Statement to
THE DEPARTMENT OF HEALTH AND HUMAN SERVICES NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS SUBCOMMITTEE ON STANDARDS REGARDING:
Coordination of Benefits – a Clearinghouse Perspective
June 10, 2014

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Members of the Subcommittee, I am Mary Rita Hyland, Vice President of the Cooperative Exchange. I would like to thank you for the opportunity to present testimony today on behalf of on behalf of the Cooperative Exchange members, concerning the matter of:
Coordination of Benefits – a Clearinghouse perspective

1. What is the current status of implementation of electronic coordination of benefits (COB) via v5010?
   The process of the transmission of billing information between primary and secondary health plans for electronic coordination of benefits in version 5010 is implemented and efficient from a clearinghouse perspective. Utilization of the system for COB denials and resubmissions are conducted, and reasons for denials are varied, but can be due to incorrect or invalid information collected from the patient at the time of service, information not requested or updated, patient has incorrect information as plans may have changed and patient did not bring new insurance card with them, or the biller may have selected the wrong health plan when billing. System capability and tools exist in software via the clearinghouse. It is up to the provider to gather the correct payer information from the patient. Then based on the healthcare coverage, providers make a determination of primary, secondary and tertiary payers and bill accordingly.

2. What is the current model being followed (i.e. plan-to-plan COB, provider-to-provider COB, provider-to-plan COB)?

   Standards for the transmission of data elements needed for the coordination of benefits and sequential processing of claims from plan-to-plan is executed by clearinghouses based on provider submission of information via the transactions. Automated coordination of benefits among health plans may be conducted between health plans; the choice of the model is up to the health plan and is usually based on a trading partner agreement to conduct COB. If the health plan is the primary payer and does not have a trading partner agreement with the secondary payer, then it may simply dispose of the COB information and leave the COB activity up to the health care provider. If a health plan electronically conducts COB with another health plan it must do so using the standard transaction. A health care provider that chooses to

conduct COB electronically with a health plan must do so using the standard transaction. We are not aware of anyone conducting transactions provider-to-provider.

3. Are there any issues with the implementation of electronic COB?

   We are not aware of any issues with the implementation of electronic COB from the clearinghouse perspective.

4. What is the current status of development of Operating Rules applicable to COB?

   Operating Rules Compliance is by January 1, 2016 for coordination of benefits. Clearinghouses obtain CORE certification of compliance with the operating rules. Those who have completed their certification are posted on the CORE website.

5. What are the top priority areas where Operating Rules are needed for COB?

   Ensure that all payers can accept coverage electronically in situations of COB, not just primary coverage and require acknowledgements in response. For example a payer may accept 837P secondary and tertiary electronically but may require 837I's to drop to paper. Since this is a payer by payer situation, there is no database that includes this type of information and each clearinghouse must keep track and provide responses from payers and display this information to providers as we connect to the payer.

6. What are the key issues, from your perspective, that are occurring with COB, and how should we address them? (CAQH)

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   In Conclusion:

   Our major concern is that all payers can accept coverage electronically in COB situations. We understand the limitations based on trading partner agreements and hope that each party works towards 100% compliance in accepting coverage. Also, the payer industry should work towards not dropping to paper at all for any COB transaction situation whether it be for institutional or provider related transactions.

   We applaud the educational opportunities afforded Providers by CMS and Health Plans. The education and directions of coordinating benefit plans is for the most part very thorough, and provides step-by-step guidance in submission of transactions to primary, secondary and tertiary payers.

In closing, the Cooperative Exchange would like to thank the members of the Subcommittee for their time and attention. Should you have questions or need additional information, or clarification, please do not hesitate to let us know.