

# NCVHS Standards Subcommittee Hearing on Requests for Updated Transaction Standards

Pam Grosze, Board Chair



# Cooperative Exchange, the National Clearinghouse Association

- 23 clearinghouse members representing over 90% of the nation's clearinghouse organizations
- Our members process over 6 billion healthcare claims, reflecting over 2 trillion dollars in billed services annually
- Our association members enable nationwide connectivity between over 1 million provider organizations, more than 7,000 payers, and 1,000 Health Information Technology (HIT) vendors
- The Cooperative Exchange truly represents ***the U.S. healthcare electronic data interstate highway system*** enabling connectivity across all lines of healthcare eCommerce in the United States.

## **Cooperative Exchange member clearinghouses<sup>1</sup> support both administrative and clinical industry interoperability by:**

- Managing tens of thousands of entities and connection points
- Exchanging complex administrative and clinical data content in a secure manner
- Supporting both real-time and batch transaction standards
- Enabling interoperability by normalizing disparate data to industry standards
- Delivering flexible solutions to accommodate varying levels of stakeholder readiness (low tech to high tech)
- Providing strong representation and participation across all national healthcare standard and advocacy organizations with many of our members holding leadership positions

<sup>1</sup>The Cooperative Exchange (CE) is comprised of 23 of the leading clearinghouses in the US. The views expressed herein are a compilation of the views gathered from our member constituents and reflect the directional feedback of the majority of its collective members. CE has synthesized member feedback and the views, opinions, and positions should not be attributed to any single member and an individual member could disagree with all or certain views, opinions, and positions expressed by CE.

# Benefits of adopting updated X12 standards

- In the June 2022 letter to NCVHS appendix A through D, X12 outlines dozens of significant enhancements that were made to the 837 professional, institutional, and dental claim and 835 remittance advice transactions based on evolving business needs voiced from healthcare industry stakeholders. The Cooperative Exchange agrees that these and other enhancements will satisfy new business requirements and resolve significant gaps in business processes and administrative functions.
- The Cooperative Exchange also supports the non-substantive updates which decrease misinterpretation and ambiguity and promote precision in deployment across all stakeholders, thus reducing the overall operational costs to support the updated implementation guides.
- The Cooperative Exchange is supportive of the v8020 standards and concludes there is a net positive value in both the substantive and non-substantive updates made to the guides over the 15+ year time period since the v5010 guides were initially published.

# Opportunities

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Regardless of the underlying SDO or syntax, the federal regulatory process has made it extremely difficult for healthcare industry stakeholders to embrace innovation and realize change, whether operational, technical, or editorial, in support of administrative simplification and efficiency.

The alternative lies not with a potentially different standard, syntax, or data exchange method, but with fixing the cumbersome and time-consuming regulatory review and rulemaking process which continues to stifle innovation and advancement of our industry.

The Cooperative Exchange strongly advocates for a change to the current regulatory review and rulemaking process and its known challenges and supports a federally established known and predictable version update cycle, under a federal guidance framework that allows two versions of a standard to co-exist.

Transitioning from the current "federal effective date" cycle that requires a cumbersome and time-consuming regulatory review and rulemaking process -to- a federally established known and predictable cycle of every 3 years would allow the industry to realize innovation and apply version updates in smaller incremental changes vs. huge steps / major changes due to long regulatory timeframes -> **evolutionary vs. revolutionary.**

# Supporting Multiple Versions

NCVHS recently recommended the potential concurrent use of multiple versions of a standard over an extended period of time. The Cooperative Exchange supports allowing early adoption of new functionality via updated standards, as well as permitting continued use of existing standards, to ease burden and allow additional time to implement updated standards. With that said, allowing up to **only two versions** of a standard to coexist is strongly recommended. More than two increases the complexity significantly from both a technical and operational perspective. This would allow industry flexibility as a new standard is introduced (per established consistent & predictable cycle).

This process would present some challenges. If a version update is not backwards compatible, clearinghouses and payers would be required to support two distinct workflows over a period of time to allow the legacy version to run out its legacy lifecycle. Software vendors acting as a business associate of a provider would be required to accommodate updated versions in their software solutions and transition their provider customers to updated standards within the effective cycle window for a given version. These same challenges are applicable regardless of the underlying standard (e.g., HL7, HL7 FHIR, NCPDP, X12, or other).

Clearinghouses would continue to fulfill a pivotal role enabling both low- and high-tech stakeholders to transition to updated standards and versions between cycle updates.

# Supporting Multiple Effective Dates

The Cooperative Exchange does not support multiple regulatory effective dates for sets of logically grouped transactions for a given version of a standard. Traversing and maintaining a "phased" regulatory approach for logically grouped transactions for a given version would be very costly, complex, and confusing across the entire industry. Interdependencies and compatibility between logical groupings across multiple effective dates would need to be continually analyzed for each newly introduced grouping and version.

We continue to advocate that with a federal SDO/ORAE guidance framework in place under a federally established known and predictable version update cycle, industry stakeholders would become acclimated to the framework process/requirements providing a consistent means for stakeholders to participate and comment on proposed standards or operating rule updates. A known and predictable version update cycle would also allow affected stakeholders to plan, budget, and resource effectively and introduce changes in a flexible cadence as their business needs warrant, while also, by nature of the process, advance the industry forward to continuously improve and modernize applicable standards and supportive operating rules.

# Illustration of a hypothetical federally established known and predictable version update schedule

3-year cycle	1/1/2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	5/15/2025	2026	2027	5/15/2028	2029	2030	5/15/2031	2032	2033	5/15/2034	2035	2036	5/15/2037	2038	2039	5/15/2040	2041								
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X12 Publication	2006-2008		6020					7030			8020		8030	8040	8050	8060		9010	9020	9030		9040	9050	9060		10010	10020	10030		10040	10050	10060		10070	11010	11020		11030
Legend:	Following a federal guidance framework:																																					
	Publication of next effective version.																																					
	End-to-end stakeholder pilot/connectathon testing																																					
	Current allowed/compliant version																																					
	Sunset period - version is allowed/compliant																																					
	Version deprecated and no longer allowed/compliant																																					