Statement To

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS

SUBCOMMITTEE ON STANDARDS

July 19, 2010

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Chairman and members of the Subcommittee, I am Laurie Darst, Senior HIPAA and External Relations Coordinator at Mayo Clinic. I would like to thank you for the opportunity to present testimony today concerning the National Health Plan Identifier.

Changing Environment – The Need for a Tool

Over the past decade, there have been substantial changes in the health care environment, including the proliferation of different types of health care products and benefit plans. We have also seen new relationships form between health plans, third party administrators, and rental network preferred provider organizations (PPOs). Staying abreast of these ever-changing relationships and new benefit plans can be a challenge, not only for provider organizations, but also for patients. Given this evolving environment, we feel the adoption of the Plan ID is an opportunity to address some of these business challenges. To solely consider the Plan ID for the purpose of routing transactions would be a missed opportunity to reduce ambiguity and increase efficiency.

How the Plan ID Can Help Providers

The Plan ID can help mitigate some of these challenges by facilitating the identification of specific health plan information, such as product line, network information and self funded plans, so expectations of the health plan/provider relationship can be handled appropriately at the time of patient registration utilizing the HIPAA Eligibility Transaction (X12 270/271).

What is Currently Missing

The information currently reported in the Eligibility Transaction *only* reflects the relationship between the patient/subscriber and the health plan. It does not provide information specific to the health plan and provider relationship. Subsequently, network and contract information specific to the provider initiating the Eligibility Transaction is not communicated.

Currently, there is a field in the Eligibility Transaction to indicate in and out-of-network information. However, this simply reflects general coverage information for the patient/subscriber, not specific information based on the provider relationship. There is also a situational (optional) free form text field to indicate product line information. The challenge providers encounter trying to use data from this field include: 1) its optional, so it's not always reported, 2) if reported, health plans may reference a product line name differently than the provider, subsequently creating confusion, and 3) if reported, free form text does not allow for any type of automation.

Variances

Many times a provider may have a contractual relationship with a given health plan, but the contractual relationship is only with select product lines. Fee schedules and reimbursement can vary based on the different product lines.

In addition to the contract/network issues, there may be variances in prior authorization and pre-certification requirements based on different product lines. Enumeration of the product line and network information would also allow for more concise level of authorization and certification reporting.

Opportunity for Efficiency

Providers need discrete Plan ID enumeration in the Eligibility Transaction which would allow them to automate their registration systems by linking the Plan ID from the Eligibility inquiry with their contract database. This would allow providers to proactively communicate out-of-network financial information to patients before services are provided, reducing the confusion and frustration for patients. This level of granularity would also reduce phone calls for all parties involved: between providers and health plans, patients and providers, and patients and health plans.

By requiring enumeration at the three levels indicated below, we feel providers would have sufficient information to proactively address many of the network and contract issues experienced today.

- Identifying the product line within the health plan in which the patient is enrolled
- Identifying the “network” the health plan is using through which the provider accesses the payer
- Identifying self -funded plans

Another Important Benefit

The Plan ID would be returned in the Remittance Transaction (X12 835). This would provide an efficient way for providers to track reimbursement for their different contracts and also provides a mechanism to do accurate analytics.

Conclusion

In conclusion, enumeration of the Plan ID provides an opportunity to address some of the complexities and challenges facing providers and their patients today. The burden placed on providers and patients to try to deal with determining appropriate financial responsibility would be reduced if specific plan information was communicated at the onset of a patient encounter. This is an opportunity to have the Plan ID go beyond just functioning as a routing number. Instead, it’s an opportunity to further administrative simplification by eliminating ambiguity.

I’d like to thank you again for the opportunity to testify today.