



# WEDI Update

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**National Committee on Vital and Health Statistics**  
**Subcommittee on Standards**  
**June 17, 2013**

Jim Daley, Chairman, WEDI  
Director, IT Risk & Compliance, BlueCross BlueShield of South Carolina

## About Us

The Workgroup for Electronic Data Interchange (WEDI) is the leading authority on the use of Health IT to improve healthcare information exchange in order to enhance the quality of care, improve efficiency and to reduce costs of the American healthcare system. Formed in 1991 by the Secretary of Health and Human Services (HHS), WEDI was named in the 1996 HIPAA legislation as an advisor to HHS and continues to fulfill that role today.

- Established in 1991
- Named advisor to the Secretary of HHS under HIPAA
- Web site: [www.wedi.org](http://www.wedi.org)

**WEDI draws upon an extensive organization of industry volunteers to help guide focused workgroups based on key Health IT implementation topics.**

# Agenda

- 2013 WEDI Report
- ICD-10 Survey Results
- Other WEDI Activity
- Questions



# WEDI Report 2013

June 17, 2013

# A Brief History

- 1991 Formation of WEDI
- 1992 and 1993 WEDI Reports
- 1996 HIPAA Law – WEDI named as advisor
  - HIPAA Regulations
- 2009 & 2010 Subsequent Legislation
  - ARRA / HITECH Act; PPACA
  - Additional regulations

HIPAA Administrative Simplification was a direct result of the 1993 WEDI report.

# WEDI Vision & Report Process

## Setting the Stage – The 1992 Report

- Started in 1991 by Bernard Tresnowski of BCBSA and Joseph Brophy of Travelers based upon meeting and charge by then HHS Secretary Louis W. Sullivan, M.D., to develop a report on Administrative Simplification
- WEDI Vision: “The healthcare industry would conduct all business electronically, using one set of standards and interconnecting networks”
- Steering Committee was formed comprised of public and private sector broad-based representation of payers, providers, federal government (Medicare & Medicaid) and other stakeholders
- In July 1992, WEDI presented first report to Secretary Sullivan focused on aggressive goals to propel the industry toward the use of EDI. Reduce the 450+ claim forms in use to a singular set of transactions. Fostered a public-private sector partnership to achieve goals
- WEDI Representatives met with members of President Clinton’s HC Reform Task Force and key Congressional staff



# 1993 Follow-up Report

## Organizing for the 1993 Report

- 11 Technical Advisory Groups (TAGs) formed:
  - Standards Implementation and Uniform Data Content
  - Network Architecture and Accreditation
  - Confidentiality and Legal Issues
  - Unique identifiers for the HC Industry
  - Education and Publicity
  - Short-Term Strategies
  - State/Federal Role
  - Financial Implications
  - Coordination of Benefits
  - HC Fraud Prevention and Detection
  
- Implementation Guides were developed and distributed in parallel on the EDI transactions

# WEDI Outcome (Setting the Stage)

Standard	Notice of Proposed Rule Making (NPRM)	Final Rule Publication	Compliance Required
<b>Transactions &amp; Codes Sets</b>	05/07/1998	08/17/2000; 02/20/2003 (modifications)	10/16/2003 - with extension
<b>National Provider Identifier</b>	05/07/1998	01/23/2004	05/23/2007 (2008<\$5M)
<b>National Employer Identifier</b>	06/16/1998	05/31/2002	07/30/2004 (2005<\$5M)
<b>Security</b>	08/12/1998	02/20/2003	04/20/2005 (2006<\$5M)
<b>Privacy</b>	11/03/1999	12/28/2000; 08/14/2002 (modifications)	04/14/2003 (2004<\$5M)

