



EDIFECS

**Standards Subcommittee of the
National Committee on Vital and Health Statistics (NCVHS)
Preparations for Implementing the Updated HIPAA and Code Sets
Standards**

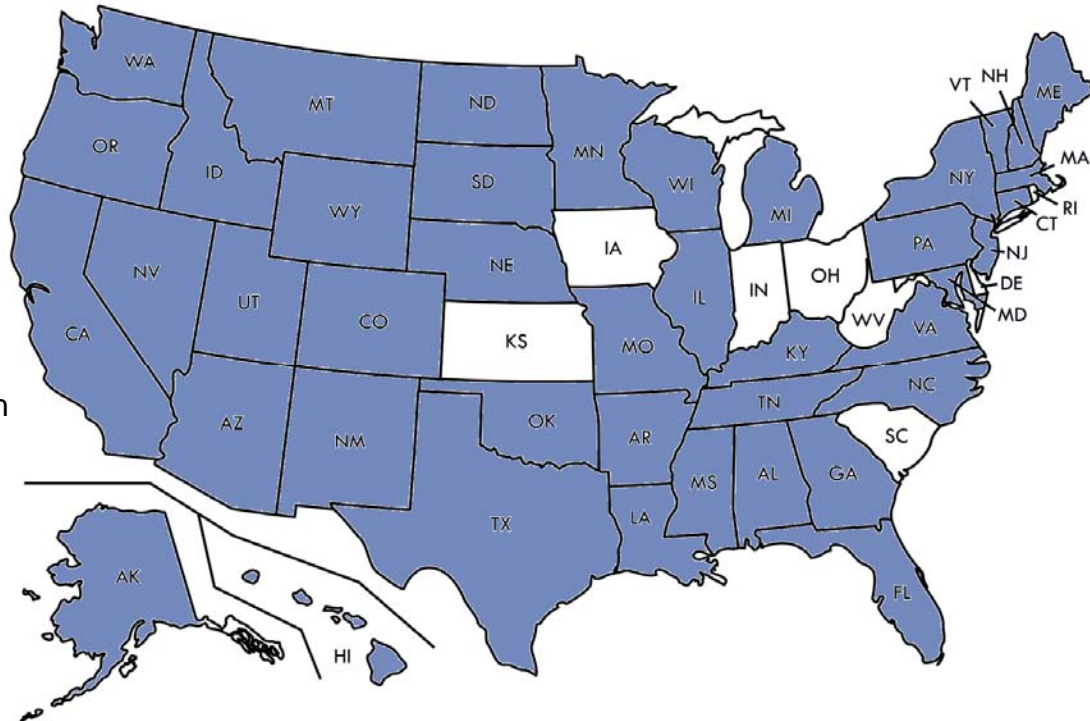


**Sunny Singh, CEO
Edifecs, Inc.**

Edifecs Customer Base

Medicaids, Blue Plans and Providers

- **23 State Medicaids out of 50**
 - Manage 34.6 million beneficiaries (60%) from 58.5 million citizens across the United States
- **23 Blue Plans out of total 39 from 29 States**
 - Manage 70 million members (70% of Blue Customers)
 - 13 Blue Plan Customers among Top 100 Health Plans
- **71 Healthcare Providers located in 23 states**
- **Products fully 5010, NCPDP standards and ICD-10 code set ready**



