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RE: NCPDP Recommendations on June 10, 2014 Subcommittee on Standards Topics

Dear NCVHS Subcommittee on Standards:

The National Council for Prescription Drug Programs is submitting the following recommendations on some of the topics slated for the June 10, 2014 NCVHS Subcommittee on Standards meeting.

- Review the status of the Coordination of Benefits transaction
- Use of credit cards (including virtual cards) for claim payment
- Discuss the planning and preparation of Health Plan ID
- Use of the unique device identifier (UDI) in Administrative Transactions
- ICD-10 Delay

Review the status of the Coordination of Benefits transaction

The NCPDP standards, specifically those named in HIPAA, and those used in claim processing and reporting support the exchange of coordination of benefits information. There isn't a specific "coordination of benefits transaction" but rather the exchange of this information within specific transactions, such as Claim or Service Billing transactions, Information Reporting transactions, subrogation transactions, etc.

- What is the current status of implementation of electronic coordination of benefits (COB) via v5010?
  NCPDP has implemented coordination of benefits using the NCPDP vD.0 transaction.

- What is the current model being followed (i.e. plan-to-plan COB, provider-to-provider COB, provider-to-plan COB)
  The NCPDP Medicaid Subrogation v3.0 allows for plan to plan subrogation when the originator of the subrogation request is a Medicaid plan. The NCPDP Telecommunication vD.0 transaction allows for provider to multiple plans COB.

- Are there any issues with the implementation of electronic COB?
  One of the main issues is the lack of a main database that holds all of the necessary information for COB.

  Of note, the industry achieved strong success with the collaborative work in the Medicare Part D program. For successful coordination of benefits, a Transaction Facilitator was created and contracted by CMS. The Transaction Facilitator services include
  - Eligibility Verification Transactions for Medicare Part A, B and D (NCPDP E1 Transactions)
  - TrOOP Balance Transfer Transactions (NCPDP Financial Information Reporting Transactions)
  - Routing of Record of Supplemental Payment to Part D Plans (NCPDP Information Reporting Transactions)

The success of the coordination of benefits exchanges were achieved by the assignment of an individual identification number to each beneficiary, and the sharing of limited eligibility information from the Part D plans to the Transaction Facilitator.

- What is the current status of development of Operating Rules applicable to COB?
  As stated in the Federal Register /Vol. 76, No. 131 / Friday, July 8, 2011 /Rules and Regulations:
  > *We believe that the NCPDP Version D.0 standard itself provides enough detail and clarity to operationalize the standards to the point where no gaps exist that operating rules would need to fill, so that no further infrastructure or data content rules need to be adopted at this time. Additionally, we believe that the NCPDP Version D.0 standard already fulfills the purposes and principles of sections 173(a)(4)(A) and (B) of the Act so that the adoption of operating rules to supplement or enhance the standard is not appropriate at this time.*

  The NCPDP SNIP Committee believes the above statement is still true and that no operating rules are required for COB in the NCPDP HIPAA transactions.

Use of Credit Cards (including virtual cards) for claim payment

The NCPDP SNIP Committee is not aware of any pharmacies currently receiving payments via credit cards for claims payment reported via the ASC X12 835 transaction.

Discuss the planning and preparation of Health Plan ID

- 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)?
  - A key function is to be able to **access the HPID database.** We have heard that there will not be access to the HPID database.
    - While the HPID may be used in Coordination of Benefits (COB) transactions to identify a previous health plan, without public access to the HPID database, the identifier is of no value to trading partners.
    - Validation is unable to be performed.
    - Medicaid proprietary plan IDs for other plans are currently exchanged. Without access to the HPID database, a crosswalk would not be possible.
  - Some entities, from reading the regulation believe they are structured in a way that constitutes more than one CHP; therefore would need to obtain multiple HPID.
  - The data collection does not seem to include reference to the Bank Identification Number/Processor Control Number (BIN/PCN) or "taxonomies" of the business of the plan. For the pharmacy industry without these key components, it will be difficult for the industry to use the HPID.
  - The use of HPID and OEID may or may not be health plan specific, therefore HIPAA transactions could be impacted by the health plan's decision to change their current process.

