



**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

**REVIEW COMMITTEE EVALUATION
CRITERIA And Process**

Presented by:

Gail Kocher, Director, National Programs

BLUE CROSS BLUE SHIELD ASSOCIATION

February 26, 2015

Good morning. My name is Gail Kocher and I am a Director, National Programs, 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 nearly 105 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 Subcommittee questions and provide our perspective on the Review Committee Evaluation Criteria and Process. We support the NCVHS’s new role as the ACA Review Committee to review the status of existing adopted standards, operating rules, identifiers and code sets.

As my responses to the Committee’s questions indicate, we believe the approach and work plan the Subcommittee laid out in December 2014 sets the foundation for a successful effort. The focus identified for the new Review Committee – reviewing how current standards continue to fulfill business needs, whether they cause conflicting or unanticipated negative impacts, whether changes are needed or whether there are limitations in meeting emerging business needs – is appropriate in order to meet the new committee’s scope.

However, we would urge the Committee to consider more actively in its work plan the interactions between health care administrative transactions and other federal and state mandates – including but not limited to the standards for electronic health record (EHR) technology – that will impact health plans’ and providers’ IT systems and resources for years to come.

RESPONSES TO SUBCOMMITTEE QUESTIONS

As the Subcommittee finalizes the approach of the new Review Committee, input is being sought on the questions below.

What suggestions are there for evaluation criteria?

We along with our Plans support the establishment of a set of principles/criteria that includes the following:

- Reduces administrative burden.
- Promotes greater usage by providers.
- Considers the needs of all stakeholders.
- Fosters innovation.

Establishing metrics by which the criteria can be evaluated is critical and we suggest that metrics must include some measurement of transaction volume to supply justification for continued business need. Industry feedback, both public and private, along with routine and ongoing dialogue with the industry is also essential to clearly understanding industry needs and issues that need addressed.

Another key consideration is whether proposed changes can be implemented successfully and by doing so meet the identified outcomes of those changes – and create a return on investment. Key elements by which to evaluate proposed solutions include looking at several aspects including patient benefits, stakeholder involvement in developing the proposed solution and degree to which the proposed solution addresses the business justification. Specific points that might be evaluated include:

- Whether there are quantifiable benefits to the patient.
- Whether the proposed solution considered broad stakeholder input throughout the development process.
- Whether the actual costs and benefits of implementation for all stakeholders compare favorably or not with the original estimates.
- Whether an additional cost versus benefit analysis needs conducted as part of the review process.
- Whether other methods of solving the business need were considered before pursuing a technical change, e.g. education or communication solution.
- Whether consideration was given to potential negative impacts, especially unintended consequences.
- Whether any privacy and security concerns were addressed where applicable.
- Whether the proposed solution includes an implementation plan and approach.
- Whether vendors, who are not covered entities but who supply the systems providers need to use the electronic transactions, are ready.

We are pleased that the review committee's work plan includes (consistent with section 1104(i) of the ACA) coordinating its recommendations with the standards adopted by the Office of the National Coordinator for Health IT that support certified electronic health record technology. However, we urge NCVHS to take a broader perspective in evaluating HIPAA requirements.

- First, HIPAA requirements do far more than impact IT infrastructures: standards, operating rules and code sets will force health plans and providers to evaluate and to change many of their business processes. ICD-10, for example, will affect virtually all core business functions, ranging from claims adjudication, to provider contracting, fraud and abuse detections, medical policy and reporting.
- Second, other federal and state mandates will be impacting the same IT infrastructures and the same business processes.
- Third, the Office of the National Coordinator for Health IT's recently released nationwide interoperability roadmap – which goes beyond the standards to support certified EHR technology – calls the intersection of clinical and administrative electronic health information a critical consideration, **but out of scope for the Roadmap at this particular time.**

Therefore, it is vital that any review of new standards, operating rules, identifiers or code sets is done in the context of a larger overall strategic road map for federal and state mandates. Prioritization of not just Administrative Simplification provisions but of all health information technology initiatives is critical to any successful implementation. ONC's interoperability roadmap creates an opportunity for NCVHS to consider whether and how priority interoperability use cases should incorporate HIPAA administrative simplification. We urge the NCVHS to help HHS articulate how HIPAA integrates into the national health agenda for interoperability to minimize inconsistencies and administrative burden. This work should ensure that the resulting interoperability and HIPAA requirements focus on outcomes not technologies themselves, i.e. are technology agnostic, allowing for active interoperability between and among systems and supports innovation within healthcare.