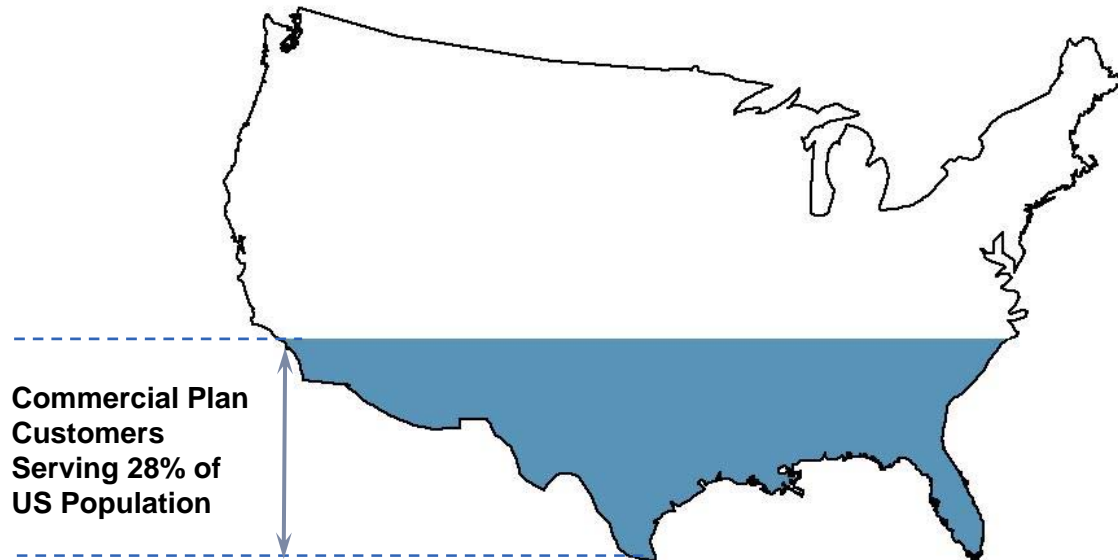
Edifecs Customers 2009

- Medicaids/State Plans
- Blue Plans
- Providers

Edifecs Customer Base

Commercial Plans and Federal Customers

- 47 Commercial Plans across 14 States
 - Manage about 76 million members across the United States
 - 10 Customers ranked among Top 100 Health Plans
- 5 Federal Customers managing healthcare services for citizens, veterans and US defense



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NORTHROP GRUMMAN





Edifecs Partnerships

• 9 Partners in Business Week's Top 100 IT Companies Worldwide

- \$235 Billion in Combined Revenues
- 7 partners ranked among Top 10 System Integrators by IDC Research
- 7 partners ranked best-of-breed on Gartner's Magic Quadrant for Application Integration Products



• 4 Top Market Leaders in Healthcare Transaction Processing



• Serving Key Industry Organizations

- **Blue Cross Blue Shield Association** – Improving visibility and trading partner management
- **CAQH** – CORE Testing (certified vendor)



• Strong partnerships with and memberships in healthcare standards organizations





Edifecs Supports the Healthcare Community

- Free software - donated to various workgroups for standards development and publication
- Free web-based compliance testing and certification services - HIPAA compliance testing and standards conformance certification
- Free comparison guides - comparison guides for 4010 v 5010 downloadable from our website
- Free CORE certification testing
- www.hipaapedia.com