- What are some of the most salient strategies and 'best practices' for resolving these issues and challenges (from the same various perspectives?)

  Since the health plan is not identified in the claim response and the lack of an automated method to identify the owner of a HPID, there is no additional benefit for the use of the HPID in the NCPDP HIPAA transactions.

- What is the current status of preparation and health plan enumeration of the new health plan ID in transactions?

  NCPDP SNIP Committee is not aware of preparation and health plan enumeration since the HPID is not going to be used in NCPDP HIPAA transactions.

- 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?

  NCPDP SNIP Committee has indicated that the HPID and OEID will not be used in NCPDP HIPAA transactions and as such we are not aware of issues and challenges associated with adoption.

- What is the impact on Third Party Administrators (TPAs) and Administrative Service Organizations (ASOs) of HPID and Certification of Compliance?

  NCPDP SNIP Committee has obtained input from their committee members and they indicate that there is little impact at this time for HPID as long as the ASC X12 changes to the 835 transactions are approved. Since the requirements have not been released for compliance certification it is difficult to determine if there will be any impact.

- How are controlling health plans being defined?

  NCPDP SNIP Committee has determined using input from members, that the health plans will be defining a CHP.

Use of the Unique Device Identifier (UDI) in Administrative Transactions

- What is the current understanding of the purpose, value, and benefits of using UDI in administrative transactions, including Post-market surveillance, Cost/payment, Eligibility/prior authorization, Utilization analysis, Quality reviews, and other?

  A UDI system has the potential to improve the quality of information in medical device adverse event reports, which will help the FDA identify product problems more quickly, better target recalls and improve patient safety.

- What are the main challenges and issues in adopting and using UDI in administrative transactions?

  The UDI field can be alpha numeric and does not have a maximum number of digits. The industry's challenge include phasing out the use of NHRICs and NDCs previously used to identify devices and incorporating the UDI within the FDA's time frame.

- What is the current state of development of administrative transaction standards to accommodate for the capturing/reporting of UDI?

  The NCPDP Work Group 2 Product Identification UDI Task Group developed the following definition for UDI for use in the NCPDP standards:

  NCPDP UDI Definition:
  The Unique Device Identifier (UDI) is a unique numeric or alpha numeric code on a device label, packaging or product. The code is in plain text and machine readable. The UDI consists of two parts: Device Identifier + Production Identifier(s) (UDI= DI + PI).

  > DI= mandatory, fixed portion of a UDI that identifies the specific version or model of a device and the labeler of that device. The DI portion is issued by FDA Accredited Issuing Agencies such as GS1, HIBCC.
  >
  > PI= a labeler assigned variable portion of the UDI that identifies one or more of the lot or batch number within which a device was manufactured, the serial number, the expiration date, the manufactured date and the distinct identification code.

NCPDP Maintenance & Control has created a new Unique Device Identifier (UDI) Task Group to review the NCPDP standards and associated documents to create recommendations for the incorporation of the UDI.

ICD-10 Delay

- What are the main challenges, issues and risks associated with the delay in the implementation of ICD-10?

  The NCPDP SNIP Committee is not aware of any challenges, issues or risks associated with the delay in implementation of ICD-10 because of limited use in the pharmacy industry and the industry can continue using ICD-9.

- What are the cost implications of the delay in implementation of ICD-10?
  - For those entities that purchased the ICD-10 database in anticipation of the original compliance date, additional cost was incurred prematurely.
  - Additional cost associated with those entities who are now maintaining two databases, one for ICD-9 and another for ICD-10.
  - Additional cost also associated for those entities that implemented the ICD-10 approach and now have to maintain two sets of software.

- What are the implications, impact of the ICD-10 delay? Business operations, systems, resources, financial?
  - For those entities that purchased the ICD-10 database in anticipation of the original compliance date, additional cost was incurred prematurely.
  - Additional cost associated with those entities who are now maintaining two databases, one for ICD-9 and another for ICD-10.
  - Additional cost also associated for those entities that implemented the ICD-10 approach and now have to maintain two sets of software.

Thank you for the opportunity to provide input.
Sincerely,

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