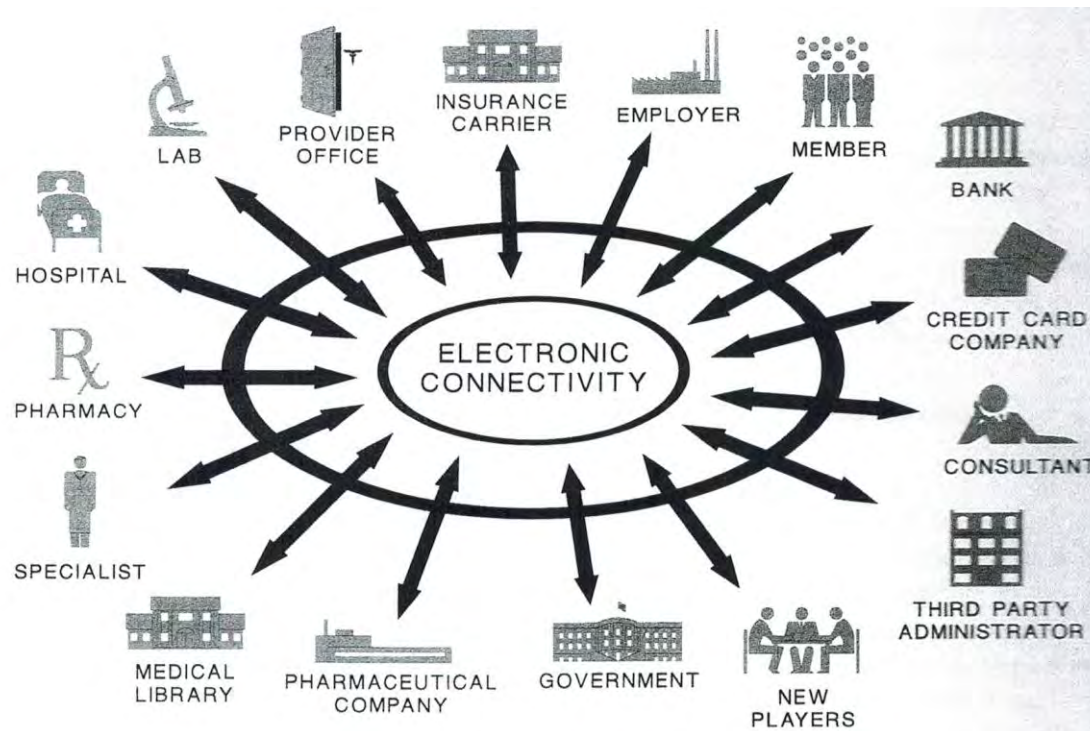


# Built On Top of HIPAA

- Health Information Technology for Economic and Clinical Health Act (HITECH Act) enacted February 17, 2009, as part of American Recovery and Reinvestment Act of 2009.
  - Federal Regulations for covered entities **and** business associates
- Patient Protection and Affordable Care Act enacted March 23, 2010
  - Operating rules, EFT, HPID, claims attachments

# Does This Look Familiar?

- This chart was in the original vision for healthcare information exchange as presented in the 1993 WEDI Report



# Why Now?

- The Problem: Despite our collective efforts to leverage technology to enhance the exchange of healthcare information, **inefficiencies continue** to plague the system of healthcare, resulting in wasted money and impeding quality of care.
- The Opportunity: The changing healthcare landscape and technology advances open up **new opportunities** for improvement. We recognize that private industry and government must be partners in order to get to the desired state.
- As we accomplished in 1993, we've asked the industry to come together to **create a new roadmap** that will drive the future of healthcare information exchange and usage in a way to truly make the system more efficient and to enhance the quality of care.

# Technology Has Changed

## Since the 1993 Report

- Pervasive use of **Internet** for accessing information
- Pervasive use of **mobile devices** (e.g. smart phones & tablets) for creating, receiving, maintaining and transmitting information
- Growing use of **Cloud Technology** for information maintenance and storage
- Growing need to safeguard information from **Malware / Hackers**

# WEDI Report – Setting the Stage

## ● WHAT IS NEEDED NOW AND IN THE FUTURE?

- 2012 WEDI Executive Advisory Council Meeting (September 13)
  - Recommendation: Resulted in 2013 WEDI Report initiative
- 2013 RFQ
  - Selected Cornichon Healthcare Select, LLC
- 2013 WEDI Report Executive Steering Committee Meeting (April 2)
  - Leaders from private industry and government provided guidance



# Top 'Go Forward' Objectives

- Better care / quality
- Lower cost
- Prevention / population health
- Expanded coverage
- Decrease waste
- Increase efficiency
- Patient safety
- Patient empowerment
- Removing silos
- **Overall excellence**

**We've got to move away from "No,  
because..."**

**to**

**"We can, if..."**



# Building a Roadmap Forward

## 2020 and Beyond

We've got to electronically get the right data to the right place(s) at the right time... and it must be usable

- We've got the tools and emergent technologies.
- We've got business and government decision-makers at the table to collaborate.
- We need to identify barriers to success and eliminate them.
- We need to **identify win-win healthcare-stakeholder collaborative solutions and accelerate their implementation.**
  - We need to make healthcare exchange WORK for healthcare business and government stakeholders—and the patient.

