SUBMITTED TO
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The National Association for the Practice Management System industry

I am Chris Bruns, President of the Healthcare Administrative Technology Association (HATA), the national association representing the Practice Management System (PMS) industry. I am also Product Manager for MedInformatix. I would like to thank NCVHS for the opportunity to present testimony today on behalf of HATA concerning the proposed Phase IV Operating Rules: Panel 1- Healthcare Claims, Panel 2 – Enrollment/Disenrollment & Premium Payment and Panel 3 – Prior Authorization and the Attachment Standard.

Background on the Healthcare Administrative Technology Association (HATA)
The Healthcare Administrative Technology Association (HATA) is a non-profit trade association to provide a forum for the PMS industry and other affiliated stakeholders. The association serves as the representative voice to advocate and influence key stakeholders and government representatives on PMS Vendor issues.

Our members, AdvancedMD, AllMeds, Alpha II, American Medical Association (AMA), CallPointe, Clinix, e-MDs, HealthPac, InMediata, MDSynergy, Medinformatix, NextGen, Optum, PracticeAdmin, TransFirst and WorkCompEDI represent over 350,000 providers.

HATA's mission is to be an invaluable resource to position its members as proactive, thought leaders by:

- sharing timely education and healthcare industry information;
- providing the knowledge to proactively provide client satisfaction and expand a member's client base;
- providing a forum for networking and collaboration between PMS peers and other industry stakeholders,
- advocating with one strong representative voice, and
- influencing the healthcare community on priorities vital to the success of the healthcare administrative technology industry.

Formal representation of such an important piece of the healthcare ecosystem is critical to the advancement of the industry. HATA represents a key stakeholder, PMS and affiliate vendors in the $40 billion physician revenue cycle industry and is an active and influential voice promoting goals and values on behalf of its members to drive administrative efficiencies for its clients, which mainly consist of providers and billing services.

The PMS industry has more than 400 companies providing a variety of technology solutions for the full range of healthcare professionals. The industry represents nearly 100 percent of all initial claims submitted on behalf of hospitals, physicians and allied healthcare professionals. Administrative simplification of the claims revenue cycle, which includes claim submission and payment processing, is a key factor in reducing the excessive cost of healthcare in the United States. HATA is poised to take a leadership role in the reduction of these costs and increase PMS and their clients efficiencies through value-add workflow processes.

HATA supports the majority of the proposed Operating Rules as meeting the industry's business needs, but requests consideration to the following concerns regarding infrastructure and timing rules.

HEALTHCARE CLAIMS

Under the proposed CAQH Committee on Operating Rules for Information Exchange (CORE) Phase IV CAQH CORE 450 Health Care Claim ASC X12 837 Infrastructure Rule v4.0.0 (September 2015) Section 2.1 Claims Acknowledgement, the goal is to ensure that a claim acknowledgement is received. The proposed rule requires an ASC X12 999 (errors) or ASC X12 277 (claim status) response back with every non real-time claim transaction or batch within 48 hours (2 business days). It requires that response time is met 90% of the time within a month. Payers also need to log, audit, match and report the date, time and control numbers.

HATA Response

We recognize the importance and agree with the requirement to send acknowledgements for HIPAA-mandated transactions. We also want to bring to the Committee's attention that many contractual relationships between the Provider, PMS vendor and/or their business associates include a transactional fee for the exchange of HIPAA and non-HIPAA transactions, particularly for ASC X12 277 responses. Therefore, this requirement could potentially increase costs greatly for the provider and/or the intermediary. ***HATA members are willing to provide examples of scenarios between the provider, intermediary and health plan if further explanation is needed to demonstrate the potential for incurred costs.*** PMS vendors expect the transaction of the 999/277 be processed and passed along with messages within 1 business day ***whether or not the provider requests this information*** in order to serve their clients' needs on behalf of their patients.

HATA recommends a cost benefit evaluation when determining the impact on each stakeholder and communication of the potential cost/ benefit per transaction as the rule is implemented to assist with the business decision for PMS vendors and their client's to pay for and utilize the transaction with the current shrinking operating margins.

Under the proposed CAQH Committee on Operating Rules for Information Exchange (CORE) Phase IV CAQH CORE 450 Health Care Claim (837) Infrastructure Rule v4.0.0 (September 2015) Section 4.3 System Downtime, it requires that payer system availability must be no less than 86 percent per calendar week for both Real Time and Batch Processing.

HATA Response

With healthcare claims processed by providers 24/7, system uptime is crucial. Current Business Associate Agreements (BAAs) exist between payer/clearinghouse or payer/PMS that include system uptime language. Allowing 14 percent downtime (23 ½ hours per week) as part of the operating rules may be more lenient than current BAA agreements and has the potential of creating perceived loopholes to violate those agreements. Our client providers and their patients depend on timely

information sent and received through these transactions to support claims, patient eligibility and other billing requirements.

The Electronic Health National Accreditation Committee (EHNAC) requires system availability at 98% under the Practice Management System Accreditation Program (PMSA) Section III.C. System Availability, "Candidate must have a minimum system availability and appropriate redundancy that assures system access for 98.0% of contracted and/or advertised hours during normal (non-emergency) operations."

HATA recommends additional language to state that this rule does not override more stringent requirements that could exist in BAAs between entities, and suggests inserting this language across <u>all operating rules for all transactions</u>.

<u>ENROLLMENT/DISENROLLMENT AND PREMIUM PAYMENTS</u>

Under the proposed CAQH Committee on Operating Rules for Information Exchange (CORE) Phase IV CAQH CORE 454 Benefit Enrollment and Maintenance ASC X12 834 Infrastructure Rule v4.0.0 (September 2015), there is no current impact on PMS vendors.

