



**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS**

**SUBCOMMITTEE ON STANDARDS**

**July 19, 2010 Testimony on the National Health Plan ID**

**Presented by Annette Gabel Executive Director Industry Standard Compliance for Medco Health Solutions, Inc.** (Please see attached Medco fact sheet for information on Medco Health Solutions, Inc)

We appreciate the opportunity to present testimony on the National Health Plan ID.

Although the definition of Health Plan from HIPAA 45 CFR § 160.103 (Portions defining "health plan") "*Health plan means an individual or group plan that provides, or pays the cost of, medical care (as defined in section 2791(a)(2) of the PHS Act, 42 U.S.C. 300gg-91(a)(2))*", it is Medco's opinion there may be multiple reasons for creating a Health Plan ID.

But first we would like to acknowledge the Pharmacy industry for successfully using the BIN/IIN and PCN (as needed) for routing of the NCPDP Telecommunication standard transactions for 25 years. Rather than repeat the reasons for maintaining pharmacy routing information already provided by NCPDP, Medco is instead stating we are in agreement with NCPDP a Plan ID should not replace the BIN/IIN PCN used for routing of pharmacy transactions.

We also do not believe that a Plan ID should be required on a Prescription Drug Card. Medco follows the NCPDP ***Health Care Identification Card Pharmacy and/or Combination ID Card Implementation Guide***. That guide was updated to coincide with the ***WEDI Health Identification Card Implementation Guide*** and now requires a complete 15 digit Issuer ID be printed on the card.

"The purpose of the card issuer ID is to have a unique identifier for all health plans; however, the pharmacy industry uses the RxBin, RxPCN and RxGrp for identification of the pharmacy benefit plan. The INCITS 284 Standard mandates the use of the card issuer ID. Since the NCPDP implementation guide is based on the INCITS 284 Standard, it was determined that a default card issuer ID would be used for all pharmacy only ID cards. On behalf of the

pharmacy industry, NCPDP has been assigned card issuer identifier 9151014609 to be used on pharmacy only identification cards.”<sup>i</sup>

Since this Issuer ID had no relevance to the pharmacy industry the members of the **WEDI Strategic National Implementation Process (SNIP) Transactions Workgroup Health ID Card Sub-Workgroup** recommended a default ID be assigned by Enumeron. Medco now prints the default Issuer ID on all of the new prescription ID cards they create. While we understand this may have meaning for other parts of the Healthcare Industry it provides no additional benefit for pharmacy claim processing. We suggest a review of requiring Plan ID on the Healthcare ID card with the Healthcare industry to determine when it is needed. Medco would like to point out that having the correct routing information on the ID card is essential to successful claims processing. The NCPDP **Health Care Identification Card Pharmacy and/or Combination ID Card Implementation Guide** requires that the information used for routing the BIN/IIN and PCN (when needed) be present on the ID card. If the ID cards for the Healthcare industry are to contain routing information we recommend when the routing information changes new ID cards must be issued. It has been our experience this will avoid disruption in benefits when patients change benefit administrators.

We do however believe that an assignment of Plan ID to replace proprietary coding that exists today in the Healthcare industry would provide for administrative simplification. When Medco Provider companies Accredo and Liberty submit claims to Medicaid payers they are often returned a proprietary code that requires further investigation to determine the billing entity that should receive the claim. This typically occurs when the Medicaid agency is aware of a primary payer to Medicaid and they attempt to provide the insurance company information back to the Provider. Although the insurance company may be a National Plan with one location for claim billing, it appears that currently each state has their own code for that insurance company.

A Plan ID would also help identify reimbursement information to Providers. For example if a processor/PBM contracts with a Provider directly and is assigned a Plan ID, that information can be returned in the claim response and or in the pharmacy remittance standard. This will allow the Provider to manage their accounts receivable in a more automated environment.

Medco has evaluated different benefit structures and can see the need for Plan ID's for Benefit Administrators when they are in a contract relationship with the Provider. Medco also believes that it may be necessary for the Benefit Administrators to have multiple Plan ID's when needed to identify a product or a line of business. We have identified above the need for insurance companies to have Plan ID's to help with coordination of benefits, but we don't believe that assignment of Plan ID's should be mandatory if there is not a business need for the entity to be identified with a Plan ID. We therefore suggest that before determining the rules for enumerating a Plan all sectors of the Healthcare industry provide examples of benefit structures. These should be used during the analysis of determining who should receive a Plan ID.

Medco believes there were a number of lessons learned from the NPI rule and the subsequent enumeration process. One important lesson was not enough thought was given to Provider structures that existed before the rules were defined for enumeration. As a result there was much confusion as to who was eligible for an NPI and whether a Provider could be assigned more than one NPI. This initially impacted Providers who required an NPI for their specialty pharmacy business and a different NPI for their mail service pharmacy business. As suggested earlier it is imperative we review the needs of the Healthcare industry before we create an enumeration strategy. We also believe that a clear well defined process should be outlined for the entity/entities responsible for supplying and maintaining the National Plan ID information.

Medco acts as a Prescription Drug Plan for Medicare Part D and also administers benefits for Clients who provide Medicare Part D beneficiaries with primary and secondary coverage. Due to the impact to these beneficiaries and the remainder of patients that Medco provides benefit administration we cannot recommend an alternative to the BIN/IIN PCN routing. The BIN/IIN and PCN are required for routing prescription drug claims, and for Medicare Part D are used specifically in real time Eligibility, Financial Information reporting (FIR) and Information reporting transactions. The Eligibility inquiry supplies Providers with the beneficiary's coverage information which includes the necessary routing identifiers. The FIR and the Information reporting transactions use the routing information to enable exchange between processors/payers required to maintain accurate financial balances for Medicare Part D beneficiaries. This information is so important to the Medicare Part D program that CMS has required a unique RxBIN or RxBIN/PCN combination for each individual Part D member effective January 1, 2012. Medco agrees with the statement from NCPDP on the impact for any alternatives to our current routing methodology.

In closing it is important to note as we have experienced in the past with other HIPAA regulations if the standards are not adhered to there will be more confusion and less administrative simplification. While other rules have imposed penalties for non-compliance it is not a common practice for entities to report their trading partners. If auditing by CMS to verify compliance can be accomplished it may solve the problems we experience today. I have also found when funding is available to provide incentives for achieving compliance, those that usually lag behind are much quicker to certify their compliance.

Medco appreciates the opportunity to present this testimony and would be happy to answer any questions you may have. We also stand ready to assist with any additional input you may need during the analysis of Plan ID enumeration.



MHS 2010 Fact  
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<sup>i</sup> Reference the *NCPDP Health Care Identification Card Pharmacy and/or Combination ID Card Implementation Guide*.