# Typical Barriers & Accelerators

Barriers	Accelerators
Understanding the Problem	Clarity (Problem, Purpose, Role)
Fragmentation	Alignment
Resources	Economic
Infrastructure	Infrastructure
Priorities	Impact
Scope	Commitment

# 2013 WEDI Report

## Four Workgroups

- **Patient Enablement**
  - Enable patient engagement by developing and evaluating methods for identifying patients uniquely, creating and updating capabilities of electronic patient history and evidence of benefits, and improving patient access to, trust in, and usability of electronic healthcare data.
- **Payment Models**
  - Evaluate methods to enhance the current fee-for-service delivery model to derive greater efficiencies. Evaluate attributes of alternative payment models for delivering value by associating cost and quality of service delivery to price (e.g., better care at lower cost), and outline a core set of business, information, and exchange requirements.
- **Data Harmonization & Exchange.**
  - Identify factors that impede alignment of administrative simplification, meaningful use, and clinical code set standards and exchange (e.g., complexity, information fragmentation, and program silos), and ways to achieve better alignment of each that will add value to the healthcare system and business processes at lower cost.
- **Innovative Encounter Models.**
  - Evaluate business cases and return on investment (ROI) for innovative encounter models (e.g., electronic visits and communication, electronic monitoring, telemedicine) using existing and emergent technologies that will foster enhanced collaboration between patients and providers at a lower cost and with increased value, and compare characteristics to in-person patient encounters

# 2013 WEDI Report: Common Framework

## Analytical Framework

- ***Healthcare Stakeholder Lessons Learned, 1993-2013***
  - Barriers to Success
  - Critical Issues Resolved
  - Critical Issues Unresolved
- ***Healthcare Stakeholder Business Case for Electronic Information Exchange***
  - Business Rules and Compliance
  - Privacy & Security
  - Education & Technical Literacy
  - Need for Federal Regulation & Enforcement
  - Innovation
  - Return on Investment (ROI)
- ***Action Needed for Success***
  - Industry and Regulatory Requirements
  - Avoidance of Barriers
  - How Can Success be Accelerated
  - How Can Success be Measured (e.g., metric requirements)
  - What are Incentives for Enhanced Stakeholder Cooperation
  - Identifying and Implementing Productive Innovation
- ***Prioritized Suggested Solutions***
  - Short term wins (2014-2016)—3
  - Longer term wins (2017-2020+)—3

# 2013 WEDI Report Schedule

## Scope & Schedule

- Project Duration: March 11 - October 31
- Public announcement in mid-December
- Key Milestones:

Milestones	Task	Date
Segment 1	Initiation and enablement of four workgroups	March 11-April 5
Segment 2	Workgroups meet and follow common agenda	April 11-July 26
Checkpoint 1	Steering Committee Conference Call	June 5
Segment 3	Survey of industry stakeholders	July 29- September 13
Checkpoint 2	Steering Committee Face-to-Face Meeting	August 6
Segment 4	Draft of 2013 WEDI Report and Review By Steering Committee & WEDI Board	September 16- October 31

