



# Testimony to National Committee on Vital and Health Statistics Subcommittee on Standards

## 5010/D.0 and 3.0 – Current State of the Industry; Implementation Issues; Lessons Learned; Goals set for moving to new versions of standards

### Introductory Statement and Emdeon Overview

Emdeon is pleased to offer the following comments to the Subcommittee regarding the issues, approaches to solutions and lessons learned during the implementation of version 5010. Emdeon has been instrumental in testing of the new transaction standards, so we hope that our experiences and observations will be helpful as you review the industry’s experience with these critical initiatives.

Emdeon is a leading provider of revenue and payment cycle management and clinical information exchange solutions. Building on more than 25 years of government and commercial service, Emdeon provides powerful financial, administrative and clinical communication solutions that connect payers, providers and patients to improve healthcare efficiency. Emdeon processes over 5 billion healthcare transactions each year, and our industry-leading network connects 500,000 providers, 81,000 dentists, 60,000 pharmacies, 5,000 hospitals and 1,200 government and commercial payers. In effect, Emdeon can act as a representative sample of the entire U.S. commercial healthcare sector and a major portion of the U.S. government sector – giving us a unique, 360-degree view of the impact of these changes on the industry.

Today we would like to discuss our experiences in implementing 5010, the status of our implementation efforts and some important considerations for the industry as we look ahead to other administrative simplification initiatives. Our focus will be on the following experiences:

- 1) Current state of industry implementation of 5010/D.0/3.0.
- 2) Current/ongoing implementation issues and approaches used to address them.
- 3) Lessons learned with respect to transition and implementation.
- 4) Goals set for moving to new versions of the standards have been achieved.

### 1. Current State of Industry

The industry has made tremendous progress toward a full implementation of the 5010 transactions. The following is a summary of the claims transactions provided by 19 clearinghouses through a Cooperative Exchange survey done the week of June 10, 2013.

Submitters - Claims				
Transaction	5010 Only	Volume	4010 only	Volume
Professional Claims	75%	87%	25%	13%
Institutional Claims	79.5%	89%	20.5%	11%



Health Plan Claims		
Type of Plan	5010 Only	4010 only
Commercial	97%	3%
Medicaid	100%	0%
Medicare	100%	0%

## 2. Current/Ongoing Implementation Issues

As part of the survey that was conducted, the clearinghouse industry has not reported any new implementation issues since our last testimonies.

## 3. Lessons Learned

In June 2012, Emdeon testified along with the Cooperative Exchange on the lessons learned. We feel that these remain the key issues that we faced with 5010 and will continue with future versions if not addressed. These included:

1. A Transition Period is critical to help the industry manage the asynchronous implementation and avoid a bottle neck around the compliance date.
2. Focus on one thing at a time. Get the formatting correct, and then address the content as well as any edits that need to be implemented to support the changes in content. Provider enrollment and registration dependencies should be avoided as an aspect of transaction standard transition activities.
3. Align policy changes with the guides when the policy goes into effect. This will prevent issues with future versions.
4. Implementation timelines must include testing of acknowledgments.

In addition to the issues we addressed previously, we feel that it is important for future versions to be pilot tested to identify transition issues prior to the adoption of the standards. We also feel that a transition period should be named during which early adopters can move into production with the new version without the strict enforcement of the TR3's to allow for the asynchronous way the industry migrates. If this is not considered, then the bottleneck will continue to happen as the compliance date approaches, resulting in a need for delay.

## 4. Goals set for moving to new versions of standards

On September 26<sup>th</sup>, 2012 Emdeon was awarded a contract by CMS to pilot test the ASC X12N 6020 transactions, recognizing that this will not be the next version to be adopted under HIPAA, but the foundation for the next version. This is a one year phased program that includes Gap Analysis, Translation, Testing and Reporting. We are currently in the Testing Phase and will be providing full reporting of the results and recommendations for testing future versions of the HIPAA Transactions.

The purpose of the Pilot Test Project is to develop and execute a method of testing the updated versions for the standard transactions prior to adoption under HIPAA and the Affordable Care Act. The process or system developed may be considered for testing the viability of any new versions of standards being considered for adoption. Such validation, in advance of a



recommendation for adoption to the Secretary, could result in avoidance of errata in the middle of implementation and ultimately save the industry millions of dollars.

Some of the obstacles we faced included updated tools, inadequate change logs and working through the ASC X12 Intellectual Properties that do not allow publication or distribution of information from the Technical Reports. To overcome these issues, Emdeon used the gap analysis reports and our experienced staff to manually build out the translators and validation tools for use in translation and QA. Our team has worked closely with ASC X12N to provide a better change summary and has been instrumental in entering the information on 6020 to bring forward with the next version. During this process we have worked closely with ASC X12 to come to an agreement on what we can publish coming out of this project.

The initial results of the analysis found five critical issues that required changes to the transactions. Finding these types of issues prior to adoption avoids the need for errata during the implementation and testing phase. In both 4010 and 5010, the industry faced this challenge that required new regulations and re-testing for those who were early adopters. These late changes also caused some to delay their testing resulting in a need for extending the compliance of both versions.

In addition to the critical issues, we were able to identify areas where transition strategies will be needed during the early adoption phases as well as changes we felt will need outreach and education. We had 401 items we flagged as needing to be addressed during the transition period. Of these 150 were issues that we felt needed either education or correction from ASC X12. In some instances, the issues were ones that Emdeon will address through our mapping and conversion programs. We will be entering Change Requests for each of the items we felt ASC X12 will need to change. We also used our analytic capabilities to further recommend changes to ASC X12 with regards to repeats of information and use of codes and elements that were removed.

Our preliminary findings are in support of pilot testing and early adoption of all of the mandated standards prior to adoption and will continue to work with the industry to develop steps and timelines critical to successful implementation.

## **Conclusion**

In closing, we would like to thank the members of the Subcommittee for their time and attention. The changes being discussed today represent a major transformation for our industry. We appreciate all of your efforts to bring clarity and consensus to the process. We hope this information will be useful to you. Should you have questions or need any further information, please do not hesitate to let us know.

Thank you.

####