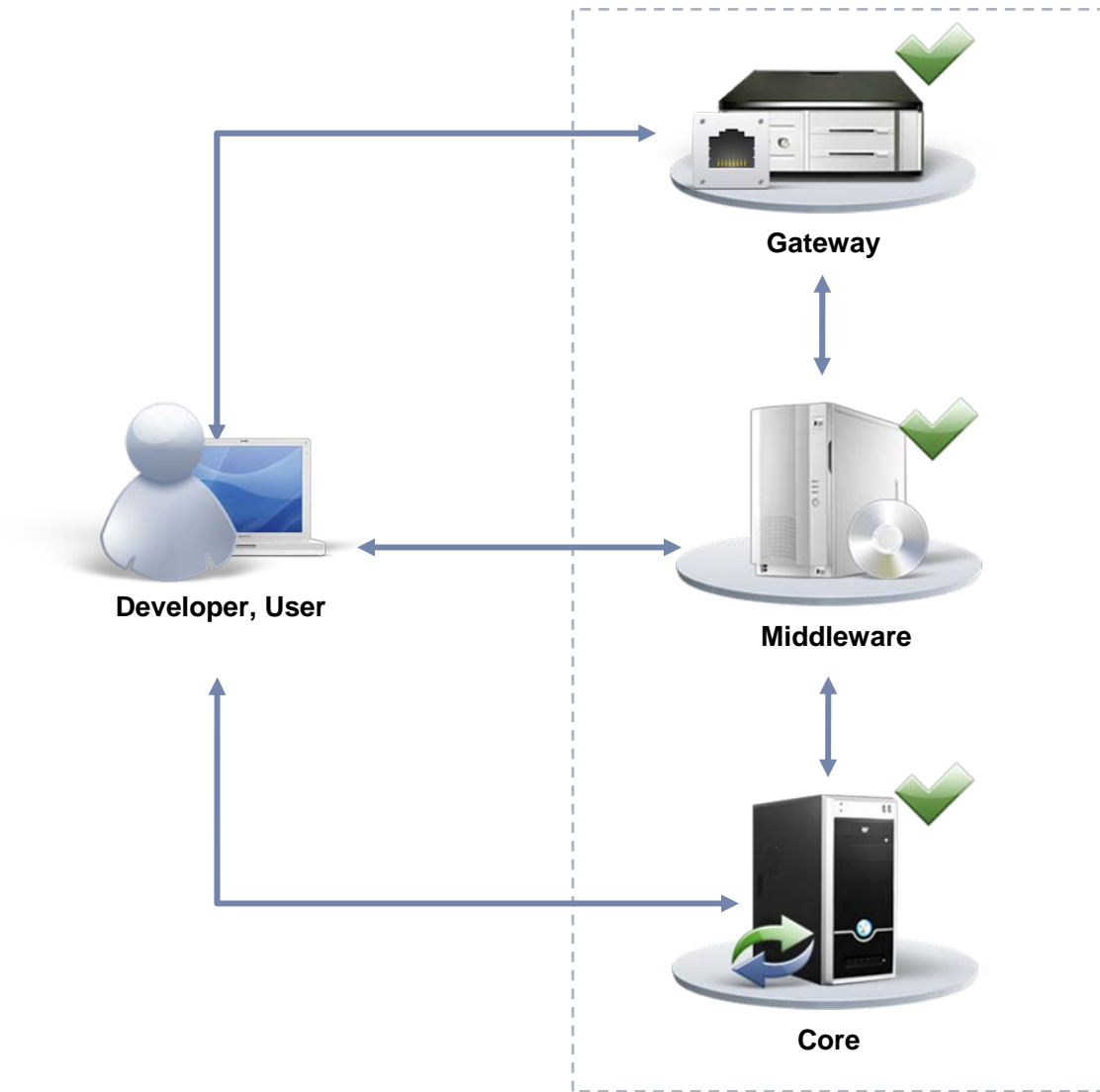
Today's Testimony

- Edifecs's experience in implementing HIPAA standards
- Edifecs's testing leadership in the healthcare industry
- Strong customer relationships and partnerships – “Real World” experience
- Delivered limited survey to leading stakeholder entities
- Defining types of testing:
 - Internal Testing
 - External Testing
 - End to End Testing
 - Collaborative Testing