# WEDI Report Executive Steering Committee



- Honorable Louis W. Sullivan, M.D., Honorary Chair, 2013 WEDI Report Executive Steering Committee
- Dr. Doug Fridsma, Department of Health and Human Services (HHS), Office of the National Coordinator (ONC)
- Dr. John Glaser, Siemens Healthcare, CEO
- Lynn Thomas Gordon, AHIMA, CEO
- Mary Grealy, Healthcare Leadership Council (HLC), President
- Karen Ignagni, America's Health Insurance Plans (AHIP), President & CEO
- Dr. Mark Jurkovich, American Dental Association (ADA), ADA Member Representative & Practicing Dentist
- Chip Kahn, Federation of American Hospitals (FAH), President & CEO
- Bernard Tyson, Kaiser Permanente, Chairman/CEO-Elect, President & COO
- Dr. Farzad Mostashari, Department of Health and Human Services (HHS), Office of the National Coordinator (ONC), National Coordinator for Health Information Technology
- Matt Salo, National Association of Medicaid Directors (NAMD), Executive Director
- Scott Serota, Blue Cross and Blue Shield Association (BCBSA), President & CEO
- Dr. Steven Stack, American Medical Association, Chair, Board of Trustees
- Rob Tagalicod, Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS), Director, Office of E-Health Standards and Services
- Dr. Susan Turney, Medical Group Management Association (MGMA), President & CEO



# WEDI Report Advisors



- Lee Barrett, Electronic Healthcare Network Accreditation Commission (EHNAC), Executive Director
- Dr. William Braithwaite, Braithwaite Consulting
- Lisa Gallagher, HIMSS, Vice President of Technology Programs
- Marjorie Greenberg, National Committee on Vital and Health Statistics (NCVHS), Executive Secretary, Centers for Disease Control and Prevention (CDC), Chief, Classifications and Public Health Data Standards at National Center for Health Statistics
- Joseph Smith, Blue Cross Blue Shield of Arkansas, CIO
- Vernon Rowen, URAC, SVP, Legal Affairs
- Dr. Walter Suarez, National Committee on Vital and Health Statistics (NCVHS), Chair, Standards Sub-Committee Director of Health IT Strategy, Kaiser Permanente
- Jon Zimmerman, Availity, General Manager of Clinical Solutions

# 2013 WEDI Report Workgroup Co-Chairs

## **Data Harmonization & Exchange**

- Jon Zimmerman, General Manager, Availity
- Don Mon, Senior Director, Center for Advancement of Health IT, RTI International
- Rich Cullen, Executive Director, National Program Development, BCBSA

## **Innovative Encounter Models**

- Waco Hoover, Chief Executive Officer, IHT2
- John Jesser, Vice President of Healthcare Management, Wellpoint
- Rob Alger, Vice President, Health Plan Business Technology, Kaiser Permanente
- Marc Probst, Intermountain Healthcare, Vice President & CIO

## **Patient Enablement**

- Tom Meyers, Vice President, Product Policy, America's Health Insurance Plans
- Rob Tennant, Senior Policy Advisor Medical Group Management Association
- Gerard Grundler, Managing Principal, Healthcare IT Services, Verizon

## **Payment Models**

- Marcia James, Director, Provider Engagement, Humana, Inc.
- Tina Grande, Senior Vice President, Healthcare Leadership Council
- Samantha Burch, Vice President, Legislation & Health IT, Federation of American Hospitals



# The WEDI ICD-10 Industry Survey: *Are We Making Progress in Implementing ICD-10?*

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February 2013 Results

June 17, 2013

# Survey Background

- **Latest (7<sup>th</sup>) survey conducted in February 2013**
- Approximately one year after previous survey and about a year after delay was announced by CMS
- Key considerations:
  - How did the delay impact schedule and resources?
  - Did the delay allow the industry to “catch up” on meeting the compliance date?
- Survey is voluntary; not a statistically valid sample
  - Respondents likely represent a more advanced group than the general population, and results should be interpreted with caution

# Respondents

- Three groups of respondents
  - Vendors – 87, a variety of sizes and customer types
  - Health Plans – 109, mix of Blue Plans, other Commercial Plans, Federal Plans and State Agencies. Half had under a million covered lives, half had over.
  - Providers - 778, a mix, with 1/2 being physician practices, 1/5 being hospitals and the remainder a variety. 2/5 were small (less than 10 clinical FTEs), 2/5 between 11 and 1,000 clinical FTEs
- *Less than previous survey, a little more than 1/3 the number of respondents from the 2012 survey*

# Vendor Results



- ***Did the compliance date delay shift the timeline of any of your major ICD-10 projects and/or change resources assigned?***
  - Around 2/5 answered “no delay”
  - Around 1/4 answered “3-6 month delay”
  - Another 1/4 answered “greater than 6 month delay”
  - Most indicated no change in resources
- ***Conclusion – some slowdown in vendor product/service timelines***



