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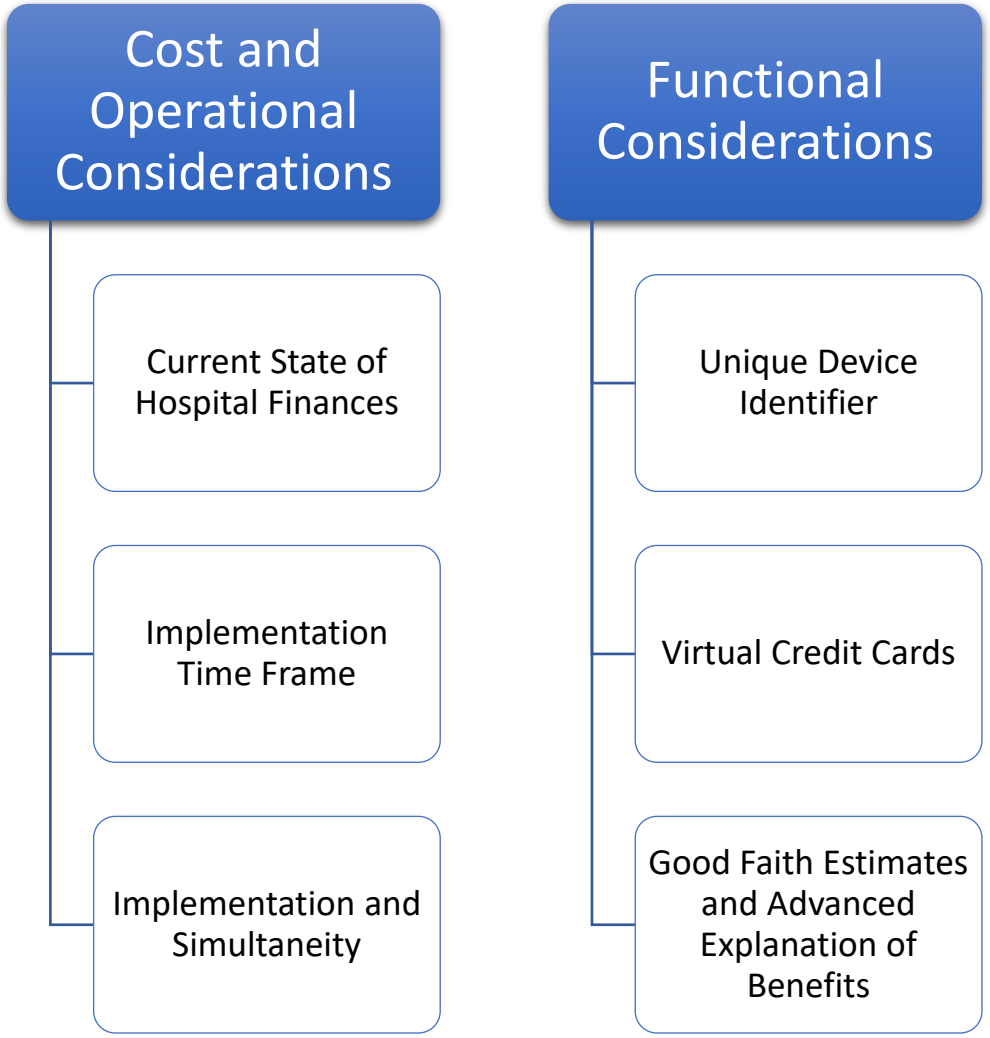
Provider Perspective on Proposed Updates to X12 Transaction Standards

NCVHS Subcommittee on Standards
Hearing on Proposals for Updated Standards and Operating Rules
January 18, 2023

