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Dear Co-Chairs of NCVHS Subcommittee on Standards:

UnitedHealth Group is dedicated to making our nation's health care system work better. Recognized as America's most innovative health care company by *Fortune* magazine, our highly-diversified and comprehensive array of health and well-being products and services empowers individuals, expands consumer choice, and strengthens patient-provider relationships. Our 88,000 employees serve the health care needs of more than 75 million individuals, develop and advance new health technologies and enhance financial and operational connectivity across the health care system. Our role as a national leader in both private and public health benefits programs and services enables us to continuously foster innovative health solutions aimed at creating a modern health care system that is more accessible, affordable and personalized for all Americans. We process over 400,000,000 claims for medical services annually.

We believe that quality, affordability and administrative simplification would be enhanced by increasing the transparency and standardization of the healthcare claim coding edit sets used by both private and public payers to promote correct coding methodologies by providers and to reduce improper coding that may lead to inappropriate payment for services provided. To that end, we have participated in several industry workgroups related to this initiative. An underlying "staple" that provides a starting point for discussions around standardization and transparency is the set of National Correct Coding Initiative (NCCI) edits developed for the Medicare program. While the NCCI edits are incomplete for use by private payers at this time, and there are process improvement opportunities for NCCI to promote wider adoption by the private payer community, we believe it provides a good foundation for building a national, scalable model that can lead to a reduction in payer-specific,

or specialty-specific coding edit sources and increase providers' ability to correctly code, bill and calculate expected claim values for services. There are several opportunities for improving the NCCI process if it were to become the base edit set for the private payer community, including increasing transparency and participation in the process and expanding the scope to include populations not currently covered. We are prepared, and also encourage the broader payer community to provide very specific feedback to the Subcommittee on where NCCI falls short and offer recommendations for solutions that will drive consistency, when possible, among payers, thus reducing the administrative burden for all stakeholders. This would require detailed evaluation and disclosure amongst the private payer community that necessitates anti-trust protections in order to be successful.

We believe the AHIP letter to this Subcommittee, dated September 27, 2011, provides a very comprehensive list of issues and recommendations for consideration as you begin your discussions of this topic. An important observation that we have made during our work with various groups is related to semantics, specifically definitions related to "claim edit" vs. "coding edit" vs. a "payment rule". These semantic discussions highlight varying definitions of these terms and tend to over-complicate the discussions and prevent movement towards a consensus based solution.

To help the Subcommittee be successful in completing the ACA directive to seek input on "[w]hether there could be greater transparency and consistency of methodologies and processes used to establish claim edits used by health plans", and to initiate activities that have significant likelihood of advancing administrative simplification, **we recommend narrowing the scope and simplifying the initial work in this area.** We strongly urge the focus of this effort be on "coding edits" only to ensure that within the associated relative value units there is complete reimbursement for services rendered and that reimbursement is not duplicated or partially duplicated with RVUs when CPT codes are combined.

To this end, a good first step in this process would be to charter a specific initiative to categorize and standardize the "payer-specific" coding edits that fall outside of NCCI, specifically those edits that promote the correct coding of services performed by physicians. This is a "doable" body of work and would help ensure that:

- Physicians and other healthcare providers are reimbursed for services rendered; and
- Payers pay for the work associated with each service only once (as defined within the RVU of the CPT code).

UnitedHealth Group is committed to participating in efforts associated with increasing the transparency and standardization of the healthcare claim coding edit sets used by both private and public payers. We are also supportive of promoting correct coding methodologies by providers and to control improper coding (within the context of the bullets above) that may lead to inappropriate or duplicate payment for services provided.

In summary, UnitedHealth Group is committed to driving the Administrative Simplification agenda forward and we support an industry-wide national initiative to determine the feasibility of expanding the NCCI edit set to be used as a basis for both public and private payers. We believe that progress can be made in the arena of standardized coding edits across the private payer community if a transparent, all inclusive process is implemented for the development and maintenance of a more robust edit set that addresses strict coding practices and enables payer agnostic coding by physicians

and their coders. Additionally, this process may facilitate the development of new codes that more accurately reflect advances in technology, particularly in diagnostic modalities such as laboratory and imaging.

We look forward to working with you on this important initiative. If you have any questions or need additional information, please don't hesitate to contact me by phone at 262-510-8213

Sincerely,



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cc: Reed Tuckson, MD, Executive Vice President and Chief of Medical Affairs
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