Internal Testing

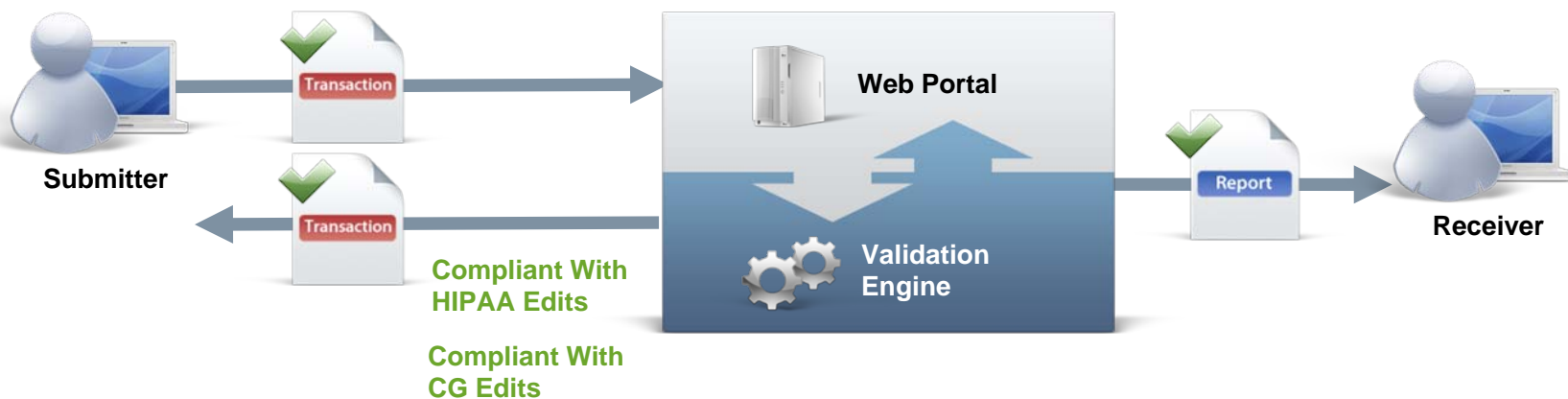
Each Component Developed and Tested Individually, then Together as a System:
Unit, Systems Integration, and User Acceptance Testing





External Testing – Basic, Between Individual Partners

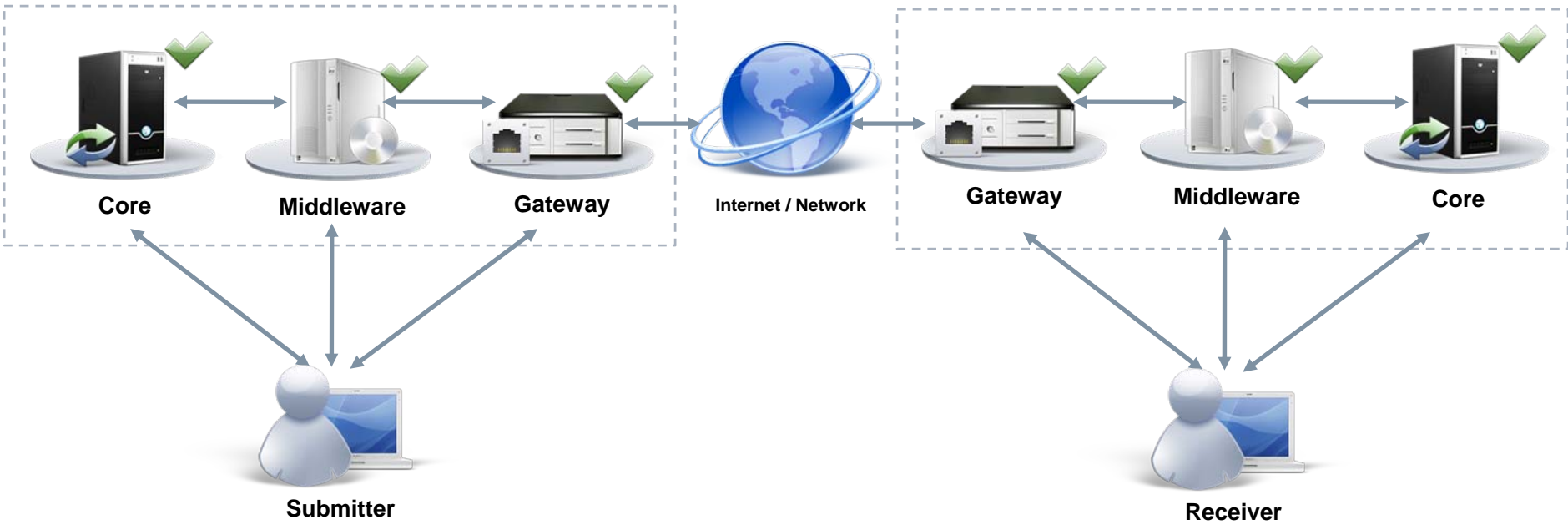
“Transaction Testing”: Is the Submitter Compliant with HIPAA, Companion Guides?