Considerations of Transitioning to X12 Version 8020



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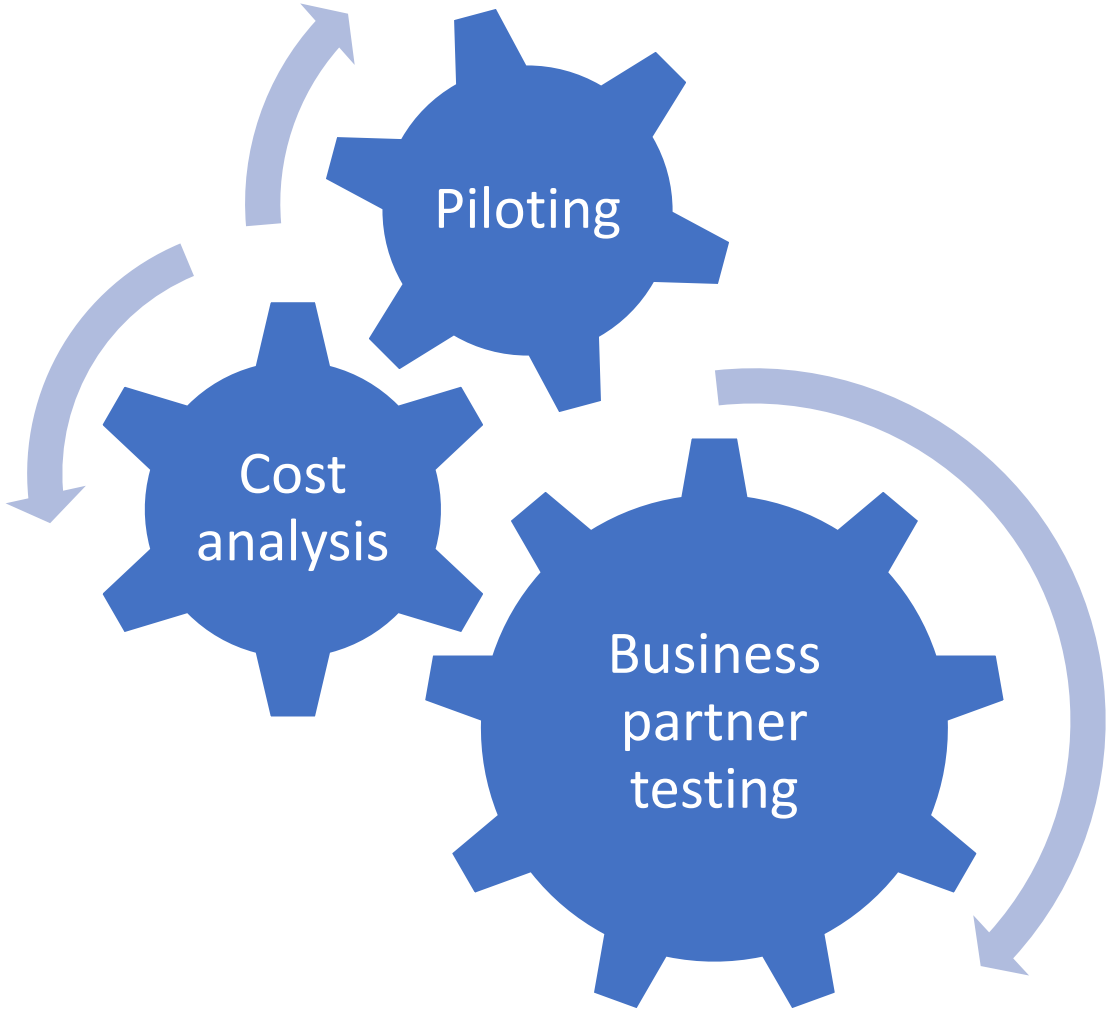
General Cost and Operational Considerations



- To date, there has been little to no pilot testing done
  - Difficult to identify operational effectiveness and challenges
  - Difficult to identify pros and cons of new version
  - Cannot accurately predict upgrade cost
  - Uncertainty over the compatibility of transactions on different versions

Cost and Operational Considerations: Current State of Hospital Finances

- Intense financial and staffing pressures
  - Expenses have increased significantly
    - 2022 expenses are projected to represent an increase of nearly $135 billion over 2021
    - 2022 labor expenses are projected to have increased by $86 billion
- Need to avoid claim and remittance transaction disruptions

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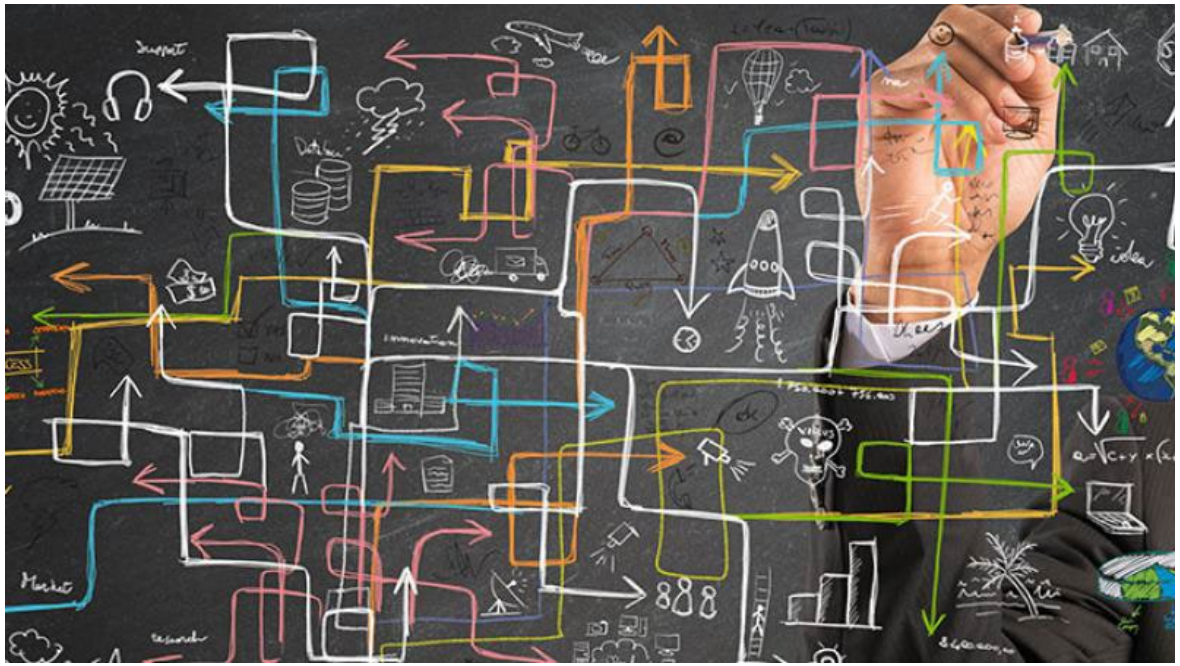
Cost and Operational Considerations: Implementation Time Frame

