

Good Morning, My name is Karen Shields and I am currently the Group Director for CMS' Office of Technology Solutions, Rapid Program Developments Group. This group has the responsibility for the technical solution(s) of the Federally facilitated Marketplace activities related to today's topic. Thank you for this opportunity to provide input to your committee on the operating rules as it relates to CMS' Marketplace efforts.

(Optional if Mark is available)

I am joined by my Deputy Group Director Mark OH who has been one of the overall lead architects for the Marketplace from CMS.

Also joining me is Michael Cabral from my staff in the Division of Project Management & Governance. Mike has responsibility for the Accredited Standards Committee (ASC) X12 transactions the Marketplace exchanges with the Issuers, trading partners and State Based Exchanges.

First let me state the position of CMS' Marketplace area is to support standards which improve the business and technical processing of information related to the specific nature of the work performed for enrollment of consumers and the generation of payment activities to Issuers from the Marketplace/Exchange.

With that in mind, the overall design of the daily enrollment transaction process was developed with an eye to the standard Acknowledgment Model as published by the Standards Development Organization (SDO) ASC X12. Specifically for the daily ASC X12 834 traffic, acknowledgements for the following occur; when the daily ASC X12 834 traffic is presented to the Electronic Data Interchange (EDI) platform. A TA1 transaction is generated which will reply to the Interchange envelope level of the payload. The next level of acknowledgement is an ASC X12 999 transaction as defined in the *Implementation Acknowledgement for Health Care* Technical Report Type 3 (TR3) for the Functional Group(s) presented for processing.

I am pointing these facts out to the committee to demonstrate how newly implemented programs can accommodate standards based transactional processes with external partners. This is in contrast to a more mature program

such as Medicare Fee for Service, which has a more complex implementation base to consider due to the number of transactional processes requiring support.

Now to address some of the specific questions about the Proposed Operating Rules from this sector of the industry's perspective:

1. Business needs of the health care industry the operating rules intend to address.

CMS Response: The current draft of the *Phase IV CAQH Core 454 Benefit Enrollment and Maintenance (834) Infrastructure Rule version 4.0.0* reads in section 3.4 – Outside the Scope of This Rule that the use of the ASC X12N v5010 834 transaction is not addressing the requirements of the Federal or state Health Information Exchanges, overall this is an important position for the draft operating rule to address due to the nature of the business requirements specific to each type of Exchange (state or Federal) being run.

What our Federal team is determining, as it relates to State Base Exchanges, is that there are additional types of state specific information specifically as it relates to premium assistance program dollars available to consumers. Subsequently the Federal processing platform must accommodate these variations in our build out for the financial management aspects of the program functions.

Items such as these are not apparent when reviewing the transaction standards or the Operating Rules which may be adopted in the future, nor would the implications be known ahead of time as it relates to specific processing and timing aspects along with subsequent policy changes made by States.

2. Efficiency improvement opportunities for administrative and/or clinical processes in health care, and strategies to measure impact.

CMS Response: Anytime the processing aspects of information exchanged between organizations can be standardized, this can be viewed as an improvement opportunity. However, should there be overarching aspects

which disrupt the business; this time spent may detract from the overall business objectives. These aspects need to be a balance between implementing standards & operating rules and the performance of the actual business functions.

3. Potential impact of the operating rules to various health care entities (providers, payers, etc.) on the daily workflow/transaction process; administrative costs, required capabilities and agility to implement the operating rule changes.

CMS Response: The implementation of Operating Rules should not place an undue burden on the entities exchanging the various transactional payloads. This may even have different impacts and costing models within a given organization due to the specific business payload being processed.

Costing for the different implementations may not be shared across the organization and could inflate the costs associated with compliance to the operating rule for an organization. Additional costs could occur should an organization be contractually or otherwise required to maintain multiple support desks for these types of configurations. When speaking to the agility of an organization to implement the operating rule changes, the mature nature of the business with respect to the given transaction payload can also play into the discussion. While it may be somewhat easier for a business process newly implemented or a business process being currently being constructed to comply than when a more mature business process is undertaking the same effort. Consideration must be given to the implemented base of the effected processes. Basically not one size fits all.

4. Potential emerging or evolving clinical, technical and/or business advances the operating rules intend to address or facilitate

CMS Response: Should there be operating rules proposed or adopted related to evolving technical advances, merely building on previously adopted language may not be a best practice. Moreover, the backward compatibility of previously adopted standards needs to remain in effect. Operating Rules which eliminate previously used standards, e.g. specifically

adopted connectivity for example, can be very disruptive and costly for both sides of the transactional exchange equation to deal with and to coordinate. Without the ability to seamlessly transition along the way, some business partners may be harmed and potentially impacted from doing business between established trading partners. Having checks and balances when potential changes are proposed should be an expected outcome for any type of Operating Rule(s) adopted to ensure the industry overall does not get harmed. The Committee should consider these checks when the recommendation(s) are put forward to the Department for consideration.

5. Potential impact and or improvement to health care related data and/or data infrastructure?

CMS Response: CMS takes every precaution when reviewing business improvements to data exchanges with respect to privacy, security and confidentiality. Additionally, there may be requirements the Federal government must adhere to which may not be need to be placed upon commercial enterprises. As such, the Operating Rules should not place these types of restrictions on the industry, but in the same vein the industry requirements cannot conflict with specific Federal requirements CMS may need to adhere with. This would seemingly seem straightforward but none the less should be something the Committee takes under consideration as rules move through the process.

6. If applicable, do they incorporate privacy, security and confidentiality?

CMS Response: See item 5