Administrative Simplification under the Affordable Care Act
Operating Rules for Eligibility and Claims Status

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Testimony

Topics

Linxus Overview

Imperatives for Expanded Regulation

Lessons Learned in the Field

Our Recommendations on Standards and Operating Rules

Linxus Overview

Linxus Timeline

- **2003**: Mandate for standardized Transactions and Code Sets becomes effective

- **2004**: Founders of Linxus initiate "connectivity project"
    - Montefiore, NYU Langone, Empire BCBS, and GNYHA

Linxus Founding Principles

- Consensus: actions must *equally* account for provider and health plan perspectives.
- Mutual value: opportunities with balanced benefits for health plans and providers.
- Imperative driven, not relationship driven.
- Reach specificity: have appropriate documentation and detailed specifications.
- Interoperability: be platform agnostic, never favoring a proprietary system or vendor.
- Openness: expose benefits for public use, nothing proprietary.
- Accountability: commitment of focus by each Member organization.
- Clear roles and responsibilities.

Linxus Timeline cont.

- **2006**: Participation grows to 5 health plans and 12 provider organizations
  - Aetna, Oxford (United HealthCare), WellPoint, HIP, and GHI
  - Montefiore, Montefiore Faculty Practice, NYU Medical Center, NYUSOM Group Practice, NY Presbyterian Health System, Weill Cornell Medical Group, Columbia University Medical Group, Memorial Sloan Kettering, Memorial Sloan Kettering Medical Group, North Shore-LIJ, Continuum, and Mt. Sinai

- **2007:** Participants unanimously agree to incorporate as Linxus

- **2008**: Linxus spins-off from GNYHA as a 501(c)(6) not-for-profit corporation
  Linxus publishes "Version 1.0: Implementation Specifications for Claim Status and Remittance Transactions"

- **2009**: Linxus publishes "Version 2.0: Implementation Specifications for Eligibility, Claims Status, and Remittance Transactions"

- **2010:** Linxus publishes "Version 3.0: Implementation Specifications for Eligibility, Claims Status, and Remittance Transactions"

Imperatives for Expanded Regulation

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- **To Speed up Progress and Reduce Variability**

HIPAA Mandate Timeline

- 2000: ASC X12N Version 4010 Implementation Guides published
- 2000: Final Rule for Transactions and Code Sets standards are published
- 2003: Effective implementation date of *original* standards (Version 4010/4010A1)

12 year "maintenance cycle" for standards updates

Void being filled by overlapping, disconnected start-up efforts in regions and by small constituency groups (i.e. Linxus).

- 2012: Effective date of *first* update to standards (ASC X12N Version 5010)

Imperatives for Expanded Regulation cont.

- To Speed up Progress and Reduce Variability
- **To Strengthen Current Regulation**

Mandates established through regulation *already*:

- **Create a level-playing field so the business priorities of all parties are *equally* considered in pursuit of national standards.**
- **Mobilize the industry around definitive implementation timelines.**

Imperatives for Expanded Regulation cont.

- To Speed up Progress and Reduce Variability
- To Strengthen Current Regulation
- **To Support Health Reform's Larger Objective**