- Generally in favor of maintaining a two year implementation window for health plans and providers after publication of a final rule
- Lessons learned from 5010 transition:
  - Testing delays coupled with limited staff and finite budgets strained hospital resources
  - Hospitals expressed concern that testing delays encroached on their ability to implement necessary system changes
- Need to create and maintain the least disruptive pathway to implementation
- Health IT initiatives must be balanced with the need to acquire sufficient resources, educate the industry, and provide the time to adequately test with trading partners
- Staggered implementation timeframes leading to constant testing and implementations

Cost and Operational Considerations: Implementation and Simultaneity

- Standards increase efficiency and drive down costs
  - Use of more than one standard and/or version would increase administrative burden and cost
- **Robust cross-standard testing critical**
  - Must determine the impact of multiple standards and versions
  - Must ensure cross-compatibility across standards and versions
  - Essential to evaluate ROI



The AHA urges that NCVHS exercise caution in moving forward with recommending variation in the healthcare standards environment

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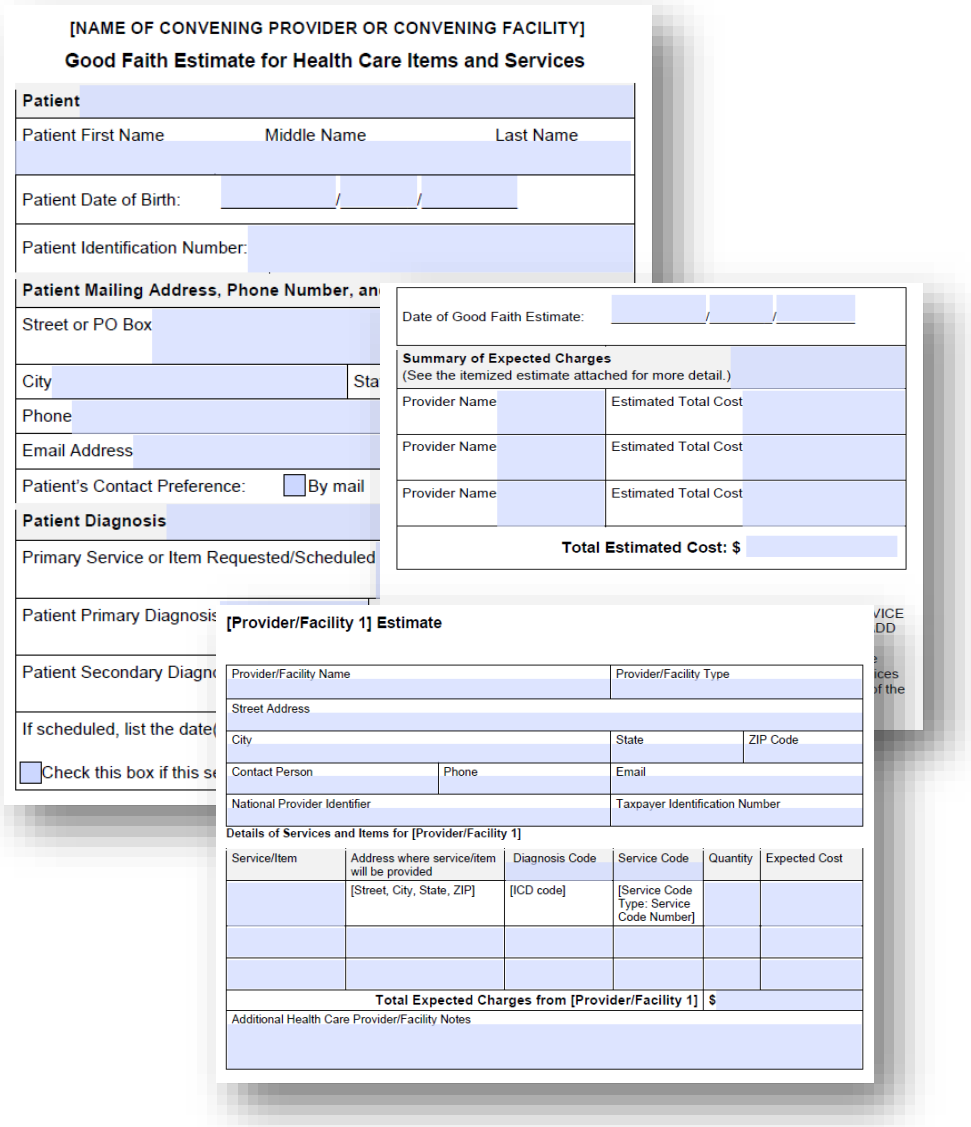
Functional Consideration: Unique Device Identifier

