



**Statement To**  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS**  
**SUBCOMMITTEE ON STANDARDS**

July 19, 2010

Presented By: Donald Bechtel  
Senior Key Expert, Standards & Regulations  
Health Services Patient Privacy Officer  
Siemens Medical Solutions, USA  
Chair Elect WEDI

Members of the Subcommittee, I am Don Bechtel, Health Services Patient Privacy Officer for Siemens Medical Solutions, USA and Chair Elect of the Workgroup for Electronic Data Interchange (WEDI). I would like to thank you for the opportunity to present testimony today concerning the National Health Plan Identifier.

WEDI has convened a Subworkgroup to discuss the National Health Plan ID (Plan ID), through which the following initial thoughts have been developed. However, considerable discussion and evaluation still needs to occur within the industry due to the varying needs of the different stakeholders. The concepts of enumeration discussed in this testimony do not reflect stakeholder consensus at this time given the timeframes available to hold such discussions. WEDI intends to convene a Policy Advisory Group (PAG) later in the summer in order to bring the stakeholders together to work towards a single consensus-based approach, after considering all needs and current practices.

## Purpose

WEDI understands the original purpose for a Plan ID, based on several Health Care Financing Administration (HCFA) publications<sup>1</sup> was to facilitate the routing of electronic transactions between providers, payers, and clearinghouses or other intermediaries. However, some in the industry see an opportunity to consider the use of the Plan ID not only for routing purposes, but to accomplish other business needs. For example, within the Plan ID Sub-workgroup one or more WEDI Members has suggested the following be considered for inclusion with Plan ID enumeration:

- Identifying the product line within the plan/payer in which the patient is enrolled;
- Identifying the “network” the payer/plan is using through which the provider accesses the payer;
- Identifying the entity within the plan that is paying the claim to enable the provider to determine if expected reimbursement matches paid based on their contract with that line of business;
- Ensure at the time of registration that the appropriate entity for plan administration is determined so that any expectations of the payer/provider relationship can be handled appropriately.

WEDI has no intent to recommend changing the identifiers used currently within transaction envelopes for routing to the Plan ID. Any use of Plan IDs as trading partner identifiers must be done by willing trading partners. The concepts of routing presented relate solely to identifiers within the transaction sets themselves.

Current plan identifier’s used within the ASC X12 transactions are also used in some instances for sorting of transactions, primarily by clearinghouses. Again, WEDI’s intent is not to break what is currently in place and working today. The *WEDI Health Identification Card Implementation Guide*<sup>2</sup> also references use of the Plan ID, to facilitate the communication of routing information to providers.

In addition, clearinghouses and vendors are stakeholders in the Plan ID. They are affected not just as “routers” of transactions, but also because the ASC X12 005010 transaction standards require that the Plan ID, when mandated, replace identifiers used to edit transactions that assist all senders of transactions in insuring their transactions meet business requirements of the recipients.

## Format

For Plan ID to be used as a Plan ID on a WEDI or NCPDP standard ID card, the format must be consistent with the identifier requirements in the ANSI INCITS 284 ID card standard. In practice this means a 9-digit plus check digit ID prefixed by (80840) issued by an entity registered with ISO. Currently, identifiers with the first digit 1 through 8 are issued by HHS, and those with the first digit 9 are issued by Enumeron.

The only existing identifiers in this format are those issued through Enumeron, which have been adopted by some payers for electronic health ID cards. We are not aware of any use of these identifiers in electronic transactions at this time. Payers currently using the Enumeron IDs would prefer to continue their use those identifiers when the Plan ID regulation goes into effect. However, the WEDI does not believe this requires that Enumeron be the issuer of new Plan IDs.

In order to universally adopt a new 10-digit Plan ID in all transactions in the locations called for by the ASC X12 version 005010 standards (and potentially in other locations):

- Patient registration at the provider site, billing applications, and insurance verification will all need to be updated or crosswalked to new Plan IDs; and data entry screens and databases that capture payer identifier information may need to be expanded to allow for a 10 digit Plan ID.
- Clearinghouses and vendors will need to update or crosswalk identifiers used to support edit requirements.
- Payers will need to accept the new Plan IDs as valid on the transactions that they receive.

Since implementing the additional granularity proposed will be a new requirement, i.e. a significant impact, for many or all stakeholders, the format chosen will not create any additional significant impact on the work required.

The identifiers used within the pharmacy industry for transactions today work well and should be adopted as currently established. The National Council for Prescription Drug Programs is currently evaluating the needs of the pharmacy industry to provide further detailed comment and WEDI defers to their comments with respect to pharmacy needs and impacts. WEDI recognizes that further discussion may be warranted once their recommendations are identified in order to avoid unintended negative impacts between the industry sector needs.

## **What should be included in the Enumeration of Plan IDs**

In order to determine what entities need to be enumerated and at what level (granularity) the following uses need to be considered.

- Routing of the original transactions and any responses generated.
- Provider, vendor and clearinghouse editing to insure claims will meet payer business requirements.