PPACA Sources and Uses
2010-2019 Dollars in Billions

What it Provides

- Coverage Expansion $943
- Other Benefits* $107
- Deficit Reduction $144

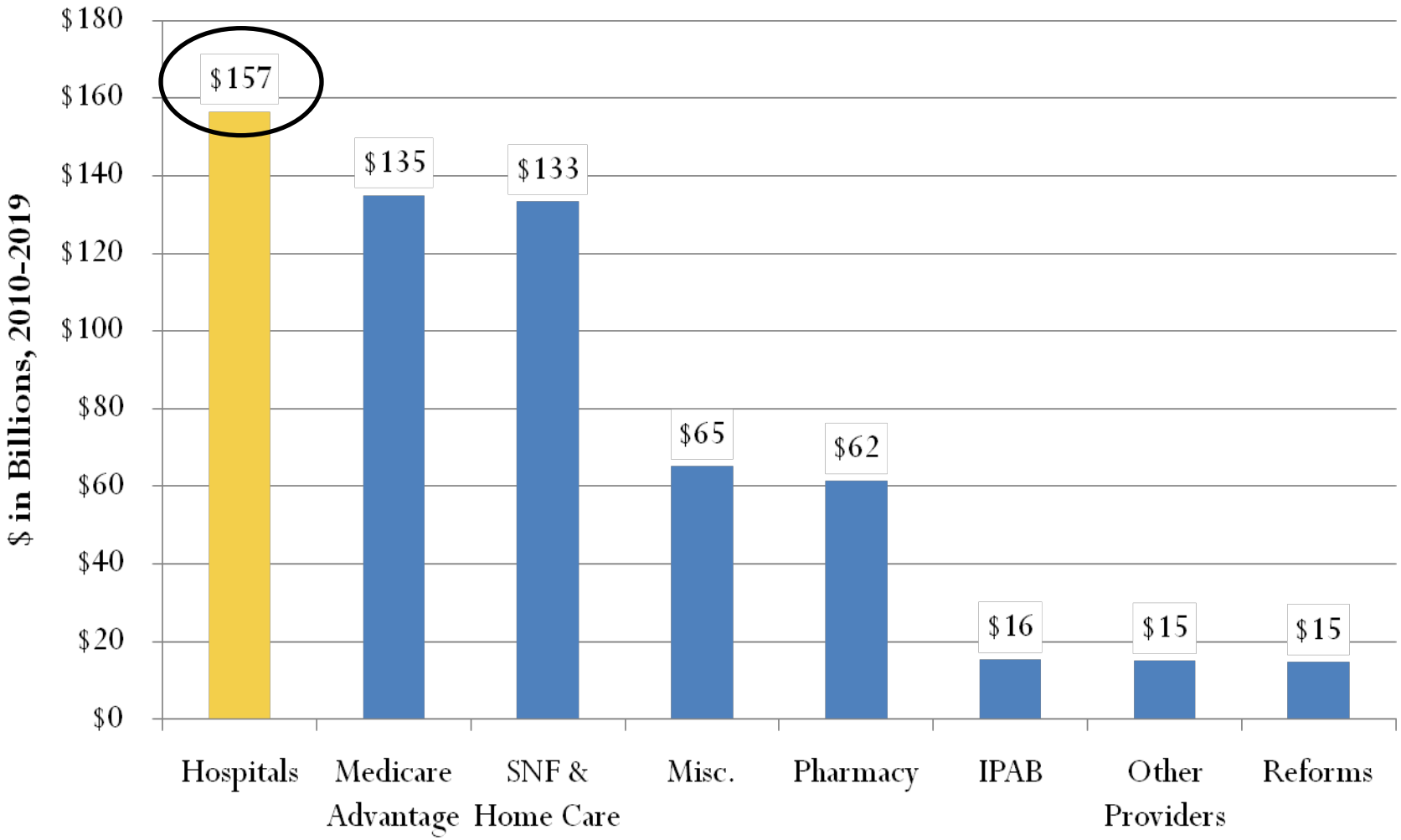
How it's Financed

- Medicare & Medicaid Cuts $597
- Taxes & Fees $597

Source: GNYHA analysis of CBO scoring. * Other benefits include: filling the Part D "donut hole"; enhancing some Medicaid benefits and payments; investing in workforce initiatives; and investing in preventive and public health.

