, TIFFs, C-CDA, Objects) to accommodate PMS, EMR and/or other administrative/clinical systems.
    - that the IAIABC work with HL7 to obtain P&C Report Type External LOINCs to accommodate ASC X12 requirements as well as P&C attachment requirements in the C-CDA.

- **Routing/Envelope:** Requirements include:
    - ASC X12N/005010X210 Additional Information to Support Health Care Claim (275)
    - Flexibility for Trading Partner Agreements to include secure electronic fax, secure encrypted email, secure electronic transmission using the prescribed format or a mutually agreed upon format

- **Request for Attachments:** Requirements include:
    - ASC X12N/005010X221 Health Care Claim Payment Advice (835) with CARCs and RARCs used to request missing, invalid or incomplete documentation

- **Attachment Go Forward Strategy**

    The IAIABC and states adopting eBill requirements are interested in sharing their success with the submission and processing of electronic attachments. We remain hopeful that the subcommittee will consider incorporating our lessons learned by adopting the ASC X12 and HL7 standard transactions, while allowing multiple attachment formats based on Trading Partner Agreement. The P&C industry wishes to continue to align with the HIPAA TCS Standards, including Attachments Standards, as appropriate, to facilitate stakeholder EDI adoption.

**Return on Investment (ROI)**

Over the past **nine** years, electronic attachment processing, with standards-based formatting, has resulted in expedited claims adjudication and faster payment cycles that translates into cost savings and

process efficiencies for all parties. The following real-life examples demonstrate stakeholder's benefits and return on investment associated with the movement to electronic attachment processing:

- The use of the PWK01 **Identified Report Type/LOINCs - significantly has expedited the routing of** clinical as well as administrative attachment processing – resulting in **faster payment** and significant reduction in the phone calls associated with original requests, follow-up requests, and denials/resubmissions of attachments.

- Providers reporting average manual payment cycle of **60 plus days turned into 8-10 days effectively increasing provider satisfaction.**

- Payers and Providers are reporting that electronic attachment exchange as compared to the paper attachment sending/receiving process has led to **expedited treatment authorization (similar to prior authorization/certification in Group Health) which impacts the delivery of patient care**

- Due to requirements for specific attachments to be sent on claims for medical services, some payers are reporting 15 to 30% **administrative** savings due to front end attachment edits (mitigates the cost of claim adjudication and rejections for missing attachments on the back end) as well as the ability to increase claim volume without an increase in overhead costs.

- Providers are reporting an average increase **of 75%** " **First Time Clean Claim Submission**" when sending electronic attachments when front end attachment edits are applied **and X12** A**cknowledgements** are sent to eliminates the costly phone calls to follow up on **"lost attachments".**

- Providers are reporting an average 30 to 50% administrative savings due to front end attachment edits that are deployed by their agents prior to payer submission to **ensure Clean Claim processing** and the submission of acknowledgements by payers or their agents.

**Recommendations:**
The P&C industry appreciates the opportunity to take advantage of the EDI lessons learned by the HIPAA covered entities through the use of the HIPAA TCS as well as additional ASC X12 standard transactions to promote the end-to-end workflow for both payers and providers that has brought cost savings and efficiencies. In turn, the P&C industry encourages NCVHS to support the lessons learned through the evolution of attachment solutions by the P&C industry based on **nine years of industry experience** as well as industry feedback as contained within the following **three recommendations. Jopari also supports the recommendations made by** ASC X12, HL7, WEDI and the Cooperative Exchange.

1. **Phased in Approach – Recommended Standards:**
   - **Administrative Standards**:|
     ASCX12N 277 Request for Additional Information
     ASC X12N 275 Additional Information to Support a Health Care Claim or Encounter (minimal requirement),
     ASC X12N 275 Additional Information to Support a Health Care Services Review (minimal requirement) .
   - **Clinical Data Content :**
     HL7 Consolidated Clinical Documentation Architecture & Templates (C-CDA R2.1)
     HL7 Attachment Supplement Specification: Exchange Implementation Guide Release 1
     HL7 Clinical Documents for Payers Set 1 (Optional)

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We recommend the adoption of the above administrative and clinical standards and their respective acknowledgments to allow a flexible approach to the adoption of attachment standards, implementation specifications and **operating rules**, and a transition period that can be adopted **across all lines of health care business** (**same industry stakeholders already engaged in attachment processing since 2007**).

Allow for **flexible formats, not just one format such as C-CDA** to be used based on business requirements. It is important to allow both transactions to send/receive different levels/types of data based on business needs.  For instance, an attachment to support the claim would not necessarily be granular enough to support all complexities of clinical treatment from provider to provider (i.e. patient care).   Currently ASC X12 standard transactions are generated by practice management systems, while HL7 standard transactions are generated by the electronic medical record systems.  While we understand administrative and clinical data will eventually be integrated, at this point the two approaches makes the most business sense, and will utilize the readily deployed technologies that are already generating administrative savings for all stakeholders.

2.  **Allow for Additional Types of Information Exchange**
    While we support the adoption of the ASC X12 and HL7 standard transactions, we also recommend the allowance of the additional effective exchange processes that are occurring today  in order to not **impede agreed upon  attachment workflow processes** that are in place today via Trading Partner Agreements. This process accommodates for low tech to high tech stakeholders, as well as encourages **emerging innovative technology solutions.**

3.  **Industry Collaborative Education and Outreach across All Sectors of the Industry**:
    The Property and Casualty providers, hospitals, vendors, and in some cases, payers are **the same entities** that are submitting ASC X12 transactions today for government and commercial claims. After **nine years of attachment experience** we have **identified the critical key to attachment adoption and it is twofold – make use of readily deployed technology such as scanning or document management tools; and** ongoing education to **clearly communicate the benefits and ROIs** to the various stakeholders regarding the utilization of attachments.

The non-covered P&C industry has adopted ASC X12 standard transaction and electronic attachment solutions not just because of any states' mandate, but rather because it makes **good business sense**. This is evident with stakeholders adopting these standards as part of their everyday **business process.**

Conclusion

In conclusion, Jopari Solutions would like to thank the members of the Subcommittee for the opportunity to present the P&C industry experience on this critical topic that has the potential to bring increased efficiencies and take additional cost out of our healthcare system.  States are continuing to adopt the IAIABC eBill Model Rules and Companion Guide that include the ASC X12 275 standard transaction.  The IAIABC and eBill states recognize the need to align with HIPAA attachment regulations as appropriate in order for the P&C industry to facilitate stakeholder EDI adoption. We strongly believe in **one EDI workflow across all lines of healthcare business to ensure increased adoption by all parties, which will effectively remove unnecessary administrative costs from the healthcare system.**

We again, encourage NCVHS to advise HHS that **EDI standard transactions must be viewed as an end to end cycle, not in isolation.** We hope this information will be useful to you. Should you have questions or need any further information, please do not hesitate to contact us.

Respectively Submitted:
Don St. Jacques, SVP, Jopari Solutions
don_stjacques@jopari.com
www.jopari.com

Sherry Wilson, EVP and CCO, Jopari Solutions
Sherry_wilson@jopari.com