

**TESTIMONY OF THE NATIONAL COUNCIL FOR PRESCRIPTION DRUG PROGRAMS (NCPDP)  
MEETING OF THE NATIONAL COMMITTEE ON VITAL HEALTH AND STATISTICS  
(NCVHS) SUBCOMMITTEE ON STANDARDS AND SECURITY**

**FRIDAY, MARCH 31, 2000  
HUBERT H. HUMPHREY BUILDING  
ROOM 705 A  
200 INDEPENDENCE AVENUE, SW  
WASHINGTON, D.C. 20201**

Good morning. I am Lee Ann Stember, President of the National Council for Prescription Drug Programs, and I am honored to be here today to represent NCPDP at this historic Memorandum of Understanding (MOU) signing ceremony. I want to thank you for the opportunity to present to this panel NCPDP's comments in response to the creation of the Memorandum of Understanding among the organizations designated to manage the maintenance of the EDI standards adopted under HIPAA.

As you may know, NCPDP is an American National Standards Institute (ANSI) – Accredited Standards Development Organization specifically mentioned in the Health Insurance Portability and Accountability Act of 1996. Our membership consists of more than 1,200 members who represent virtually every sector of the pharmacy services industry, including computer companies, drug manufacturers, pharmacy chains and independents, drug wholesalers, insurers, mail order prescription drug companies, pharmaceutical claims processors, physician services organizations, government prescription drug providers, software vendors, telecommunication vendors, service organizations, government agencies, and other parties interested in electronic standardization within the pharmacy services sector of the health care industry.

We look forward to the release of the Transaction and Code Sets Final Rule that will recommend the NCPDP Telecommunication Standard, as well as the NCPDP Batch Standard for Pharmacy.

My testimony focuses on four specific questions, which were provided by the Subcommittee:

**1. *What are the benefits of this process to the public, the government, and health care organizations?***

I would like to mention that all NCPDP meetings are open to the public, and follow ANSI approved standards development procedures. We are pleased that this MOU emphasizes open public access. Any person or organization (member or non-member) shall have the opportunity to submit a HIPAA Standard Change Request. This MOU creates a vehicle for anyone to be involved in the standards development process.

For the government, this process provides a forum to work together in the spirit of harmonization with all of the designated organizations.

Regarding benefits to the Health Care Organizations, NCPDP looks forward to working together with all of the signers of this MOU as we move forward into the 21<sup>st</sup> century. This process allows all parties to have access to all of the HIPAA Standard Change Requests, which should eliminate any duplication of efforts amongst the designated organizations.

2. **Are there any concerns with the process?**

We do not have any concerns with this MOU process at this time.

3. **What was the process by which your organization approved the MOU?**

NCPDP has dedicated staff and Board of Trustee members who have been instrumental in the development and approval of the MOU. I would like to mention that Margaret Weiker, an NCPDP Board of Trustee member, as well as an NCPDP Standardization Co-Chair, has spent a tremendous amount of time participating on numerous telephone conference calls and face-to-face meetings during the creation of this MOU. There were a number of revisions to this MOU, and Margaret has been in contact with the Senior Management of NCPDP and the Board of Trustees, which reviewed and approved this MOU.

4. **Are there any changes that will be required for your organization to comply with the MOU?**

NCPDP staff as well as NCPDP members will be educated about the MOU process that is being agreed upon today. NCPDP's Standards Development Procedures have been modified to incorporate the processes outlined in the MOU. I am committed to having NCPDP fully compliant and ready to work with all of the designated organizations when this MOU process officially begins when the Final Rule is released.

In conclusion, I feel that the dynamic market structure of the 21<sup>st</sup> century and just knowing the rapid changes occurring in this integrated health care environment, will provide challenges. However, NCPDP is well positioned to accept these challenges, and we look forward to working with all of the respective signers of this MOU in the spirit of cooperation and harmonization.

Thank you again for the opportunity to provide this testimony to you. I look forward to answering any questions that you may have.