Health Reform

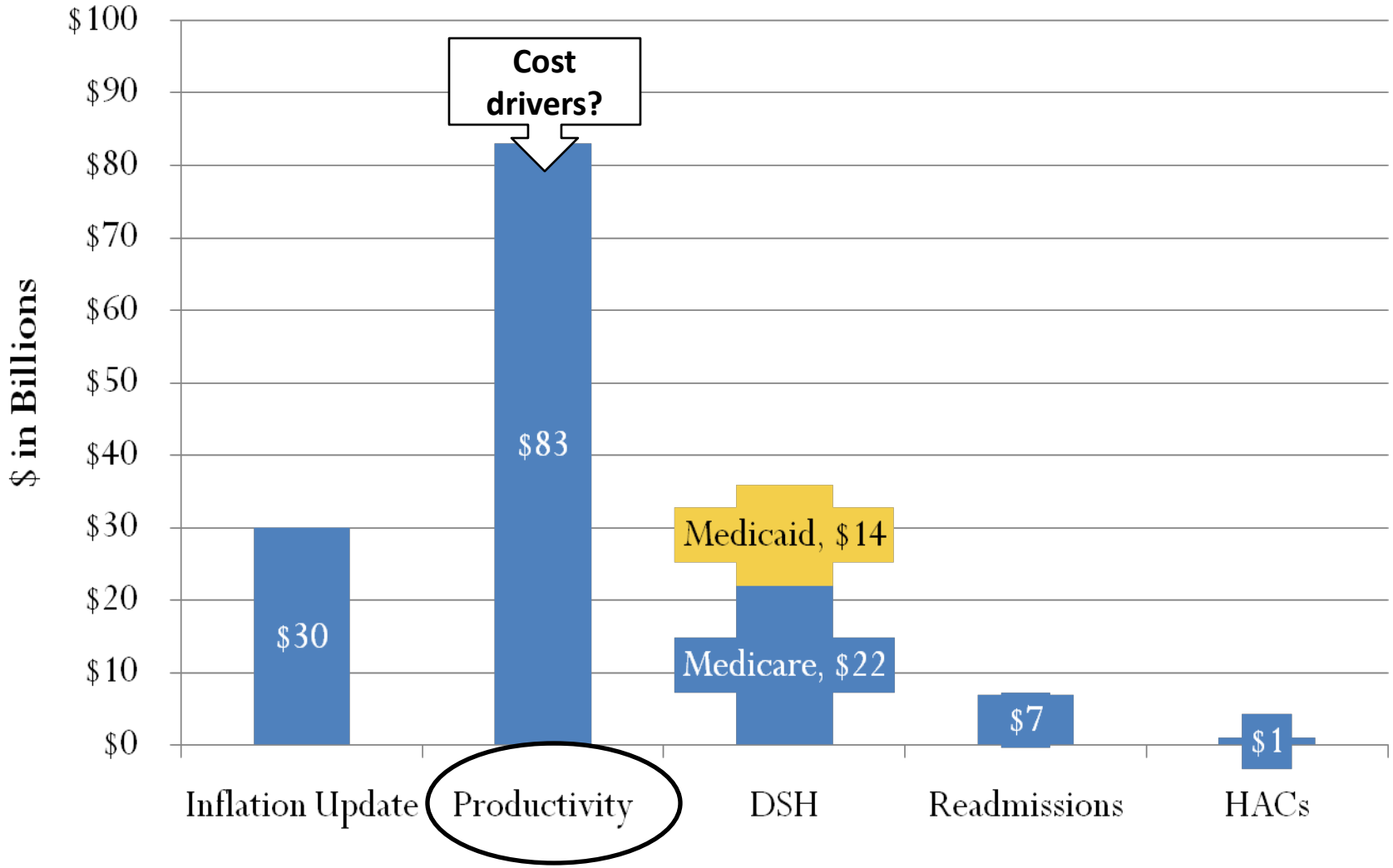
Total Cuts to All Sectors
$597 Billion, 2010-2019



Source: Congressional Budget Office. IPAB = Independent Payment Advisory Board.

Hospital Fee-for-Service Cuts = $157 B

(2010-2019; Medicare Except Where Noted)



Source: Congressional Budget Office (CBO). DSH = Subsidies for Disproportionate Share Hospitals that serve large poor and uninsured populations. HACs = hospital-acquired conditions, which are potentially avoidable complications.

