



Statement of  
The American Clinical Laboratory Association  
Before  
The National Committee on Vital & Health Statistics  
Standards Subcommittee

Jerry Diffley  
Corporate Director - Compliance  
Quest Diagnostics Incorporated

July 19, 2010

Developing a Unique Health Plan Identifier

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Dr. Warren, Dr. Suarez, members of the Subcommittee, thank you for the opportunity to testify today on behalf of the American Clinical Laboratory Association (ACLA), which represents national, regional, and local laboratories. My name is Jerry Diffley, Corporate Director - Compliance, Quest Diagnostics Incorporated, and I appreciate your interest in developing a unique health plan identifier for Health Insurance Portability and Accountability Act (HIPAA) standard transactions. Because clinical laboratories are HIPAA-covered entities and regularly exchange both clinical and claims data with health plans, ACLA is taking this opportunity to testify today.

I would like to focus my testimony on the patient experience when they obtain clinical laboratory services, the pressing need to create a unique health plan identifier, and the necessity for appropriate sequencing to the implementation.

Clinical laboratories, like other health care providers, submit claims data to health care clearinghouses and/or directly to health plans in order to get reimbursed for the services they provide to patients. However, unlike other providers, clinical laboratories also receive orders and payor information from EMR systems. Due to the absence of a unique health plan identifier, laboratories often get incorrect and/or outdated billing information from the physician EMR systems. Physicians typically map their own internal insurances to the appropriate clearinghouse identifier that corresponds to the different payors and their respective plans. When the physician submits payor information directly to a clinical laboratory via its EMR system, the laboratory must create unique mapping for that physician and each physician with whom it does business in order to properly submit the laboratory claim to the payor. When a physician adds a new payor within its EMR/PMS, there is not a corresponding mapping to the laboratory's internal insurance code. The lab must invest time and resources to attempt to properly identify the correct payor. Failure to properly identify the new payor and manually map the corresponding proprietary insurance code has a devastating impact on the patient experience since more than likely the patient is not identified correctly with their insurance plan and is billed by the clinical laboratory. The burden is then shifted to the patient to communicate the correct information to the lab so that the lab can correctly bill the claim. Adds, deletes, and changes to either the physician's EMR system or the laboratory system create havoc resulting in patient dissatisfaction and manual rework by all concerned. The bottom line is that this is at best a resource intensive process prone to breakdown that could be dramatically improved with the development and use of standard unique identifiers. Congress saw that this area was

ripe for the use of standard identifiers and had this insight when they mandated the promulgation of a final rule to establish a unique health plan identifier in the Patient Protection and Affordable Care Act of 2010.

As mentioned, the development of a unique health plan identifier for HIPAA standard transactions is very important to the clinical laboratory industry. ACLA recommends a unique identifier that not only identifies the payor, but also includes within the identifier something that further enumerates the plan within the payor. Once developed, the implementation of the standard needs to be carefully coordinated. As members of the Subcommittee are well aware, there are a number of upcoming changes providers are preparing for including the transition from the International Classification of Diseases, Ninth Revision, Clinical Modifications (ICD-9-CM) to ICD-10 and the conversion from the HIPAA 4010 standard to 5010. Allowing providers ample time to implement these programmatic changes (and not doing so concurrently) will be essential to the success of a new unique health plan identifier.

Thank you for the opportunity to testify today. At this time I'm happy to answer any questions.