

**July 20, 2010**

**Hearing on Operating Rules for Eligibility and Claims Status**

**NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS**

**Subcommittee on Standards**

**Administrative Simplification under the Patient Protection and Affordable Care Act**

**Comments from**

**Veterans Health Administration as Health Care Provider**

**Department of Veterans Affairs**

The Veterans Health Administration as a provider of health care supports and applauds the focus on creating operating rules that augment and support the full complement of revenue cycle transactions. While we as an industry have been conducting the HIPAA electronic transaction set standards for several years now, we continue to need to accommodate individual trading partner requirements. As a national health care system that interacts with nearly all health plans in the United States, this variability adds complexity and cost.

A broad base of industry stakeholders (providers, health plans, vendors, regulators and standards organizations) are essential to develop Operating Rules by consensus-process rulemaking and voting processes that are inclusive and representative of the broad spectrum of these stakeholders, and are also transparent, and flexible. Stakeholder participation in Operating Rules likely will be a different set of individuals than those that participate in the technical development of the standards organizations, as Operating Rules are the fabric that ensures the business needs are met. Operating rules pick up where the standards leave off, in that the rules should define the roles, rights, and responsibilities of the trading partners. NACHA provides an excellent model where the operating rules are largely standards neutral, which has provided for great flexibility and large scale iterative and incremental business changes. The use of trading partner specific companion guides should be eliminated by the adoption of Operating Rules, and the electronic transaction standard implementation guides should incorporate the Operating Rules in order to provide a single source of documentation. Data content and technical infrastructure of the electronic transactions should be standardized. Additionally, the covered entity certification process should require compliance with the Operating Rules.

**VHA PROVIDER ORGANIZATION EXPERIENCE**

VHA achieved CAQH CORE Phase 1 certification for the eligibility (4010A1 270/271) transaction approximately three years ago.

- VHA made internal system changes which enables the receipt of more than the minimal eligibility data required in the 4010A1 270/271 implementation guide from CORE Phase 1 certified payers. This additional information allows VHA to increase percentage of clean claims submitted to payers

VHA assisted CAQH CORE in testing the Phase 2 operating rules certification process, and we are making additional systems modification to support the CORE Phase 2 Operating Rules, which include expanded response data content.

Our experience with the CAQH CORE initiative has been positive. Additionally, while VHA is not a member of NACHA's Operating Rules process, it has benefited from the mature infrastructure and rule making processes that exist. VHA implemented Electronic Funds Transfer, which utilize the ACH network as part of our original implementation of the 835 Remittance Advice transaction set.

Thank you for the opportunity to comment.