Should the RC evaluation criteria be used to evaluate new/proposed standards and operating rules? Please explain.

While there will be aspects of potential new standards and operating rules which are different and require different evaluation from updating existing standards and operating rules, overall there is absolutely value in aligning the criteria and principles for new with those used to evaluate existing. Proposals of new standards and operating rules still require reviewing use cases for the new, previously unmet business needs, the potential benefits of the new and a review of industry impacts. Implementing new standards and operating rules solely for the sake of implementation is antithetical to administrative simplification. Ensuring that a new standard or operating rule addresses a previously unmet business need and was developed with broad industry stakeholder involvement during the development process is key. The ability of the industry to work more closely together throughout the process will enable a more mature process and lead to effective and efficient outcomes for all stakeholders.

Do you have evaluation criteria that can be used to evaluate standards and operating rules?

In addition to the principles outlined in response to the first question, we recommend basing evaluations on whether or not value is added by making the changes. Since ultimately if revised versions are adopted they must be implemented, identifying the value on the front end is critical to support the adoption of updated versions.

What evaluation criteria have you seen that are effective? Please explain?

We have not been able to identify any criteria specific to the healthcare industry to apply here but find there may be value in looking to data from existing tools such as the U.S. Healthcare Efficiency Index to assist in providing justification for continuing to support a standard or operating rule.

Plans also suggested that the costs of current processes, identifying systematic versus manual components to fully systematic components, should be evaluated against a five year return on investment and systems costs to fully automate.

What process(s) should be used to evaluate standards and operating rules?

As processes are developed to evaluate the standards and operating rules, the inclusion of all stakeholders to ensure their perspective is considered critical. Evaluating comparisons of current transactions, before and after, for volume of usage, and cost for each transaction will be helpful. Other areas to consider are experiences of implementation and post implementation. We also see it important to consider what actual results were as compared to anticipated results used to justify changes to standards, code sets and operating rules.

We also suggest that the NCVHS seek industry feedback to ascertain stakeholders' input on whether pilot testing of standards and operating rules would have improved the end product. When NCVHS evaluates current standards and operating rules, an additional criterion should be whether a transaction performs consistent with a previous pilot. When the NCVHS, acting as the Review Committee decides to consider providing recommendations for updating and improving already adopted standards and operating rules, it should default to including pilot testing in the recommendation. This would be consistent with previous

NCVHS letters to the Secretary that have recommended pilot testing. Ideally any processes developed will incorporate the principles identified earlier in our remarks. The processes should also accommodate, i.e. weigh the relative size of entities and normalize costs as part of the analysis. We also suggest that the processes ensure the prioritization and consideration of other initiatives, i.e. to include an industry level roadmap.

CONCLUSION

BCBSA supports the adoption of standards and operating rules. We recognize their value in achieving the overall goal of quality and affordable healthcare. Affordability and quality necessitates the exchange of patient information. We recognize and promote the value of standards, operating rules, identifiers and code sets, but also recognize the need for the industry to develop timelier and more predictable maintenance cycles.

As the Review Committee is beginning its first iteration, we encourage the review and evaluation after the first cycle of the processes and criteria used before moving into a second review cycle. Looking to actual experience for feedback we believe will make the process and criteria stronger moving forward. We appreciate the opportunity to provide our initial thoughts as this new committee's process and procedures are developed.

Given the number of mandates with implementation dates in the next few years, we urge NCVHS to consult with HHS on developing 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 such a road map.

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