

## **National Committee on Vital and Health Statistics**

### **Subcommittee on Standards**

**November 18, 2011**

#### **WRITTEN TESTIMONY OF MITCHELL INTERNATIONAL, INC.**

**Presented by Tom McCarthy, Sr. Advisor, Founder of Mitchell Casualty Solutions**

#### **Automobile Casualty and Workers' Compensation**

### **Background**

Mitchell International would like to present to the Subcommittee a different perspective from most of the presenters who are either representing the provider-side constituents or the payers. In order to be brief, we will only comment from the perspective of a provider of technology to a major portion of the Property & Casualty market.

Mitchell, founded in 1946, is a national provider of information, electronic transaction processing, decision support, and workflow products to the Property & Casualty industry. Serving both automobile casualty and workers' compensation markets, Mitchell clients represent a large majority of automobile insurance companies and over one-third of the workers' compensation market. Collaborating with Jopari Solutions, Inc. as our source of eBill and electronic payment transactions, Mitchell offers the Property & Casualty market a complete cycle for transactions starting from bill origin through adjustment and payment.

### **Our Experience**

As the dominant provider of electronic processing to Property & Casualty, Mitchell has firsthand experience with the difficulty of adopting healthcare created standards to the unique lines of business found in Property & Casualty. Nonetheless, with our partner, Jopari, we have successfully been able to make the relevant transactions work for our clients, although not as seamlessly as one would expect for a national standard transaction. Adoption of 5010 makes our work easier but it is still not as seamless as others have or will comment about today.

Paper-based transactions are expensive, cumbersome, and time consuming. A typical call center at a carrier receives from twenty-five percent (25%) to nearly fifty percent (50%) of its calls from healthcare providers looking for status on submitted bills. Providers carry accounts receivables for anywhere between 75 and 120 days on average. We have found that all constituents receive benefit when converted to an eBill and ePay environment. In addition, it costs a fraction of what it takes to manage a paper-based system. Electronic transactions are simply a better way to do business.

Both workers' compensation and automobile casualty, the largest of the lines of business that process medical reimbursement transactions, have unique requirements not found in the healthcare industry.

The payer must determine if the injury for which the treatment is provided is eligible for benefits at all. If eligible to file a claim, the treatments that are appropriately reimbursed to the healthcare provider are only those causally related to the compensable injury. These determinations and many others like it, often require attachments to support compensability under the workers' compensation or automobile casualty claim.

Mitchell has been fortunate to demonstrate to the industry that it solves for many of these issues through its products and services instead of each payer creating one-off solutions and involving scarce IT resources. It would be ideal for all Property & Casualty to be fully served by a national standard for electronic transaction processing. Mitchell, with Jopari, has adapted to make 4010 and 5010 work for our clients but the number of workarounds is still too many to be rigidly held to guidelines of the standards.

## Recommendations

Compliance with federal and state laws and regulations is a major undertaking that Mitchell performs in creating and updating information and electronic processing products it offers. The effort to help X12 modify standards to meet the unique requirement of the lines of business is underway with increasing cooperation from all interested parties. Mitchell recommends:

- The Subcommittee encourages the Property & Casualty industry to continue to voluntarily work with X12 5010 standards that we currently use and on adapting future standards to the idiosyncrasies of the multiple lines of business found in Property & Casualty.

We ardently support a national standard as a better way of doing business resulting in cost elimination and simplification of transaction processing. Mitchell, on behalf of all its clients, is committed to work with X12, the AMA, IAIABC, and other representative groups in the space to make this happen. Thank you for your time.