- Supportive of device safety and improved safety surveillance
- Inclusion of UDI in the 837 is unclear in light of considerable progress in medical device safety reporting
  - Significant work has been performed to insert this information into clinical records and EHRs
- Reporting of the UDI information is preferable in the clinical context, as it allows a more complete picture as to the clinical circumstances related to device failure
- The FDA has not released a clear definition as to which devices are to be considered “high-risk” for the purposes of safety surveillance and reporting.

Functional Consideration: Virtual Credit Cards

- VCC Concerns:
  - Health plans often switch to virtual credit card payments without the provider authorization
  - Results in substantial processing fees and reduced payment receipts for providers, as well as considerable administrative hassles in switching to an alternate payment method after discovering the switch to virtual cards
- To safeguard payment legitimacy, the administration only should proceed with further legitimization of the virtual credit card process if the agency takes proactive steps to ensure that plans are not inappropriately switching providers to costly virtual card payment methods without the mandated advanced agreement from the provider

Functional Consideration: Good Faith Estimates and Advanced Explanation of Benefits



[NAME OF CONVENING PROVIDER OR CONVENING FACILITY]

Good Faith Estimate for Health Care Items and Services

Patient

Patient First Name | Middle Name | Last Name

Patient Date of Birth: ___/___/___

Patient Identification Number:

Patient Mailing Address, Phone Number, an

Street or PO Box

City | Sta

Phone

Email Address

Patient's Contact Preference: By mail

Patient Diagnosis

Primary Service or Item Requested/Scheduled

Patient Primary Diagnosis

Patient Secondary Diagn

If scheduled, list the date(

Check this box if this s

Date of Good Faith Estimate: ___/___/___

Summary of Expected Charges
(See the itemized estimate attached for more detail.)

Provider Name	Estimated Total Cost
Provider Name	Estimated Total Cost
Provider Name	Estimated Total Cost

Total Estimated Cost: $

[Provider/Facility 1] Estimate

Provider/Facility Name	Provider/Facility Type		
Street Address			
City	State	ZIP Code	
Contact Person	Phone	Email	
National Provider Identifier	Taxpayer Identification Number		

Details of Services and Items for [Provider/Facility 1]

Service/Item	Address where service/item will be provided	Diagnosis Code	Service Code	Quantity	Expected Cost
	[Street, City, State, ZIP]	[ICD code]	[Service Code Type: Service Code Number]		
Total Expected Charges from [Provider/Facility 1]					$

Additional Health Care Provider/Facility Notes

- How could the updated transactions help implement the Advanced Explanation of Benefits (AEOB) price transparency provisions under the No Surprises Act?
  - The AHA strongly supports leveraging existing provider and health plan workflows, standards, and technology for claim submission and adjudication to support the creation of AEOBs for patients
- Would welcome additional insight from X12 into whether version 5010 in fact has claims pre-adjudication capabilities that could easily be leveraged for transmitting good faith estimates to health plans, as well as any additional functionality that could be realized from version 8020 for this process

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Conclusion

The AHA is concerned that the X12 transactions have not undergone adequate testing and piloting to ensure that the proposed updates to the standard will produce legitimate benefits and not have unintended consequences for the industry.

At this time, the AHA recommends that X12 conduct pilots and tests demonstrating that that there will not be unforeseen technical issues, provide detail about the manner in which X12 envisions rollout occurring, and sufficiently articulate how the updated transaction's proposed benefits will improve the industry.

Additionally, the AHA recommends that the NCVHS pursue additional clarification surrounding its recommendations that would allow multiple standards and versions to exist simultaneously, as adherence to such recommendation would significantly alter the impact of adopting new standards.

This is all taking place at a time when our nation's hospitals and hospital systems are experiencing significant financial strains and the current transactions are functioning well.

As a result, the AHA does not support NCVHS recommending adoption of the proposed transactions at this time.

Andrea Preisler
Senior Associate Director, Administrative Simplification Policy
apreisler@aha.org

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