Applicability of Standards to Other Insurance Types

Margaret Weiker
ASC X12N Chair
Director, Hewlett-Packard Company

About ASC X12

- Chartered by the American National Standards Institute more than 30 years ago

- Develops and maintains EDI standards, technical reports, and XML schemas which drive business processes globally

- ASC X12 membership includes technologists and business process experts, encompassing health care, insurance, transportation, finance, government, supply chain and other industries.

- For additional information, visit www.x12.org.

HIPAA transactions work for these industries

- ASC X12 Version 5010 TR3 Errata
    - New Property and Casualty Patient Identifier Segment
    - Modified usage rules
    - Modified situational rules

- Workarounds/Bridge Strategy for other issues
    - Addressed in the ASC X12 Version 6020 TR3s

- Claim, Remittance Advice, Claim Status, Attachments
    - Used today

- Eligibility, Enrollment, Premium Payment
    - Not Used due to Workflow

- Prior Authorization
    - Manual processes, telephone, and paper exchanges used today
    - Need to consider business requirements and workflow changes

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HIPAA transactions work for these industries

- Electronic Funds Transfer
  - If providers are receiving EFT for healthcare claims then, it's likely they will want to adopt the same payment method for workers' compensation and P&C claims.
  - Perform industry outreach to determine if WC and P&C payers should be required to support EFT to accommodate the provider request for EFT payment
  - Some P&C stakeholders today are voluntarily engaged in EFT

- First Report of Injury
  - Not all WC jurisdictions require a First Report of Injury
  - Reports are not consistent and have varying state requirements
  - Most P&C regulations do not require a First Report of Injury
  - Standardization would require jurisdiction collaboration to reach consensus
    - ASC X12 willing to develop an implementation guide for the 148 First Report of Injury Transaction with industry stakeholders
  - Alternate approach to the 148 transaction - use attachment transactions with LOINC codes and Report Type Codes

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HIPAA transactions work for these industries

- Approved IAIABC Workers' Compensation Electronic Billing and Payment National Companion Guides based on ASC X12 005010 and NCPDP D.0
  - Adopted by California and Texas with other jurisdictions expected to follow   -

- IAIABC Jurisdiction eBill Model Rule Template
  - Supports the use of national standards and code sets, as appropriate
  - Mitigates 50 different state approaches to EDI implementation and companion guides

- Claim Adjustment Reason Codes and Remittance Remark Codes
  - States primarily use proprietary adjustment/remark codes
  - Some states place limits on the allowed use of the codes within the standard code set
  - IAIABC guides support the standard CARC / RARC Code sets
  - California, Texas and Minnesota rules mandate the use of the standard CARC/RARC code sets

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Q & A

What are the different terms used in other insurance industries that are in conflict with, or different from that used in health care (e.g. the term "claim")

Health Care Term	Other Insurance – Workers Compensation
Claim – bill for services rendered	Claim – not a bill; demand against employer's WC policy for a single injury, accident or occupational illness
Clearinghouse	eBill agent
EOB – Explanation of benefits	EOR – Explanation of reimbursement/review
Claim Number – specific to a claim	Claim Number – applies to all bills associated with the claim
Subscriber - Person	Subscriber - Employer
eBill/eBilling – not used	eBill/eBilling – charge for each episode of care
Eligibility verification – ID Card	Eligibility verification – no ID Card; call to employer

Q & A

What are the different terms used in other insurance industries that are in conflict with, or different from that used in health care (e.g. the term "claim")

Health Care Term	Other Insurance – P & C
Claim – bill for services rendered	Claim – collection of information about an event; the information can be from or about any person, firm involved or offers services for those involved in the event
Claim Number – specific to a claim	Claim Number – identifies the collection of information. A person can have more than one claim open at a time. For each claim, a person can have separate limits and relationships with the insurance carrier
Subscriber - Person	Subscriber – Policyholder; a person, group of people, business or organization
Eligibility verification – ID Card	Eligibility verification – performed after the loss has been reported and is based on a covered event occurring.

Q & A

Do providers use the CPT, HCPCS and ICD-9 code sets for "claims" sent to other insurance entities? If not, what codes are used to identify services rendered and request reimbursement?

Will providers be allowed to use ICD-10 codes in 2013 when they transition with health care transactions?

- Depends on the state/jurisdiction
  - Some use the same code sets
  - Others have proprietary code sets and own rules

Q & A

How is coordination of benefits (COB) conducted between your industry and health care?

- Typically, there is no COB
  - Subrogation is used
    - States have own processes and establish requirements and regulations
    - Done via paper

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Q & A

What would the benefits be to moving to standard transactions?

- Providers
  - Decreases administrative cost compared to paper processing
  - Acknowledgment of bill status reduces need for phone calls
  - Faster payments
  - Eliminates state by state proprietary coding and companion guides by aligning with national standards, including CARC/ RARC code sets
  - Leverages existing IT investments and vender relationships
  - Increases provider stakeholder adoption

- Payers
  - eBills are less expensive to process than paper
  - Reduces number of phone calls
  - Cleaner data

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Q & A

What would the challenges be, and what kinds of costs would be involved?

- Infrastructure
  - Connectivity between provider and employer doesn't exist for WC
  - Level of connectivity with the various required participants doesn't exist in P&C industry

- Practice Management Systems
  - Need to support billing differences
  - Need for provider education on how to bill workers' compensation and P&C
  - Inability to support proprietary and non-compliant transactions and code sets

- Contracts
  - P&C carriers often do not have contracts with providers

- State specific regulations/laws would need to be modified

- P&C companies need to become more involved in standards development

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