

**January 18, 2023**

**NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS**

**Subcommittee on Standards  
Review Committee**

PROPOSED UPDATES to the ADOPTED X12 STANDARDS

**Comments regarding  
Department of Veterans Affairs (VA)  
as Health Care Provider**

As the largest integrated healthcare system in the United States, VA sent and received over 80 million electronic healthcare transactions in 2022 and VA is committed to implementing and the continued monitoring of HIPAA mandated electronic transactions to ensure the benefits of administrative simplification are realized across the healthcare industry. These benefits have been and will continue to be passed on to the Nation's Veterans.

This testimony addresses the questions posed by NCVHS for proposed updates to the adopted X12 standards, specifically for the 837 and 835 transactions. Responses are organized into the following categories:

- 1. VA's comments on specific 837 and 835 updates to the X12 standards**
- 2. VA's view on moving forward with the full suite of updates to the X12 standards**

**VA's comments on specific 837 and 835 updates to the X12 standards**

VA's experience implementing electronic transactions under HIPAA demonstrates VA's commitment to proactive development of internal software solutions to meet electronic standards. VA has been participating and reviewing updates to the 5010 standard over the course of the last ten years. When reviewing these two transactions in detail, VA has no specific reservations about the changes proposed. The industry has taken many years to craft these updates and VA strongly believes it is time to move forward and implement the next version of electronic standard. VA

stands ready to make the necessary system changes to comply with the new standards.

### **VA's view on moving forward with the full suite of updates to the X12 standards**

As mentioned, VA is supportive of moving forward with the proposed updates to the X12 transaction standards. Further delay would complicate operational use and would add scope to development of software solutions necessary to maintain the standards. However, how the industry moves forward with the updates is a concern for VA.

The concern for VA involves the distinction between 1) the software development and 2) the implementation of the new transactions. As NCVHS makes a recommendation to the Secretary, VA's position is to approve the transactions, allowing providers, payers and health care clearinghouses to complete the software development but hold the implementation of the transactions until the full suite of transactions is approved. Holding the implementation of the transactions until after their approval allows VA to incrementally develop each transaction, focusing on just one at a time. Spreading out the development life cycle in a measured approach would help organizations to better justify the IT investment required to implement these transactions. In this scenario, organizations would be able to develop software solutions to meet industry changes but then place these software upgrades in a dormant state until all transactions are ready to be put forward to the Secretary.

When the 837 and 835 transactions were put forward to NCVHS to implement first, VA appreciated the opportunity to focus on a smaller subset of transactions. In past NCVHS hearings, testifying on an entire suite of X12 updates was overwhelming. So in that regard, VA supports the structured, incremental approach proposed.

Moving forward with a few transactions at a time, as is currently proposed, could potentially create major operational challenges. VA experienced problems with trading partner exchanges that impacted operations as it transitioned from version 4010 to 5010 and believes even more challenges would be created by proceeding with implementing only two transactions instead of the full suite. The challenges

from the last conversion were seen across payer and clearinghouse operations, which created downstream impacts to Veterans. Implementing different versions of different transactions will require extra internal development to ensure compatibility forward and backwards, thus potentially creating challenges across industry; challenges that may occur each time a transaction set is released.

If NCVHS was to move forward recommending the implementation of transactions separately, it would be advantageous to solicit industry feedback as to the best order in which to move the transactions forward. For example, VA would have major operational issues if the 837 updates were adopted before the 270/271 transactions. Operational issues around selective implementation would not only result in loss of revenue, but ultimately negatively impact the Nations' Veterans.

Finally, VA wants to take the opportunity to comment on moving forward with the adoption of multiple versions of individual standards. As the largest healthcare organization, VA interacts with thousands of payers nationwide and multiple clearinghouses. It is nearly impossible to maintain a list of payers and clearinghouses and which transaction version is being accepted at any given time. The only way VA feels this recommendation would be successful is if the decision on what version is being sent and received is provider-driven, and clear implementation and compliance dates are assigned.

VA remains committed to the benefits of HIPAA's electronic transactions and will continue to support the X12 transactions and recommended updates. The updates to these transactions are recommended and supported in the hope that it will bring more robust exchanges of data, and ultimately result in a better experience for Veterans. Thank you for the opportunity to comment.