End-to-End testing

“Beta” - Systems Tested as “Mirror” of Actual Production Flow Between Partners, Then Against Actual Production Systems





Collaborative Testing

Consortium-Endorsed Guidelines, Methodologies, with Due Diligence, Certification





Observations:

Current Phase of Work for 5010 and ICD-10

- **Many indications that the industry is not where it needs to be**
- **5010 implementation appears to be running the same course as 4010**
 - Many are just beginning their internal development
 - Many are planning major upgrades or migrations, as well
 - Dependencies on vendor applications being deployed timely
 - Concerns around trading partners readiness
- **ICD-10 work for many appears to be either in the pre-planning or very beginning of analysis phase**
 - Many are not even sure where to start
 - Very complicated crosswalks need to be implemented
 - Testing of these crosswalks will need a lot of time due to the analytical nature



Observation: 5010 Timeframes Assumptions

- **Industry Recommendation: Begin external testing by January 1, 2011**

- Assumption: Those dependent upon vendor solutions for 5010 compliance will be ready to begin January 1, 2010
- Assumption: Most organizations are already 4010 compliant making the move to 5010 more about testing than development

- **Compliance Date: January 1, 2012**

- Will the industry be ready?





Observation:

ICD-10 Timeframes in Jeopardy

- **Based on other countries ICD-10 implementation, it takes anywhere from 2-5 years**
 - Australia : 2 years
 - Germany: 3 years
 - Canada: 5 years
- **Industry seems to be stuck in “Where do I begin?” mode**
- **While crosswalks are not the ideal solution, they will become the necessary evil for implementation**
 - There will be more than one crosswalk
 - No two crosswalks will be the same
 - Testing will become critical to understanding differences in reimbursements, underwriting and quality measures based on ICD-10



Additional Summary Observations

- Experience from 4010 testing and implementation supports the need for strong test scenarios and cases and allowing enough time for testing
- Value of contributions or guidance offered by organizations such as WEDI, NCHICA and NMEH are perceived to be of high value
- Most stakeholders feel there is value in 3rd party certification as means to reduce end to end external testing timeframes
- In spite of value of 3rd party certification benefits perceived, most will not require 3rd party certification – will employ existing tools



Edifecs Recommendations to NCVHS – 5010 Testing

- Vendors must be held accountable to dates to support comprehensive and end to end testing – many organizations are very dependent on these vendors
- CMS should take a very pro-active stance with regard to expectations for Compliance Levels 1 and 2 milestones for both vendors and stakeholders, and communicate those expectations vigorously
- CMS needs to explore how to resolve differences in 3rd party certification results and due diligence – CAQH/CORE model may provide methodology. If certifier differences and due diligence questions can be resolved, we strongly recommend certification as a required step for vendors and stakeholders
- Government Agencies, SDOs /DSMOs and Industry Associations should set standards for, BUT NOT exclusively endorse any certification entity or product – there should be a choice
- Publicly acknowledge organizations achieving Compliance Levels in advance of the deadline – such acknowledgement will be a prime motivator for executive buy-in and oversight



Edifecs Recommendations to NCVHS – ICD-10 Testing

- Ideally there should be one industry ICD-9 to ICD-10 and ICD-10 to ICD-9 crosswalk
- Industry Associations (MGMA, AHA, etc.) work with constituents on testing strategies that validate “RESULTS” and not “TRANSACTIONS”
- Providers should document scenario-based test cases that reflect their business and revenue patterns in ICD-9 to establish a baseline for comparison with ICD-10 end to end transaction testing results
- Providers and their vendors should test the same scenarios with all payers that represent the largest portion of existing revenue base to determine impacts and inconsistencies
- Act soon – the time is short and the stakes are high
- Explore engaging industry groups – WEDI, CAQH/CORE, NCHICA, NMEH – and expanded role in fleshing out/ rolling out meaningful ICD-10 testing strategies



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Thank you



Inc5000 fastest-growing private companies in the US



100 Fastest Growing Companies in WA



100 Best Places to work for in WA