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

Hearing on HIPAA and ACA Administrative Simplification- Operating Rules, ICD-10, Health Plan ID, Attachments
Tuesday, June 10

Introductory Statement and Emdeon Overview

Emdeon is pleased to offer the following comments to the Subcommittee on our status of ICD-10 readiness, the challenges we see and some ways in which we have faced these challenges to help our customers in their implementation of ICD-10. Emdeon has been actively engaged with our customers to develop ICD-10 testing and implementation strategies so we hope that our experiences and observations will be helpful as you review the industry's experience with this critical initiative.

Emdeon is a leading provider of revenue and payment cycle management and clinical information exchange solutions, connecting payers, providers and patients in the U.S. healthcare system. Emdeon's offerings integrate and automate key business and administrative functions of its payer and provider customers throughout the patient encounter. Through the use of Emdeon's comprehensive suite of solutions, which are designed to easily integrate with existing technology infrastructures, customers are able to improve efficiency, reduce costs, increase cash flow and more efficiently manage the complex revenue and payment cycle and clinical information exchange processes.

Emdeon has connections to more payers, providers and vendors than any other healthcare business in the marketplace. Emdeon understands how to deliver solutions that best impact the flow of information for all parties to increase efficiency and maximize profitability. By connecting information intelligently and making key administrative processes easier, Emdeon simplifies the business of healthcare for everyone.

In 2013, Emdeon processed more than 7 billion health information exchanges, including approximately one out of every two commercial healthcare claims delivered electronically in the United States. Emdeon's industry-leading network reaches: 700,000 physicians; 81,000 dentists; 60,000 pharmacies; 5,000 hospitals, 1,200 payers; 450 labs and 600 vendors. 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.

The Committee asked that we provide you with our perspective on the Health Plan Identifier (HPID) and we will address the following topics:

1. What is the X12 HPID Errata?
2. What are the main issues or concerns and challenges identified with respect to the enumeration of Health Plan ID (from a provider, plan, clearinghouse, and vendor perspective)?

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3. What are some of the most salient strategies and 'best practices' for resolving these issues and challenges (from the same various perspectives?)
4. What is the current status of preparation and plan strategies for using new health plan ID in transactions?
5. What are the key issues and challenges with the adoption of a health plan ID and Other Entity Identifier (OEID)? How are these issues being addressed?

1. ASC X12N HPID Errata

The details of the Errata will be covered by the ASC X12 representatives on this panel. However Emdeon staff participates in the Insurance Subcommittee of ASC X12 in various leadership roles and it is our understanding that the clarification of the HPID use in the transactions maintenance documents have been released for public comment; reviewed and are now ready for publication. There is no impact to our services for the Type 2 Errata however; the impact of the Type 1 Errata will require updates to the existing translations to reflect the revision to the version. (For example 005010X222A1Health Care Claim: Professional (837) will need to be updated to 005010X222A2 in the Version/Release Industry/Identifier Code in the Functional Group Header (GS Segment) for the transactions impacted). These changes will need to be communicated to our trading partners through our normal communication methods and companion documents. Since there are no structural changes introduced with the Errata, we do not anticipate a need to test this version change at this time.

2. Main issues or concerns and challenges identified with respect to the enumeration of Health Plan ID

Initially, there was a perception that the HPID was intended to replace the Payer ID used today for the many aspects of the transaction flows from routing, editing to billing of the transactions. The very granular enumeration of HPID and OEID based on the definition of the CHP had enormous impact to our products and services with a high risk of misdirected PHI as the industry worked through routing issues. There did not seem to be a standard approach to the enumeration process and maintenance of HPID going forward would have been a significant resource cost.

However, based on clarification at the February NCVHS Hearings by the OESS staff Chevell Thomas, this was not the intention.

> "The second theme that has come up is the idea that the payer ID and the HPID are the same thing and they are not. We have come to inform that a lot of times in industry the terms are used synonymously or used interchangeably. As people read the regulations, they are not really seeing the distinction that we thought was very clearly made. Again, our intention was never to replace the payer ID. We do not have the authority to do it even if we had intended to. We do see this as part of our next task to make sure that people clearly understand that the payer ID will be there in November 2016 in addition to the HPID. This angst about having to reprogram all these systems to make this change is not really what is in the regulation."

With this clarification, the extent of the implementation costs has been greatly reduced from a multiple million dollar project expanding over several years with no apparent benefit.

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We still hear some confusion in the industry on the enumeration process and how the self-insured employers are being notified that they must get an HPID. It is unclear as to who should be responsible for the education with regard to the enumeration and use of the HPID.

3. Salient strategies and 'best practices' for resolving these issues and challenges

In the testimony provided to NCVHS noted above, there is reference to a need to help the industry understand that the payer ID will be there in November in addition to HPID. We strongly recommend that this education be done immediately so that proper adjustments to project plans and budgets can be made. Without clear communication and education the confusion in the industry will continue. We cannot emphasize this enough. Communication is critical as much of the industry is not aware of the latest set of errata document or the intent to continue with the use of Payer Identifier.