<u>HATA Response</u>

Typically this transaction is utilized by employers and health plans. With shifts in care management and reimbursement models, this transaction will play a larger role in managing populations by providers, requiring support from their vendors. This evolution will make the wider adoption of the ASC X12 834 transaction integral in attaining accurate and timely data from health plans and employers, as appropriate. The ASC X12 834 transaction will allow more accurate identification of patients who qualify for non-traditional services, for example, those that may not include a face to face patient visit in a physician office/hospital setting or risk-based reimbursement models. The extent to which providers are adhering to care management protocols will only be attainable via the adoption of the ASC X12 834 code set, giving providers real time access to patient enrollment/disenrollment within the health plan. The enrollment data can ensure these services are instituted and reported to the payer more accurately, verify covered patients are eligible and ensure non-covered patients are removed from these service offerings. Additionally, provider groups can more accurately estimate risk and forecast patient service levels with real time enrollment/disenrollment data.

While currently there is no impact on PMS Vendors, HATA recommends revisiting the operating rules for this transaction as the use cases described above evolve. The increased usage of this transaction to additional stakeholders will affect PMS workflows and investment on behalf of their client providers.

<u>PRIOR AUTHRIZATION</u>

Under the proposed CAQH Committee on Operating Rules for Information Exchange (CORE) Phase IV CAQH CORE 452 Health Care Services Review - Request for Review and Response ASC X12 278 Infrastructure Rule v4.0.0 (September 2015), **HATA recommends standardization and more fully developed Operating Rules for this transaction to support its widespread adoption**.

<u>HATA Response</u>

The current prior authorization process is extremely manual and burdensome and must be replaced by standardized, automated, transparent, unambiguous health care transactions. Physician practices—the clients of PMS vendors—expend considerable time and staff resources on the current authorization system, which involves phone calls with multiple transfers and long wait times and/or cumbersome

faxing of information. While this process is extremely burdensome to the physician practice, payers also expend significant time and resources handling prior authorization requests. A standardized, transparent, automated process that fits within the physician practice's PMS workflow would benefit all industry stakeholders (payers, physicians, and their patients) through reduced processing time, decreased administrative costs, and, most importantly, improved patient care access.

Adoption needs to be increased for the ASC X12 278 prior authorization transaction, as it is not widely offered by health plans. Payers often have portal functionality but are not capable of accepting EDI transactions to support an automated prior authorization process. As a result, HATA joins many others in the industry in advocating for the development and adoption of more robust operating rules for the ASC X12 278 that will drive widespread adoption and implementation of this transaction. Furthermore, HATA recommends more adoption of this transaction by the payer community so that providers will see value and actively request the utilization of these transactions within their PMS. More PMS vendors are starting to make the ASC X12 278 a part of their workflow. The Electronic Health National Accreditation Committee (EHNAC)'s Practice Management System Accreditation Program (PMSAP) requires PMS vendors to support the ASC X12 278 transaction. However, the lack of payer adoption/completeness of the ASC X12 278 transaction makes it a difficult business case to shift resources of PMS vendors for its integration and provider adoption.

In its June 2015 NCVHS testimony on Prior Authorization, the Cooperative Exchange, the national association representing the clearinghouse industry, reported that a majority of stakeholders do not use the Prior Authorization transaction, with only 20% of providers submitting this transaction in the ASC X12 format through clearinghouses, while 76% use the Clearinghouse Web Portal. The remaining 4% use proprietary methods.

Infrastructure requirements are important, but they are not going to affect the level of change needed to overcome the poor industry adoption reflected by these statistics. **HATA recommends that the ASC X12 standard transactions be studied to better understand why there is low adoption leading to non-usage by providers as well as payer compliance**. Possible items to include would be multiple iterations of ASC X12 278 response to support process automation from the initial prior authorization request through the final determination. We as an industry have a real opportunity to reduce prior authorization hassles and encourage automation with increased compliance that will lead to the definition of more robust set of operating rules. HATA urges the Subcommittee to consider our recommendations that will automate and standardize this burdensome process.

Other HATA Recommendations for Prior Authorization

1. **Implement and support both the 271/270 and 278/275 transactions: Even for providers that have care collaboration software, a tremendous amount of manual work is needed to obtain pre-certification and referral authorizations, which some payers leverage to automate and reduce phone calls to payers.**
2. **Ensure payer portals, call centers, and Healthcare Service Request systems are updated simultaneously. With so many different informational access points, it is important to maintain standardization across all systems to ensure consistent information is being disseminated. This is critical for providers' trust of the automated transactions as we've seen in our experience with eligibility and claim status inquiry.**
3. **Support Healthcare Service Request linkage to third party vendors, if applicable. The majority of pre-certification volume is either cardiology or radiology, which many payers employ third party vendors to administer.**
4. **Require the ability to electronically convey information regarding procedure-specific prior authorization requirements to providers in a timely fashion**.

ATTACHMENTS

The proposed Operating Rules mandate the use of the ASC X 12 275 for attachments. Currently, intermediaries and providers are using many different methods to transfer their attachments.

HATA Response

Attachments span both clinical and administrative workflows. As such, both PMS and EMRs will need time to work together to automate, streamline and coordinate their workflows to address the submission of supporting documentation for a claim, prior authorization, closure of gaps in care along with other currently burdensome manual processes endured by providers and their practice staff.

HATA supports the position and recommendations of the Cooperative Exchange and the Workgroup for Electronic Data Interchange (WEDI) regarding attachment standards and operating rules that provides flexibility for varying stages of EDI readiness across stakeholders and converged administrative and clinical use cases that may require different connectivity protocols.

HATA also encourages a 2-year implementation timeframe to facilitate adoption of the rules.

Respectfully Submitted,

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