# Vendor Results

- ***How complete is your solution development for the majority of your ICD-10 products and services?***
  - Around 2/5 say they have not yet started or are less than 25% complete – about the same as 2012 survey
  - Around 1/5 say they are complete; somewhat larger than previous survey
- ***Conclusion – Minor progress in vendor solution development***

# Vendor Results

- ***When do you plan to start ICD-10 customer review and beta testing?***
  - About half said they would do this in 2013 – about the same said 2012 in previous survey. No progress when compared to compliance date.
  - About 1/5 said 2014, about the same as said 2013 in the prior survey. No progress when compared to compliance date.
- ***Conclusion – Little progress in vendors getting products/services into beta testing***

# Vendor Results



- ***When do you plan to have your ICD-10 services/software available to customers?***
  - Around the same portion (1/5) indicated they had their products ready.
  - About 1/3 will be ready this year (year prior to compliance) as opposed to about 1/4 in the last survey.
  - About 1/3 will be ready next year (year of compliance), same as last survey
  - “Unknown” dropped from 2/10 in 2012 to 1/10 in 2013 survey
- ***Conclusion – little improvement in vendor product availability***

# Vendor Results



- ***Top 3 Issues/Obstacles for Vendors***
  - In 2013: **Customer readiness**, competing priorities, other regulatory mandates
  - In 2012: **Competing priorities**, other regulatory mandates, customer readiness
- Same issues, different order

# Health Plan Results

- ***Did the compliance date delay shift the timeline of any of your major ICD-10 projects and/or change resources assigned?***
  - About 1/2 indicated a shift of greater than 6 months
  - 1/5 indicated 3-6 month delay, 1/5 indicated no delay
  - 1/3 lost resources, 1/4 stayed the same, a smaller amount indicated a gain in resources
- ***Conclusion – slowdown of project in many health plans***

# Health Plan Results

- ***How complete is your formal impact assessment/gap analysis?***
  - In the 2013 survey, about 1/2 of the health plan respondents indicated that they had completed their impact assessment, with another 1/4 nearing completion.
  - In the 2012 survey, the figures were about 1/3 and 1/5 respectively
- ***Conclusion – health plans made progress in completing their impact assessments***



# Health Plan Results

- ***How complete is your internal business process design and development?***
  - In 2013, slightly more than 1/3 are complete or nearly complete
  - In 2012, this figure was about 1/6
  - In 2013, less than 1/10 had not started as opposed to around 1/6 in 2012
- ***Conclusion – some progress made by health plans.***

# Health Plan Results

- ***What is your estimated date to start internal testing of fully functional ICD-10 processing?***
  - About 3/4 indicated that they will start this step sometime in 2013, the year prior to compliance.
  - In the 2012 survey, around 1/2 of the plans indicated they would start this step in the year prior to compliance.
- ***Conclusion – health plans made some progress in this step***

# Health Plan Results

- ***What is your estimated date to begin external testing?***
  - Health plan respondents were split nearly 50-50 between those who would begin external partner testing prior to Jan 1, 2014 and those who would not start until after Jan 1, 2014
  - In 2012, around 7/8 indicated they would not start until the year of compliance
- ***Conclusion – While progress has been made, half of health plans will still have 9 months or less to test with trading partners***

# Health Plan Results

- ***What are the top 3 obstacles/issues that have caused delay and/or lack of progress in ICD-10 planning and implementation?***
  - In both 2012 and 2013, these were:
    - Competing internal priorities
    - Staffing issues
    - Other regulatory mandates

# Health Plan Results

- ***What is your primary strategy for ICD-10 claims processing?***
  - Almost 2/3 indicate direct processing of ICD-10 codes is their primary strategy, up slightly from 2012
  - About 1/4 plan to use a combination of direct processing and crosswalking
  - Only a handful indicated crosswalking as a primary strategy
- ***Conclusion – few health plans will be using crosswalking as a primary strategy for claims processing***

# Provider Results

- ***Did the compliance date delay shift the timeline of any of your major ICD-10 projects and/or change resources assigned?***
  - 2/5 indicated no change
  - 1/3 indicated a delay of more than 6 months
  - Most indicated no change in resources
- ***Conclusion – some impact on timeframes, none on resources***