Once the official communication is made available, Emdeon's strategy is to provide education to our customers through webinars and our HIPAA Simplified website. (www.hipaasimplified.com). We will continue to require the use of the current Payer ID for all transactions, however, we will also allow the submission of the HPID in the appropriate data element in the transactions that support both HPID and Payer ID.

We also plan to update our Companion Guides to ensure that our customers fully understand our need to continue to receive the HPID.

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

Emdeon's Exchange (clearinghouse services) is currently being remediated to accept the HPID along with the Payer ID. Much of the work was completed with the implementation of 5010, however, there is still work to be done. In transactions that cannot accommodate both the HPID and the Payer ID we will require that the Payer ID be submitted. Emdeon products will be updated to allow a provider to submit the HPID in addition to the Payer ID for claims.

5. Key issues and challenges with the adoption of a health plan ID and Other Entity Identifier (OEID)? How are these issues being addressed?

The key issue with the adoption of the Health Plan ID continues to be clarification on how the HPID is to be used in the transactions. We recommend that the educational materials be completed and disseminated through webinars and FAQ's so that the industry associations can help with the education. We further recommend that until a clear business use be defined, the HPID should not be used in the transactions and all references in the standards be removed.

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.
Deborah Meisner
VP Regulatory Strategy, Emdeon
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NCVHS Standards Committee Hearing
Session 6: Health Plan ID
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Debbi Meisner, VP Regulatory Strategy

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About Emdeon

Simplifying the Business of Healthcare

Emdeon is a leading provider of revenue and payment cycle management and clinical information exchange solutions, connecting payers, providers and patients in the U.S. healthcare system. Emdeon's offerings integrate and automate key business and administrative functions of its payer and provider customers throughout the patient encounter. Through the use of Emdeon's comprehensive suite of solutions, which are designed to easily integrate with existing technology infrastructures, customers are able to improve efficiency, reduce costs, increase cash flow and more efficiently manage the complex revenue and payment cycle and clinical information exchange processes.

Industry Leadership

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- 700,000 physicians

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- 5,000 hospitals

- 1,200 payers

- 450 labs

- 600 vendors

ASC X12N HPID Errata

- *Errata addressed by ASC X12N Representative Earlier*

  - Maintenance Documents are ready for publication

- *No Impact for Type 2 Errata*

- *Updates required for Type 1 Errata*

  - For example: 005010X222A1Health Care Claim: Professional (837) will need to be updated to 005010X222A2 in the Version/Release Industry/Identifier Code in the Functional Group Header (GS Segment) for the transactions impacted).

  - Communication with trading partners will be required through normal communication methods.

  - Since no structural changes we do not anticipate a need to test this version change at this time.

- *We cannot assume that all 5010 transactions are ICD-10 enhanced.*

  ICD 10 is a "big bang" point in time cutover so visibility is limited

Challenges

- *Perception that HPID was to replace Payer ID*
    - Payer ID is used for Routing, Editing, Billing and more.
    - Enormous impact to products and services
    - High Risk of misdirected PHI
    - Long term maintenance costs
- *Clarification at the February NCVHS Hearings indicated this was not the intent*
    - Payer ID will still be around after the HPID Compliance Date
    - Next task to make sure that the industry clearly understands this
- *The extent of implementation costs greatly reduced*
    - Multi-million dollar project expanding several years with no apparent benefit
- *Still confusion in the industry*
    - Communication and education is critical to help clarify some of the confusion
        - Payer ID is not going away
        - Enumeration – still concerns around who should enumerate and who should be reaching out to the self insured health plans.

Strategies and Best Practices

- *Industry Education is Critical*

- *Once 'official' educational materials are made available the Industry Associations and other organizations can help get the word out.*

- *Emdeon will provide education through webinars and HIPAA Simplified to help with industry awareness.*

- *Emdeon will continue to require the use of Payer ID for all transactions*

- *Emdeon will support the HPID in the appropriate element in the transactions that support both Payer ID and HPID.*

- *Emdeon's Companion Guide will be updated*

Status of Preparation

- *Emdeon's Exchange is being remediated to accept the HPID along with the Payer ID*

- *Some of the translation work was done with 5010 implementation.*

- *Emdeon will require Payer ID only, for transactions that cannot accommodate both Payer ID and HPID.*

- *Emdeon Products are being updated to allow the submission of the HPID for claims.*

- *Emdeon Exchange will validate the syntax of the HPID upon receipt.*

Issues and Challenges with Adoption

- *Key issue continues to be clarification of the CHP*
  - Who needs to enumerate
  - How / when should it be used in the transactions
- *Recommend educational materials be completed and disseminated*
  - Webinars
  - FAQs
  - Outreach
- *Recommend that until a clear business use be defined HPID should NOT be used in the transactions.*
  - All references should be removed in the standards to avoid any confusion