

**Statement To
NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS
SUBCOMMITTEE ON STANDARDS
March 26, 2018**

Presented By: Jean Narcisi
Designated Standards Maintenance Organizations (DSMO) Chair

Members of the Standards Subcommittee, I am Jean Narcisi, the Chair of the Designated Standards Maintenance Organizations (DSMO) and Director of Dental Informatics at the American Dental Association. I would like to thank you for the opportunity to present testimony today on behalf of the DSMO.

On August 17, 2000, the Secretary of Health and Human Services (HHS) named six entities as the Designated Standards Maintenance Organizations under the Health Insurance Portability and Accountability Act (HIPAA) in § 162.910(a). The DSMO organizations work together on the maintenance and development of HIPAA adopted administrative simplification transaction standards.

The six organizations include three standards development organizations (SDO):

- Accredited Standards Committee X12 (ASC X12)
- Health Level Seven (HL7)
- National Council for Prescription Drug Programs (NCPDP)

And three data content committees:

- Dental Content Committee of the American Dental Association (DeCC)
- National Uniform Billing Committee (NUBC)
- National Uniform Claim Committee (NUCC)

The DSMO Steering Committee is comprised of one voting member from each of the six organizations and a non-voting liaison from HHS, specifically the Centers for Medicare and Medicaid Services' Division of National Standards. The Steering Committee convenes as necessary and is charged with establishing consensus on all requested changes to HIPAA transactions and code sets. Changes are submitted through the DSMO Change Request System, either directly or through the moving forward of a transaction or code set from the applicable maintenance body.

On January 9, 2018 the DSMO submitted a letter to NCVHS recommending the adoption of two National Council for Prescription Drug Program (NCPDP) updates to the

adopted retail pharmacy standards. The DSMO is requesting the following two updates proceed through the regulatory process for industry adoption under HIPAA:

- An update to the retail pharmacy standard, the NCPDP Telecommunication Standard version D.0 and Batch Standard version 1.2, which was adopted in 2009. The update would be to adopt the NCPDP Telecommunication Standard version F2 and Batch Standard version 15, which would enable eligibility verification, claims, services, information reporting, prior authorization for pharmacy, and predetermination of benefits.
- To replace the Medicaid Subrogation Standard, also adopted in 2009 with the Subrogation Implementation Guide for Batch Standard version 10. The Medicaid Subrogation Implementation Guide was established to address the Federal and State requirements for Medicaid Agencies to seek reimbursement from the correct responsible health plan. However, the Medicaid Subrogation Implementation Guide did not address similar requirements for other payers, such as Medicare Part D, State Assistance Programs or Private Health Plans. A standardized Subrogation Implementation Guide is needed to:
 - Support compliance with requirements for recovery of federal, state and other plan overpayments;
 - Reduce manual processes currently required by pharmacies, PBMs and plans;
 - Provide a uniform approach to efficiently process post-payment subrogation claims and eliminate the numerous custom formats used in the industry today;
 - Achieve payment accuracy and support cost containment efforts.

The Medicaid Subrogation Implementation Guide was used as the base to create the new Subrogation Implementation Guide.. The DSMO recommended the new Subrogation Implementation Guide be adopted for Medicaid Subrogation only. However, the new guide could be used by other payers to conduct a uniform process to support compliance with requirements for recovery of federal, state and other plan overpayments, eliminating manual processes currently in place.

Members of the Subcommittee, thank you for the opportunity to testify. I will be happy to answer any questions you may have.