BlueCross BlueShield Association

An Association of Independent Blue Cross and Blue Shield Plans

TESTIMONY

Before the

NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS

SUBCOMMITTEE ON STANDARDS

On

Unique Health Plan Identifier (HPID)

Presented by:

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BLUE CROSS BLUE SHIELD ASSOCIATION

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Good morning. My name is Gail Kocher and I am the Director of Industry Standards & eHealth for the Blue Cross Blue Shield Association. BCBSA is a national federation of 37 independent, community-based and locally-operated Blue Cross and Blue Shield companies ("Plans") that collectively provide healthcare coverage for 100 million members – one-in-three – Americans.

On behalf of BCBSA and its member Plans, I would like to thank you for the opportunity to respond to the Subcommittee's questions and provide our perspective on the Unique Health Plan Identifier (HPID). While HPID is ultimately a local Plan business decision, our comments provided below in response to your questions reflect a collection of feedback from all Blue Plans.

RESPONSES TO NCVHS QUESTIONS

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

All Plans are aware of the HPID Final Rule and are at least in the process of conducting their analyses to determine their enumeration schema. Some Plans have already obtained at a minimum their Controlling Health Plan (CHP) HPID(s). There are several factors, however, that have held some Plans back from enumerating or enumerating to a full complement of CHP and Subhealth Plan (SHP) HPIDs:

- Continued industry confusion as to the business issue that HPID is intended to solve
- CHP and SHP definitions in the Final Rule appear to require greater enumeration than that currently used

- Lack of clarity on cost benefit impacts due to potential for greater enumeration
- Lack of information on other potential uses and requirements of HPID

The recently issued Notice of Proposed Rulemaking (NPRM) for the Certification of Compliance for Health Plans has added to Plan concerns around HPID enumeration due to the potential direct link of each CHP HPID to filing a certification of compliance.

There is additionally lack of clarification around the applicability of HPID to self-insured and fully-insured group health plans when those groups are not conducting standard transactions under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The intent of the requirement for enumeration of fully-insured group health plans as well as self-insured groups that are Administrative Services Only (ASO) accounts when they do not conduct the standard transactions adopted under HIPAA is unclear. This confusion is further compounded by the potential for these group health plans to fall under the Certification of Compliance provisions.

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

BCBSA understands that the Accredited Standards Committee (ASC) X12 is in the process of clarifying the language within the 005010 standards adopted under HIPAA related to the HPID. Until the standard organization completes their process and enumeration challenges are resolved, it is difficult for health plans and their trading partners to begin preparation for any use of HPID within transactions.

Once these clarifications are resolved, Plans will need to complete their strategy planning and begin implementation, both for any system impacts within their infrastructure and communication to their trading partners of their implementation plans. The longer the clarifications take, the less time there is available for Plan internal efforts as well as communication to providers and other trading partner to aid their preparation and implementation.

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?

The key issues our Plans continue to face as they work on their HPID enumeration revolve primarily around their interpretations of the granularity to which they are required to enumerate under the Final Rule. For some Plans, there appears to be a requirement to enumerate to a much greater level than that which they use in current business practice. This creates concern not just on the part of our Plans for their own business practices, but also a concern for the impacts that greater granulation may have on their provider and other trading partner customers. Transaction flows function well overall in the current environment and collectively, all stakeholders in the transaction flows have concerns that a greater enumeration may result in disruptions to this flow. In the event this occurs, there is the potential for payment disruptions and accounts receivable impacts as well as the privacy and security breaches due to misrouted transactions.

We still see the need for further clarification on the intent and definition of the HPID with respect to a health plan and the impact to a health plan that is not conducting standard transactions under HIPAA. This is especially critical as related to self-insured and fully-insured group health plans.

With respect to the Other Entity Identifier (OEID), we support the voluntary approach to its use under the final rule. Allowing entities that have a business need to obtain one while not requiring enumeration reduces the burden to entities that have no business need to obtain one, and allows business needs to drive the use of OEIDs. After some experience, the industry may choose to refine OEID requirements, which is much easier to accomplish based on a voluntary approach.

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

We have not received Plan feedback specific to address this question to date. We would be happy to work with our Plans to gather additional feedback to provide to the Subcommittee as needed to respond to future hearings specific to operating rule adoption.

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

Ultimately the impacts on third-party administrators (TPAs) and ASOs are unclear, but the potential for these impacts to be a reality is of great concern to our Plans that act in these roles. BCBSA sees the need to resolve the questions around self-insured and fully-insured group health plans under the HPID Final Rule before any assessment of the impact of HPID and Certification of Compliance can be fully conducted. We have solicited feedback from our Plans on the Certification of Compliance NPRM and are in the process of compiling that information in order to comment as part of the NPRM comment period. Until that process is completed, it is premature to comment here of any potential impacts.

CONCLUSION

BCBSA strongly supports the goal of HIPAA Administrative Simplification to promote efficiency and reduce the cost of administrative transactions and the HPID has a potentially important role to play. The value comes with a narrow scope and focus on the enumeration and use of HPID in support of administrative simplification objectives and as long as there are no adverse impacts to existing contractual agreements between trading partners. We believe the Final Rule supports these principles and we recommend that further clarification continue to align with these principles.

Given the number of mandates with a implementation dates in 2014 through 2016, we encourage CMS to consult the National Committee on Vital and Health Statistics to develop a strategic road map for Administrative Simplification provision implementations. This road map should balance all mandates from the ACA, not just Administrative Simplification provisions, along with other ARRA/HITECH mandates to work towards avoiding bottlenecks and overlapping resource commitments. We would also request that the NCVHS work with industry stakeholders in developing this road map.

We appreciate the opportunity to testify and I would be happy to answer any questions.