Statement To
DEPARTMENT OF HEALTH AND HUMAN SERVICES
NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS
SUBCOMMITTEE ON STANDARDS

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Members of the Subcommittee, I am Laurie Darst, Revenue Cycle Regulatory Advisor at the Mayo Clinic and a member of the Workgroup for Electronic Data Interchange (WEDI) Board of Directors. I would like to thank you for the opportunity to present testimony today on behalf of WEDI concerning the Unique Health Plan Identifier (HPID) under the Administrative Simplification provisions of the Affordable Care Act (ACA).

WEDI represents a broad industry perspective of providers, clearinghouses, payers, vendors and other public and private organizations that partner together to collaborate on industry issues. WEDI is named as an advisor to the Secretary of Health and Human Services (HHS) under the Health Insurance Portability and Accountability Act (HIPAA) regulation and we take an objective approach to resolving issues.

Background

WEDI has been seeking feedback from our members on the HPID since the Subcommittee hearings in July 2010 and has held several Policy Advisory Groups as well as Technical Advisory Committees on the subject in the intervening years. A recurring theme that we have heard is the continued confusion within the industry as to what HPID is intended to solve with respect to our current healthcare industry. The industry understands the intent from the original HIPAA statute was to solve routing issues, but the industry has resolved those prior issues, with special attention to privacy and security risk mitigation.

Without reiterating prior testimony, as the industry has further delved into the Final Rule provisions and started evaluations of health plan enumeration and implementation issues, further confusion has evolved. This confusion is evident as we address the questions from the Subcommittee below.

What is the current status of preparation and health plan strategies for adopting the new health plan ID in transactions?

What is the current status of preparation and plan strategies for using new health plan ID in transactions?

The response to both of the first two questions is relatively the same in that we see work on both adopting and using HPID within transactions to be minimal at this point in time. Health plans are still struggling with enumeration schemas to be in compliance with the final rule. How those schemas translate to use within standard transactions creates an impact across all stakeholders, which is difficult to address until enumeration issues are resolved.

What are the key issues and challenges with the adoption of a health plan ID and Other Entity Identifier (OEID)? How can these issues be addressed?

HPID:
Enumeration under the regulation continues to be a challenge for many health plans, specifically with respect to the definitions of controlling health plan (CHP) and subhealth plan (SHP). Initial review of the Final Rule language against their current payer identifier enumerations leads them to believe that the rule requires a much greater level of enumeration than that used in current practice. Trading partners of health plans are increasingly concerned that greater enumeration will result in a disruption of the current, well-functioning transaction flows, potentially resulting in payment disruptions and accounts receivable impacts as well as privacy and security breaches due to misrouted transactions.

There is great concern that by introducing a new, not equivalently mapped, enumeration into the transactions may reintroduce past issues that have been solved, which impacts provider accounts receivable and re-introduces significant privacy and security risks. There is also concern that to simply introduce a new enumeration that is equivalently mapped only replaces one number with another, which spends unnecessary resources.

Other points that cause industry angst are around the enumeration requirement for health plans, which does not equate to enumerating all payers. In addition, the Final Rule preamble text which indicates there is not a new requirement to identify a health plan in transactions, but rather only to use their HPID where they are identified within a transaction. And finally, the required enumeration of self-insured group health plans and initial lack of data dissemination of HPID database is also cause of significant concern to the industry.

Clear, unambiguous definition of the intent of the HPID is needed. Once the purpose is clearly defined, the required and allowed uses should be clarified. We would suggest this occur through discussion with all affected industry stakeholders to insure a thorough understanding of the concerns and barriers the industry is currently facing.

OEID:
There is even more confusion within the industry around the full purpose and scope of the Other Entity Identifier (OEID) from the Final Rule. Many questions arise, including whether the OEID is used the same way as an HPID, can OEID be used by atypical providers and can OEID be used within the enveloping structures of the transactions. Without clarification, WEDI members have concerns that an appropriate review of the standards for accommodation of this new identifier cannot be conducted by the Standards Development Organizations, which is critical for successful implementation by the industry.

There is significant concern that without adequate understanding of the use and purpose of OEIDs, transactions might be misdirected to incorrect trading partners, resulting in privacy breaches. Such breaches under HIPAA and ARRA/HITECH provisions create negative downstream impacts to all parties involved in a breach, regardless of whether the party is the one whose information was released or the one who was accountable for the breach.

Given that obtaining an OEID is optional and there are significant questions and concerns over the enumeration and use of HPID and OEID, one reasonable approach would be to focus first on HPID since that is required under the Final Rule. Focusing attention on HPID would increase the chances of a smooth implementation while allowing time for CMS to work with WEDI and the Standards Development Organizations to further clarify use of OEID, including the ability of transactions to accommodate this identifier.

What are the implementation issues/successes with implementing operating rules for TPAs?

WEDI is not able to comment on this specific question as we have not collected feedback from our membership that would address this specific question.

What is the impact on TPAs and ASOs of HPID and Certification of Compliance?

Many self-insured group health plans do not directly administer their health plan operations, employing a third party administrator today. Under this business model, these plans do not conduct standard electronic transactions and with the provisions of the HPID Final Rule applying to health plans, not just health plans that conduct standard transactions, there is concern that many self-insured health plans are unaware of the new requirements that apply to them.

There continues to be a lack of clarity as to the intent of having self-insured group health plans that do not conduct standard transaction obtain an HPID given the understanding that HPID is trying to solve the perceived business issue of standard transaction routing issues. These health plans are not identified in transactions separate from the third party administrator acting on their behalf currently.

WEDI members express concern that these entities may not realize the HPID Final Rule applies to them and sees educating them as a significant need moving forward. WEDI is willing to partner with CMS on education and collection of feedback from self-funded entities. The impacts of enumeration of self-insured entities past the HPID itself are yet unknown.

WEDI only recently held a Policy Advisory Group on the Certification of Compliance NPRM and is still in the process of finalizing our comments to the Secretary as a result, so we have no comments on any impacts to certification at this time.

Conclusion

WEDI supports the continued efforts of all stakeholders towards meeting the compliance date. Continued collaboration and communication among industry participants is needed and must be accelerated in order to assist those lagging behind in achieving the end goal.

Members of the Subcommittee, thank you for the opportunity to testify and WEDI offers our continuing support to the Secretary and the industry in achieving compliance.