



**National Committee on Vital and Health Statistics
Subcommittee on Standards
July 19, 2010**

**Cooperative Exchange National Health Plan Identifier Testimony
Tim McMullen, JD, CAE, Executive Director**

I want to thank NCVHS and CMS for holding these important hearings and inviting the Cooperative Exchange to participate. The Cooperative Exchange is the recognized resource and representative of the clearinghouse industry for the media, governmental bodies and other outside interested parties. Our mission is to provide open access for organizations to promote electronic transactions for the healthcare industry by ensuring optimal quality, value and functionality. This is accomplished through enhanced connectivity, quality services and education of the healthcare industry.

Our members include: ACS EDI Gateway; American Medical Association; Availity; CareMedic Systems; Capario; Claimsnet; ENS, an Ingenix Company; Gateway EDI; GHN-Online; HDM Corp.; Healthcare Billing and Management Association; Health-e-Web; Jopari Solutions; RealMed Corporation; Secure EDI; and The SSI Group, Inc. Last year, our membership connected with over 300,000 submitting providers, over 5,200 payer connections, processed nearly 600,000,000 claims transactions with a value of nearly one trillion dollars.

The clearinghouse facilitates the exchange of *any* type of data (benefit verification, treatment authorization, claims transport, claim status, remittance, attachments) between *any* type of entity (provider, pharmacy, lab, health plan). They translate *any* data from one format to another (e.g. print image to ANSI X12 or HL7 standards)

We support the concept of a National Health Plan Identifier with the following characteristics:

- If it's easily obtained;
- Easily accessible for any entity that needs to use it;
- Has associated information which is easily updateable by the health plan;
- Provides the ability for providers and other entities to verify benefits;
- Provides a tracking mechanism back through to the claim submission, claim status and remittance reconciliation process; and
- The format is ANSI compliant.

As clearinghouses, we attempt to do for our customers whatever is needed to implement national standards. We would like to see a national health plan identifier make what we do more efficient, and make the entire EDI process more efficient thereby reducing costs.

The number needs to be consistent for each payer with a sub-identifier attached to indicate the plan – this would eliminate the need for crosswalks. The Cooperative Exchange could support using the EIN as a viable starting point provided the payers agree to use this number.

It would be of value to our industry, and ultimately reduce costs to have the organization that is ultimately responsible for assuming the risk for paying the healthcare cost identified, and any entity that processes/adjudicates healthcare transactions, such as Property and Casualty, or a TPA be identified – either through a plan id or a plan id database that provides this information.

All of the functions of a health plan – administering the claims, contracting, etc. –should have a health plan identifier if done by separate companies. For Example, a self-insured company – which has a NHPI – contracts with BCBS of AL or a TPA to do all of its processing then BCBS of AL or the TPA should have a plan identifier.

The other value would be if the NHPI provided format intelligence on where to go to submit an eligibility transaction. This information could be included in an NHPI database. This would reduce costs during the process of enrollment – more clarity of what plan the patient is enrolling in. The national plan database could assure that every plan supports an electronic eligibility transaction. For instance, you could have a self-funded plan that maintains the eligibility but they can't handle the electronic standard to be able to provide the eligibility. And the TPA has the claims but they can't return the 271 with eligibility because the plan has the most current information. Where would we send an eligibility request?

Ideally, the way to reduce costs from our perspective would be clear indication on the insurance card that the patient presents to their provider of what health plan they are enrolled in - that's where the problem lies. The card would have on it an identifier that the provider knows the payer and the plan and can determine eligibility from that identifier. It would make our systems far more efficient by starting at the front end. When that claim is generated then that number has already been captured and it will make the process more efficient. It will get adjudicated more cleanly, you could check on claim status, confirmation reporting is enhanced including accurate reconciliation remits and it would reduce rejection rate.

We applaud the discussion today and the opportunity to submit our perspective.