# Provider Results

- ***What is the expected completion date of your ICD-10 impact assessment?***
  - Over 2/5 indicated unknown, about the same as in 2012
  - Slight increase in those completed or planning to complete in the next 3-6 months
- ***Conclusion – providers appear to be slow in completing impact assessments***

# Provider Results



- ***When do you expect to complete business changes?***
  - 2/5 answered unknown, similar to the 2012 results
  - 1/3 indicated that they would not be complete until 2014.
- ***Conclusion – Many providers have not taken significant steps forward in implementation***

# Provider Results

- ***What is your expected date to begin external testing with health plans/trading partners?***
  - Half answered “unknown”, similar to 2012
  - 1/3 expect to begin sometime in 2014
- ***Conclusion – many providers will have less than 9 months for external testing.***

# Provider Results

- ***What are your top three obstacles that have caused delay and/or lack of progress in ICD-10 planning and implementation?***
  - Respondents were fairly evenly split among the answers here (staffing, budget, competing priorities, vendor readiness, IT impacts), similar to 2012.
- ***Conclusion – Providers are facing a myriad of issues in completing their ICD-10 work***

# Provider Results

- ***How do you plan to produce ICD-10 codes?***
  - Over 1/2 of the respondents indicated they would use a mix of crosswalking and direct code selection
  - About 1/8 will use only crosswalking
  - Similar results to 2012
- ***Conclusion – many providers will be using some crosswalking in selecting ICD-10 codes.***

# General Conclusions

- The one year compliance delay caused at least some organizations to delay their ICD-10 efforts.
- Health plans appear to have made some progress from early 2012 to early 2013, but many vendors and providers have not.
- Provider readiness appears to be the major concern in meeting the 2014 compliance deadline.
- The industry may not have the necessary time for enough end to end testing to prevent major disruptions upon the compliance date.
- WEDI recommends CMS partner with WEDI and other industry partners to engage the industry, gather concerns, and coordinate efforts.





# OTHER WEDI ACTIVITIES



# WEDI ICD-10 State Collaborative

- A new “affiliate” sub-workgroup under the ICD-10 workgroup will be formed on June 1, 2013 to help coordinate ICD-10 implementation efforts. First ICD-10 state collaborative meeting will convene on July 22, 2013 at the **WEDI ICD-10/HPID Implementation Excellence Forum**.
- The initiative’s initial partners are: California ICD -10 Collaborative, Massachusetts Health Data Consortium, Minnesota ICD-10 Collaborative, NCHICA and Wisconsin ICD-10 Collaborative.
- The goal of the new initiative is to help facilitate inter-state communication around ICD-10 implementation and to help bring stakeholders together to work successfully implement ICD-10. Through this initiative, states will have an opportunity to share best practices, collaborate in end-to-end testing, and work together to reduce the risk and effort required to implement the ICD-10 standard.

# WEDI Efforts

**WEDI convenes over 40 workgroups focused on areas including: transactions, identifiers, privacy, security, ICD-10, Health ID cards, HIE's, HIX, ACOs and more**

- Industry Education
- Issue identification and recommendations
- Implementation guidance
- Industry testimony and comment letters
- WEDI resources: <http://www.wedi.org>
  - White papers & Issue briefs
  - Presentations
  - Listservs and work groups
  - Legislative & Regulatory tracking service

# Other Activities

- Held an HPID Listening Session with CMS; Drew over 1,000 attendees virtually.
- Working with CMS to develop an industry coalition ICD-10 support to ensure a smoother industry transition.
- New OCR education partnership. Five webinars to be held, targeting the provider community regarding the new Omnibus regulation. Expected roll-out June.
- Recently completed our National Annual Conference (May, 2013). Largest conference in WEDI history.
- Planning a ICD-10 / HPID Implementation Excellence Forum: July 22-25 in conjunction with a CMS HPID Listening Session.
- Implementing HIMSS/WEDI National Pilot Project: 1<sup>st</sup> round testing is underway.

# Membership Changes

## **WEDI Announced Free Government & Student Membership**

- More than 70 federal and state agencies have joined WEDI
- Coordinating with state universities to expand reach to future Health IT leaders



THANK YOU ...  
QUESTIONS?