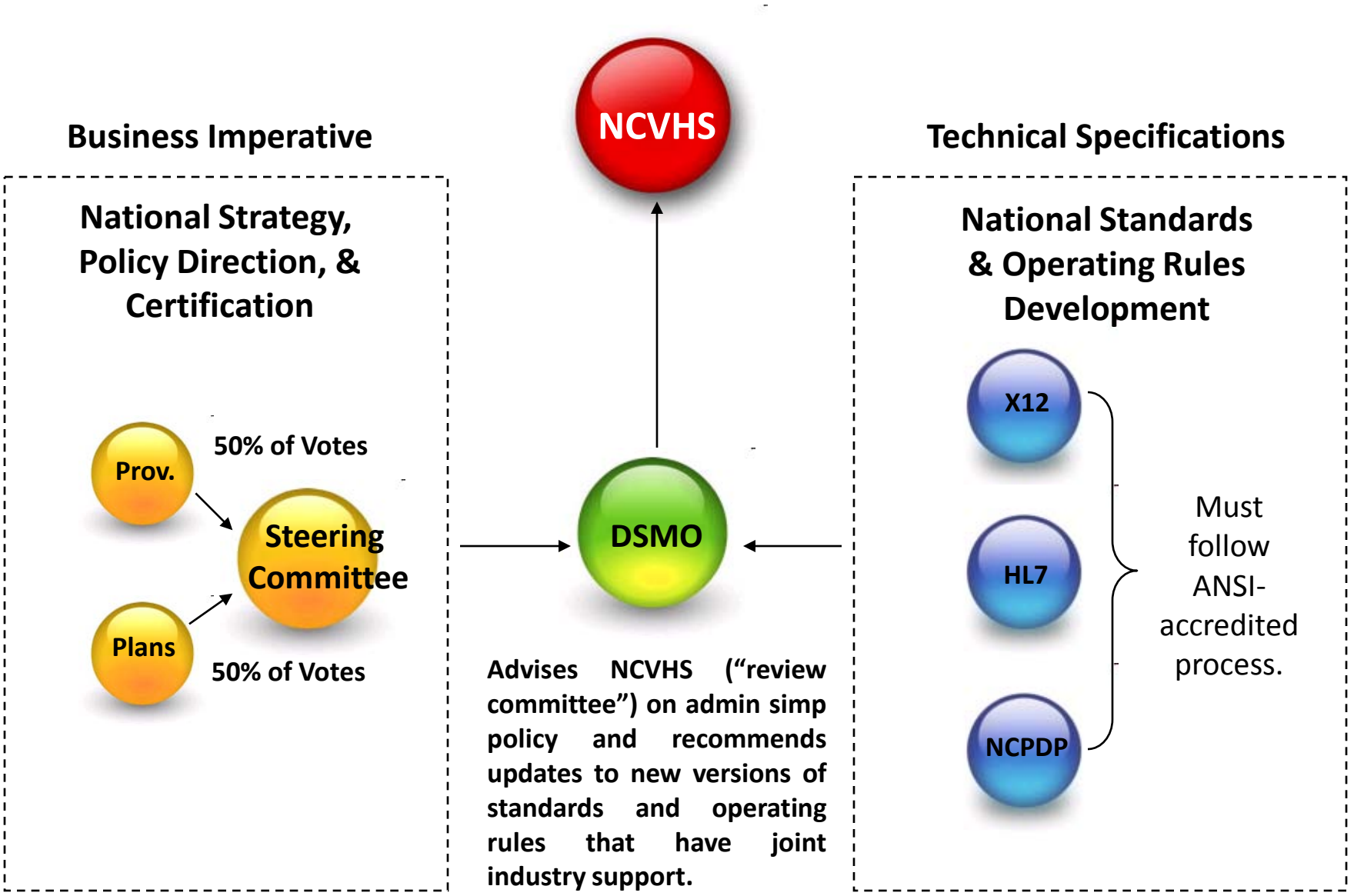
Lessons Learned

Lessons Learned

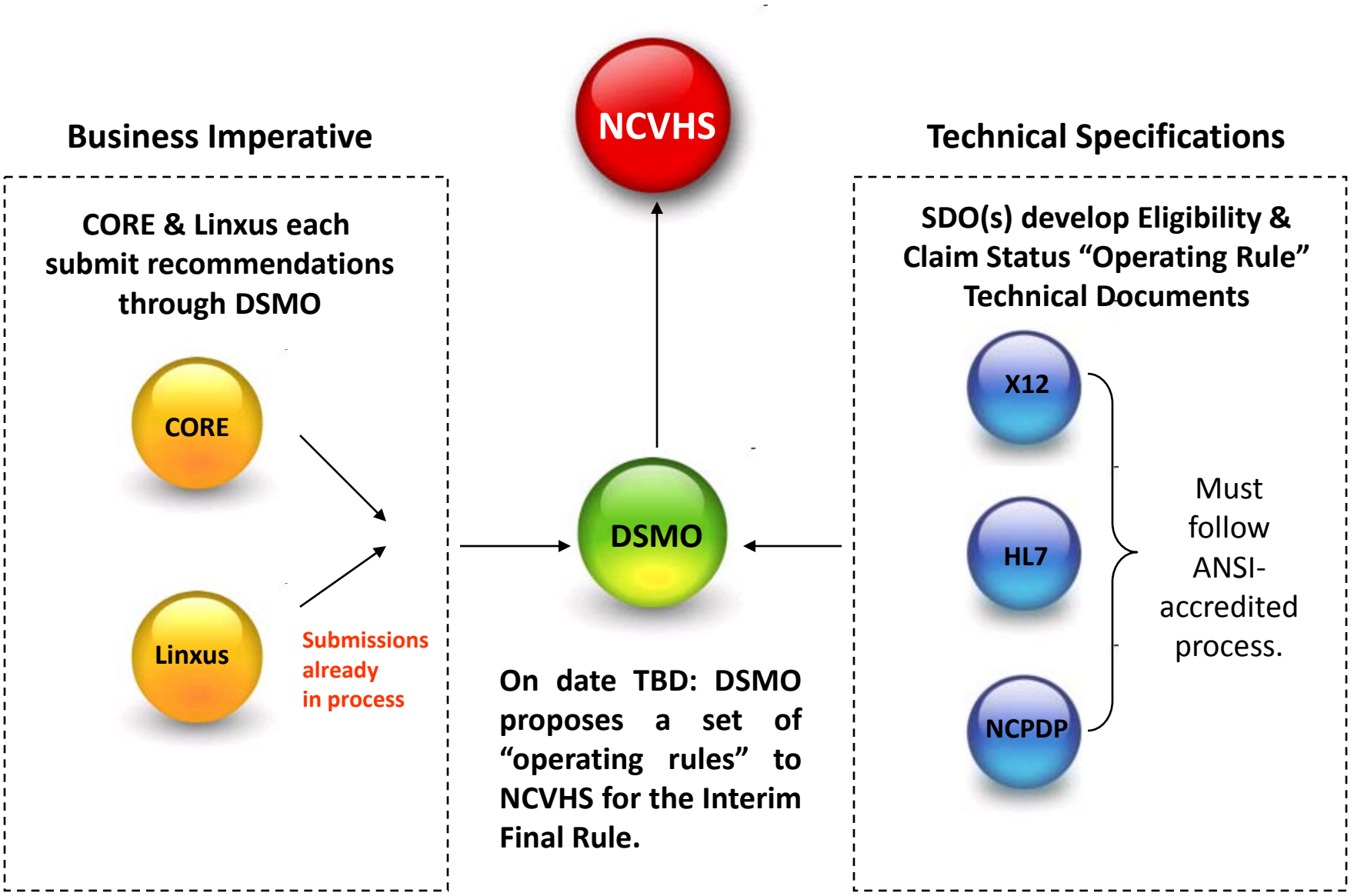
- Routine and Predictable Maintenance Cycle is Needed
- Mandates Must Have Balanced Direction from Technical Experts *and* Business Users
- Business User Direction Must Reflect Payer and Provider Interests *Equally*
- Certification Function Should be Operated by Business Imperative Group
- Proper Funding and Governance is Required to Sustain Progress

Recommendations

#1) Long-Term: Proposed Industry Alignment



#2) Interim Process: Eligibility & Claim Status "Operating Rules"



THANK YOU!