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 Payer

Department of Veterans Affairs

Slide 1

Good Afternoon; my name is Daniel T. Powell, Assistant Director, Operations, VA Health Administration Center (HAC) in Denver, CO (Daniel.Powell@va.gov , 303.398.7185)

HAC administers a variety of health benefit programs for the VA; most of these are for Veteran dependents, e.g., Civilian Health and Medical Program of the VA (CHAMPVA) and one is Veteran-centric (Foreign Medical Program).

HAC is aligned with the Purchased Care operation of the Veterans Affairs Chief Business Office (CBO).

CBO Purchased Care operation serves as the payer and/or provides administrative oversight for payment for all VA health benefit programs for Veterans and their dependents, i.e., it pays for all health care services purchased by the VA in the commercial sector. It is considered a covered entity per HIPAA.

Other programs under the Purchased Care operation include the Fee Basis and Project HERO programs for Veterans.

Slide 2

I would like to briefly address the following 6 topics:

- Broad based Consensus
- Consolidate Source of Requirements
- Administrative Simplification?
- VA Payer Experience with Operating Rules
- Future Plans

- Implementation Timeline

Slide 3

Broad Based Consensus – Broad based efforts that provide for equitable representation from all industry groups (e.g., providers, health plans, vendors, regulators and standards organizations) is essential to operating rules development. A consensus view must be reached that accommodates all parties; this will limit extremes from any one group. Much of this has to do with equitably distributing the costs of implementing standards and rules that really work for all. No one group should be burdened unduly by excess requirements or costs.

Consolidate number/source of requirements - Electronic transaction standard implementation guides (TR3s) should incorporate the Operating Rules in order to provide a single source of documentation. It would be an extremely complex undertaking to implement using more than one Operating Rule entity and for each entity named to issue its own documentation. Certifying compliance to standards benefits everybody in the industry and will prevent some of the downstream issues associated with non-compliance. But, one certification should include one consolidated set of standards, both transaction standards and operating rules, governed by one consolidated set of documentation and one administrative entity to deal with.

Administrative Simplification? – The VA Health Administration Center fully supports administrative simplification realizing that sometimes there is an up-front cost and complex implementation to achieve a longer term result that brings true simplification and reduced costs. HAC made every attempt to keep its EDI implementation standards-based and simple; we have never issued a companion guide. No provider entity has asked the HAC for its companion guide.

Slide 4

Payer Experience with Operating Rules – VA Health Administration Center participated in the CAQH CORE III Health Insurance ID Card workgroup. The VA payer voice was present at the table, but it seemed likely that the group was weighted towards the provider community. With regard to the work on the Health ID card this did not cause any problems from the VA perspective, but it is just a cautionary note that every effort needs to be made to make the operating rule discussion broad based and ensure that all groups are equitably represented. It also seemed clear that this work group pursued a very aggressive timeline in order to complete their work. While the work on Health ID card did not suffer in this case, it was clear that aggressive development can lead to ill-considered decisions from participants that did not have time to review work or proposals thoroughly and overlooking complex, but hard-to-see issues, because participants lack the time to dive into the details.

Gap Functionality – The VA Health Administration is seeking funds, either FY10 end of year funding, or FY11 funds, to gap its current transaction functionality against the CORE II operating

rules. HAC realizes that it will need to begin its up-front monetary expenditures in order to meet this on-coming requirement.

Implementation Timeline: The 1/1/2013 date seems very aggressive given 5010/D.0 and ICD-10 mandates. Adding both NHPI and Operating Rules into the same timeframe will cause issues for VA payers. Again, this gets back to the on-going effort to the centralize IT function within VA, the relative lack of IT resources at the program level, and the frequent need to undertake two contracting cycles, one for formulation of business requirements and one for IT development.