

NCVHS Testimony: Medicare Fee-for-Service for Morning Session, February 26, 2015.

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Good morning. My name is John Evangelist. I am the Director of the Business Applications Management Group within the Office of Technology Solutions at the Centers for Medicare & Medicaid Services.

I would like to thank the National Committee on Vital and Health Statistics for inviting CMS to testify and for the opportunity to share with you the Medicare Fee for Service perspective on Phase IV Operating Rules.

Medicare is a very large and complex program. There are many areas within CMS working on various aspects of Medicare Fee-for-Service policy, systems, and operations. Today, I will be presenting thoughts regarding Medicare Fee-for-Service.

Medicare FFS supports the administrative simplification function of which operating rules play a significant part. I would like to thank the efforts and hard work of the health care industry and the CAQH-CORE to develop them. Per the Affordable Care Act, the goal of the operating rules is to create “as much uniformity in the implementation of the electronic standards as possible.” Such goals have the potential to promote greater efficiency in the exchange of transactions and data necessary to administer and deliver health care and conduct other related processes to the great benefit of the health care industry and the patients it serves.

Today, I will discuss three principles we at CMS Medicare Fee-for-Service believe should be taken into consideration during the development and review of operating rules. The principles are Flexibility, Investment Protection and Process improvement.

Flexibility

We are living in times of swift and dramatic changes in science and technology. Since the passage of HIPAA, we have seen the advent of smart phones, prosthetic limbs that can mimic the function of their natural counterparts, and the mapping of the human genome, most of which was not foreseen in 1996. We recommend that any standards related to health care technology operating rules build in the flexibility to take full advantage of technological advances beneficial to patients, providers, health plans, and others. We believe that one example where Phase IV provided flexibility was the processing mode options for the named transactions. Providing the option for both real-time or batch will allow the health care community to determine the best fit for their business.

Investment Protection

From a Medicare Fee-for-Service standpoint, we want to ensure that the implementation of standards and operating rules effectively use and never waste taxpayer dollars. As with any investment, we believe a holistic approach is essential. As new transactions are evaluated, the ability to leverage prior implementations and technologies should not be hindered. A balance must always be struck between innovation and the ability leveraging past investments. CMS believes that the Phase IV operating rules successfully struck this balance.

Process Improvement

Understanding and participating in the process development is essential to the success of operating rule implementation. To that end, we believe the following steps should be taken:

- Post the operating rule development process on the CAQH-CORE web site.
- Consider having the operating rule development process itself be subject to the public review and comment of the health care industry and vetted among CAQH-CORE voting members.
- Develop and post on the CAQH-CORE web site a change management process for drafted rules and proposed revisions to adopted rules.

It is our belief that we can learn from Phases I through III and improve Phase IV to the benefit of the Health Care Industry and ultimately the beneficiaries and providers we are privileged to serve.

We would like to thank the NCVHS again for the opportunity to share our perspectives with you. We do appreciate the efforts of CAQH-CORE and the health care industry to develop effective operating rules that streamline and standardize the sending of HIPAA standard transactions throughout the health care industry.