



**National Committee on Vital and Health Statistics
Subcommittee on Standards
June 18, 2013**

Cooperative Exchange ICD-10 Testimony

The Cooperative Exchange would like to thank NCVHS for holding these important hearings and inviting us to participate. The Cooperative Exchange is the recognized resource and representative of the clearinghouse industry for the media, governmental bodies and other outside interested parties. In 2010, Cooperative Exchange members submitted 1,219,971,981 unique claims, from over 686,276 provider organizations, representing \$1,049,343,368,882. We are committed to promote and advance electronic data exchange for the healthcare industry by improving efficiency, advocacy, and education to industry stakeholders and government entities. Our members include: ACS EDI Gateway; American Medical Association; Axiom Systems; Availity; CareMedic Systems; Capario; ClaimLogic; Claimsnet; eProvider Solutions; Gateway EDI; GE Healthcare; GHN-Online; HDM Corp.; Healthcare Billing and Management Association; Health-e-Web; Jopari Solutions; Medical Electronic Attachments; NextGen Healthcare; Office Ally; OptumInsight; RealMed, an Availity Company; Secure EDI; Siemens HDX; Streamline Health; The SSI Group, Inc.; Zirmed.

First, it is important to note that the clearinghouse role in ICD-10 is not to provide the code on the claim, but to pass it through from the provider to the payer. We can provide mechanisms to edit codes against payer guidelines, but can't crosswalk codes based on medical record content.

Second, we want to say that the Medicare decision to not do end-to-end testing without sufficient reasoning sends a bad signal to the industry. Providers who have substantial business with Medicare may be at a great disadvantage because of this decision. Providers need to determine if the reimbursement is the same/different based upon the DRG codes. Larger payers are end-to-end testing with their largest providers. At least a beta population of end-to-end testing would help.

To ensure a successful transition, we recommend these critical industry milestones to achieve between now and the proposed new compliance deadline:

1. Payers publically release their testing dates and testing plans
2. Vendors get their systems to the providers
3. Payers release edits as soon as possible
4. Providers transfer their systems to the new software

To maintain industry momentum on the transitioning to ICD-10 we strongly urge OESS not to change the date or provide a grace period. This will only further delay industry preparations.

To better facilitate end-to-end testing during the remaining transition period, the Cooperative Exchange urges all stakeholders to think in terms of collaborating. Consider the HIMSS ICD-10 National Testing Program or a state collaborative, and especially participate with a clearinghouse.

The biggest outstanding risks for health plans and providers are cash flow (i.e. delay payments because of coding issues). Not getting paid at all or getting underpaid will require providers to look at their reports on a daily basis. Obtaining those reports will mean they have a reporting system in place. Clearinghouses can provide this, as well as historical payment information. For payers, cash flow issues are just as important. Their cash flow must be within range of their estimates, else their reserves and medical loss ratio measures are at risk.

We applaud the discussion today and the opportunity to submit our perspective.

Respectfully Submitted,

Tim McMullen, JD, CAE
Executive Director