Statement of the Designated Standards Maintenance Organizations
to the
National Committee on Vital and Health Statistics'
Subcommittee on Standards and Security
Regarding the X12 Version 5010 Standards' Readiness
Presented by Nancy W. Spector

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Good morning, I am Nancy Spector of the American Medical Association and Chair of the National Uniform Claim Committee (NUCC). I am also the 2006 Chair of the Designated Standards Maintenance Organizations (DSMO) and the NUCC representative to the DSMO. My testimony today provides an update for the Subcommittee on the forecasted timetable for the DSMO to bring forth X12's 5010 versions of the currently adopted HIPAA 4010 X12 standards. I would like to thank the Subcommittee for affording me the opportunity to provide you with this information today.

Current Process for Adopting Modified Versions of HIPAA Standards

I will begin by reviewing the currently defined process for bringing forth proposed changes to the HIPAA standards. The first step is for a DSMO Change Request (change request) to be submitted to the DSMO website, which is HIPAA-DSMO.org. This is the starting point of the DSMO process. A change request can be made by anyone in the industry or by a standards development organization (SDO). As you may already be aware, SDO membership is comprised of a broad industry constituency, but may not include all of the industry. A change request made by an SDO will be based on feedback from the SDO members that the next version of the standard should be pursued for adoption. It will be for one Implementation Specification, not a suite or bundle.

The next step is for the DSMO to complete its processing of the change request. Each of the organizations that make up the DSMO has 90 days to review the change request and vote on their response to it. The 90-day timeframe for this step is specified in the DSMO Memorandum of Understanding. This 90-day period allows for further industry affirmation to move forward with the request for adoption of a modification. As you are aware, considerations for a streamlined process are underway. Today's testimony will not address a streamlined approach. It is my understanding that several of the DSMO representatives are slated to testify in July 2006 on a consolidated SDO proposal for a streamlined process.

During the processing of the change request, there is the potential for a one time 45-day extension that may be asked for by one of the DSMOs. Following their individual reviews, the DSMOs post their response to the change request within the 90-day or 45-day extension period. The DSMO Steering Committee reviews the responses and

finalizes the DSMO recommendation on the change request. The Steering Committee determines the content of the response to the request. A letter is then drafted and is sent to NCVHS to approve the DSMO's change request proposing a modification to a HIPAA standard.

A new step to the process has been added following the work of the DSMO. As part of the requirements for the publication of a Notice for Proposed Rule Making (NPRM), a cost/benefit impact analysis on the industry must be completed. We are anticipating that the Workgroup for Electronic Data Interchange (WEDI) will perform this service to the industry by conducting a survey. Due to the newness of this step, we are working with WEDI on finalizing this approach, taking into account our pilot effort on version 4050 of the 835 transaction.

Once the DSMO process and cost/benefit analysis are completed, several steps remain before the change request is implemented. As you are aware, NCVHS processes the DSMO request to modify a HIPAA standard. NCVHS makes a recommendation to the Secretary of Health and Human Services (HHS) that a modified HIPAA standard is ready to be brought forward to the industry. HHS then writes an NPRM and it is announced in the Federal Register, allowing for a specified public comment period. Following the NPRM, HHS reviews the comments and writes a Final Rule. The Final Rule is published in the Federal Register and announces the implementation date.

Estimated Version 5010 Technical Report 3 Schedule

Now, I will apply this process to the estimated schedule for the version 5010 Technical Report 3's (TR3), formerly known as implementation guides. The schedule that I will outline was developed with the idea that X12 and the DSMO may bring forward version 5010 updates to the HIPAA standards and that these may be delivered in groups of transactions over the next few months as X12 and the DSMO complete their work. There are a number of steps that must be completed for this schedule to be met and, although it represents what X12 and the DSMO believe can be done, all of these dates are subject to change based on industry review and approval processes.

The schedule below represents when X12 believes their development work will be completed, based on their current work status and project plans. The term "completed" represents when the guide content is finalized and the final publishing step fulfilled.

It must also be noted that, as these Technical Reports go through their reviews with the public and technical committees at X12, the timeline may be adjusted. X12 does not currently anticipate any changes, but they may occur.

X12's Estimated Version 5010 Schedule

Month and Year for DSMO CR Submission	X12 TR3 Designation	X12 Transaction Name
May 2006	X221 835	Health care claim remittance (payment advice)
June 2006	X222 837 P	Health care claim – professional
	X223 837 I	Health care claim – institutional
	X224 837 D	Health care claim – dental
	X217 278	Health Care Services Review – Request for Review and Response
September 2006	X220 834	Health plan enrollment
	X218 820	Health plan premium payment
	X212 276/277	Health care claim status inquiry/response
December 2006	X203 270/271	Health care eligibility benefits inquiry/response

The date in the schedule represents the month and year that X12 anticipates submitting a change request to the DSMO. It will take approximately four to five months from that date before NCVHS will be contacted with a finalized change request for bringing that modified transaction forward.

For the standards that are anticipated to have a change request submitted in June 2006, they are currently in the final review process by X12, which will not be completed until April 2006. There is the potential for issues to be identified that will need to be corrected, which would delay the submission of the change request, although X12 is not aware of any issues at this time.

The standards that are anticipated for a change request in September 2006 are also subject to a potential change. These standards are still in the early review process of receiving and responding to public comments. It is important to capture these changes early in the process. Depending on the nature and significance of these comments, there is a potential for delays if something needs to be readdressed. Again, X12 is not anticipating this will happen, but wants to draw your attention to a potential delay.

The standards anticipated for a change request in December 2006 are subject to the same issues as the September group, but these are even earlier in their public comment process.

Update on 4050 835 Change Request

As a follow up to a previous topic discussed at the December 2005 NCVHS meeting, X12 is currently considering withdrawing its change request to adopt version 4050 of the 835 transaction and submit a new change request to adopt version 5010. This decision will be discussed by X12 in April 2006. Following that decision, a change request would

be submitted, which will trigger the DSMO review process, cost/benefit analysis, and the remaining steps for adopting modified versions of the current HIPAA transactions.

Summary

In summary, I have outlined the current process to bring forward to the industry a modified version of a HIPAA standard. As you can see, it is a lengthy process that is comprised of many procedural steps, as well as many stakeholders, which makes the overall process quite complex. The new step of conducting a cost/benefit analysis, which we are coordinating with WEDI, has added another level of complexity to the process. We have piloted this new step with WEDI and will continue to work with them to refine the process of obtaining the best cost/benefit information from the industry that we can. I have also provided the estimated schedule from X12 on when they anticipate submitting change requests to the DSMO for each of the version 5010 standards. As stated earlier, there are many opportunities for delays and changes to the X12 preparation of the version 5010 standards based on industry input and technical reviews, as well as potential delays in the overall change request processing system.

We hope that you have found this information to be helpful and we look forward to working with you as we bring the version 5010 standards forward in the HIPAA modification process. I would like to thank you again for the opportunity to present this to you today. I will be happy to answer any questions that you have at this time.