EFT/ERA Implementation Status and Development of Operating Rules for Remaining HIPAA Transactions

Testimony Provided to the
Subcommittee on Standards
National Committee on Vital and Health Statistics

February 19, 2014

Presented by:
Janet Jackson, Director,
Document Operations
and Electronic Solutions

BlueCross BlueShield of North Carolina

An independent licensee of the Blue Cross and Blue Shield Association. U7430b, 2/11

Topics

- About BCBSNC
- Operating Rules Mandates – EFT and 835
  - Implementation
  - Lessons Learned
- Voluntary Certification
- Operating Rules Mandates – Next Set
  - Priority
  - Compliance Dates

Blue Cross and Blue Shield of North Carolina

- Headquartered in Chapel Hill with major operations centers in Durham and Winston-Salem
- 3.8 million members – 1M on behalf of other Blues Plans
- Network of healthcare providers includes 97% of medical doctors and 99% of hospitals in North Carolina
- Processed 202M HIPAA transactions in 2013

Operating Rules for 835 and EFT

- Began project in early 2012; implemented the system changes over a 6 month period in 2013
- Project Cost: $1.5M
- Project benefits
  - Consolidated EDI gateway for 835 retrieval
  - Began EFT for one product line
  - Increased provider satisfaction
  - Increased EDI rates
- Current EDI Rate
  - 92% of our claims dollars via 835 representing 74% of our total checks
  - 86% of our claims dollars via EFT representing 59% of our total checks

Operating Rules for 835 and EFT

- Lessons Learned
  - Stay involved in rules development (CAQH CORE)
  - Start early; don't under-estimate the complexity of the requirements
  - Communicate, communicate, communicate – early, often, and in detail
- Voluntary Certification
  - CAQH CORE Phase I - May 2007
  - CAQH CORE Phase II – January 2014
  - CAQH CORE Phase III – awaiting CAQH CORE review for seal (all testing and paperwork complete)
- Ongoing Compliance
  - Dashboards and Reporting
  - Identify and resolve operational issues
  - System change over time

Operating Rules – Future Set

- Current mandates – to be implemented over next two years
  - Health Insurance Exchange – stabilize individual and implement group
  - ICD10
  - Health Plan Identifier
  - Operating Rules Certification
- Operating Rules – future set
  - Create discrete compliance dates for the individual transactions instead of all five at once (1/1/16 per Section 1104)
  - Prioritize remaining transactions based on ROI
    - Claims Attachments – greatest opportunity to gain business process efficiencies and associated ROI
    - Claims – delay until can take action on Claims Acknowledgement (277CA)
    - Authorizations – currently no to low adoption
    - Enrollment and Premium Payment – delay until health insurance exchange is fully implemented and stabilized; apply lessons learned to these transactions

Operating Rules – Future

- Work with CAQH CORE and other stakeholders to define Operating Rules for the remaining transactions
- Communicate benefits of electronic transactions with trading partners and providers to encourage increased adoption of all transactions
  - Allow industry to realize expected ROI from the mandates