To identify key provisions of coverage that affect eligibility for benefits, precertification, and referral requirements; the enumeration and use of the Plan ID could allow for, but not require, granularity at the level of

- Product line (e.g. PPO network # 1, HMO network #1, )
  - Providing product line level of enumeration supports the identification of whether a patient is in or out of network. This granularity would allow providers to identify the patient's product line coverage (via eligibility response) and then to determine whether the provider has contracted with that particular line of business. The provider can then communicate the network status to the patient before services are provided which supports transparency.
  - (PPO networks, repriceers and the self insured versus the fully insured scenarios need further exploration (routing issue). This granularity would allow providers to identify authorization requirements which may be different by product line.
  - Enumerating to the product line would reduce the number of phone calls between providers and payers verifying coverage and authorization requirements.
- Type of coverage (e.g. workers comp, auto, health)
  - In the event that a payer does not have a more granular product line, this level of granularity is appropriate for the provider to understand the patient's coverage and their own network relationships at the point of care.

The concept is that product line and type of coverage granularity would be indicated by use of Plan ID assigned at that level of granularity in the eligibility and benefits response (271) and electronic remittance advice (835) transactions. The number used in transactions sent by payers for the same patient and provider should be consistent across transactions (e.g. 271 and 835 should contain the same content).

Ultimately, WEDI's Plan ID Subworkgroup sees the determination of number of and granularity of Plan IDs as the decision each Health Plan, based upon their business needs.

Less granular Plan IDs could be used for routing transactions and on WEDI standard ID cards; however there is no intent to create a hierarchical structure to the Plan ID. In addition, payers cannot require the 2000B Subscriber Claim Filing Indicator Code in the 837 claim formats to be valued matching the members actual benefit plan, as it is not sent when Plan ID is mandated.

Before the above concepts are included within the Plan ID, further discussion is needed with ASC X12 and NCPDP on whether the existing transactions standards are sufficient to permit and appropriately support them.

Product Line and Type of Coverage may not require enumeration as Plan IDs. If enumeration of product line and type of coverage is needed, the process should provide flexibility to accommodate the uniqueness for each Payer. Further review and discussion is needed to determine if they could be communicated by use of "code lists" already in ASC X12/NCPDP transactions, or by using payer assigned identifiers.

### **Other considerations**

Further discussion needs to occur to determine whether the following items should be included in the enumeration schema:

- Line of business (e.g. medical, dental, pharmacy)
- Funding entity (e.g. self-insured plan sponsor)
- Self-insured vs. fully insured – In this case, the preference is to permit this level but not require it.
- Group plan number (there is a separate location in transactions and/or is not needed as the data can be derived from member information and does not need to be nationally enumerated)

- Reimbursement arrangements (these are provider specific through contract and not at a payer level)

Time did not permit WEDI to hold discussion on which data items should be captured in and made publically available from a “Plan ID” directory.

In order for the industry to meet the October 1, 2012 date, assigned identifiers must work with transaction standards under HIPAA that will be in place as of that date (namely. ASC X12 005010, NCPDP D.0) which require the National Health Plan ID be used in place of existing identifiers in specific locations in those transactions. Proposals to establish rules requiring identifiers in other locations in ASC X12 005010 and NCPDP should also be discussed with those standards bodies in order to insure consequences are adequately considered (e.g. putting identifiers in remittance advice “header” segments that are more granular than currently used would increase the number of separate bank account deposits providers need to reconcile.)

Requirements to support the following need further discussion:

- Workers Compensation
- State Reporting
- COB (including Medicare COBC assigned payer IDs)

## **Conclusion**

To summarize, both routing of the original transactions and any responses generated along with current provider, vendor and clearinghouse editing need to be considered as part of defining and developing the Plan ID. The enumeration process is best served to include some flexibility to accommodate Payer uniqueness, allowing but not requiring product line or type of coverage enumeration. Plan IDs should be issued using the ANSI INCITS 284 ID card standard for health plans and any existing identifiers issued using this standard should be grandfathered in as the Plan ID.

As mentioned earlier in our testimony, considerable discussion and evaluation still needs to occur within the industry due to the varying needs of the different stakeholders. These concepts of enumeration do not reflect stakeholder consensus at this time given the limited timeframes available to hold such discussions. WEDI intends to convene a Policy Advisory Group (PAG) later in the

summer in order to bring the stakeholders together to work towards a single consensus-based approach, after considering all needs and current practices.

Members of the Subcommittee, thank you for the opportunity to testify.

**Citations:**

1.

Health Care Financing Administration (HCFA). (April 1996). *The Health Care Financing Administration's PAYERID*. 1-2.

Attachment *HCFA PayerID 041996.pdf*

Health Care Financing Administration (HCFA). (May 6, 1997). *PAYERID...more than a number*. 1-3.

Attachment *HCFA 05041997 PAYERID.pdf*

Health Care Financing Administration (HCFA), (March 24, 1998). *NATIONAL HEALTH PLAN IDENTIFIER The Establishment of a Standard for a National Health Plan Identifier Issue Paper – For Discussion Purposes*. 3. Retrieved in 1997 from <http://www.hcfa.gov/stats/npaywhit.htm>

Attachment *HCFA PayerID Issue Brief 03241998.pdf*

2.

WEDI Strategic National Implementation Process (SNIP) SNIP Transactions Workgroup Health ID Card Subworkgroup. (2007). *Health Identification Card Implementation Guide (version 1)*. Reston, VA: Author.