

# Current Business Practices in Claim Attachments: Priority attachments, business practices, mechanisms for request and submission, other – The Physician Practice Perspective

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# Current Attachments Environment

- Providers don't know when/what attachments are needed
- Providers will proactively submit attachments “just in case” which can...delay claim adjudication
- Paper attachments are a major source of delays, denials and write-offs
- Defeats the use of electronic claims in some cases
  - MGMA estimates that between 5 - 20% of claims require attachments
  - Varies widely, almost 100% for some specialists

The slide features a dark blue background with a lighter blue wavy graphic at the top. The text is centered and reads "MGMA Research" on the first line and "Conducted November 2011" on the second line.

# MGMA Research

## Conducted November 2011

How often do the following business/administrative areas require the submission of 'attachments' or additional supportive medical documentation?

	Always	Often	Sometimes	Rarely	Never
Claims	3.5%	<b>47.5%</b>	42.9%	5.1%	1%
Eligibility	2.6%	13.2%	19.6%	<b>43.9%</b>	20.6%
Referral Authorization	12.6%	<b>41.6%</b>	27.4%	12.6%	5.8%
Workers' compensation	<b>56.8%</b>	21.6%	6.3%	4.5%	10.8%

How are you currently responding/submitting (for providers) or receiving (for payers) attachments and additional supportive medical documentation?

	Always	Often	Sometimes	Rarely	Never
U.S. Postal Service Letter	15.3%	55.8%	20.2%	6.1%	2.5%
Other mail delivery system (i.e., FedEx, UPS)	0.8%	8.6%	7%	30.5%	53.1%
Electronic response	2.1%	17.2%	20%	22.1%	38.6%
Phone	1.4%	7.8%	23.4%	26.2%	41.1%
Fax	5.1%	53.5%	30.6%	7 %	3.8%

## How are requests for submission of attachments currently sent to your practice?

	Always	Often	Sometimes	Rarely	Never
U.S. Postal Letter	15.6%	52.7%	25.7%	4.8%	1.2%
Other mail delivery system (i.e., FedEx, UPS)	0%	4.7%	12.6%	37%	45.7%
Claim/transaction reject	8.4%	47.4%	24.7%	9.7%	9.7%
Electronic request	4.6%	19.9%	22.5%	27.2%	25.8%
Phone	0.7%	10.5%	25.9%	32.9%	30.1%
Fax	1.9%	27.1%	32.3%	25.2%	13.5%
Electronic transaction using 277CA	0.8%	3.2%	15.3%	23.4%	57.3%

# Issues with Mail Documentation Requests

- Providers report the following issues:
  - Never received
  - Sent to incorrect provider address
  - Internal routing and claim association issues slow documentation retrieval process
  - Can add days, weeks, even months to adjudication process

If an electronic claim attachment standard was available, how many attachments would your practice send as 'unsolicited'?

	Response Percent
100% of all claims	6.3%
50-99%	14.5%
20-49%	13.8%
10-19%	16.4%
5-9%	16.4%
1-4%	17.6%
None	15.1%



# The Key Benefit of Unsolicited: Content Predictability

- **Sending unsolicited allows providers to:**
  - Anticipate requirements and
    - Capture critical data during care
    - (Or at least) capture while preparing claim
- **Sending unsolicited allows plans to:**
  - Expect less irrelevant content
    - (may require this under HIPAA minimum disclosure)
  - Establish processes to adjudicate faster
    - decrease Medical Review time
  - (Maybe...someday... wide spread auto-adjudication)

**Business rules could be developed to make the electronic claim attachment standard more efficient. Rate the importance of the following potential business rules:**

	Very important	Important	Somewhat important	Not very important	Not needed
Consistent format for the <u>identification of the health plan</u> making the request for additional supportive medical documentation	<b>67.5%</b>	26.1%	5.1%	0.6%	0.6%
Consistent format for the <u>identification of the claim</u>	<b>75%</b>	22.4%	1.9%	0%	0.6%
<u>Minimum time required for the health plan to adjudicate the claim</u> once the attachment is received	<b>76.3%</b>	19.2%	3.8%	0%	0.6%
<u>Consistent format for the request for additional supportive medical documentation from the health plan</u>	<b>75.8%</b>	20.4%	2.5%	0.6%	0.6%
<u>Transmission standards for the request for additional supportive medical documentation from the health plan</u>	<b>70.7%</b>	25.5%	2.5%	0%	1.3%

# The Cost Associated with Paper Attachments

- MGMA survey question: *Estimate the approximate average total cost to your practice for responding to these requests for submission of attachments (i.e., staff time, postal costs)*
- Average cost PER REQUEST = **\$21.34**
- The number of attachments sent by physician practices – between 414,000,000 and 538,000,000 per year (NPRM estimation)
- Maximum provider costs - **\$8.9 B to \$11.4 B**
- Another 100,000,000+ attachments sent from hospitals

# Benefits of Automation

- Providers:

- Virtually eliminates lost requests/responses
- Reduced staffing/costs (People, Paper, and Postage)
- Reduced amount of supported data exchanged
- Better predictability to payer data content needs
- Decrease days in accounts receivables
- Improved claim reassociation
- Maximum opportunity for immediate participation
- Reduction in appeals
- Fewer claim denials

- Payers:

- Reduced staffing/costs
- More complete information received
- Increase 1<sup>st</sup> pass adjudication
- ROI available by saving People, Paper, and Postage
- limit early implementation costs to basic Qs and As
- initial investment more justified by higher provider participation
- Improved denials management
- Reduction in appeals

# Potential Misuse of 275

(Excessive & Unnecessary Requests/Submissions)

- Payers may ask for additional information more
- Auditors may ask for additional information
- Providers may send in unnecessary attachments
- AMA cautioned about this as far back as 2003
- esMD (electronic submission of medical documentation) opens the door for significant increases in requests for attachments per CMS
- EHRs make it appear less burdensome to ask ...
- Need to establish reasonable limits, timeframes, etc.

# 2005 Pilot Experience

- Original pilot project site
  - Saw upside potential
- Quickly understood critical vendor role
  - Workflow support
    - Log incoming requests
    - Forward request to person needing to retrieve info
    - Log whether info found or not
    - Log info returned to requestor
  - Reporting tools
- No incidence of not receiving the request nor Medicare not receiving response
- Issues were around adequacy of codes

# Recommendations:

## End Game for 275/HL7

- ACA requires CMS to publish rule by 2014. No need to wait. Longer we wait, more we miss out on the benefits...
- Permit unsolicited attachments to speed up adjudication
- Payers should all request similar documents for similar services
- Providers should be responding with codified data
  - Reduces payer costs (automate response)
  - Enables real time processes
- Providers' billing systems have vendor developed workflow rules automating their submission
- Only limited by available codes to identify what is sent, NOT by limiting it through rule making



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