

# ACA Section 10109: Alternatives for a Strategy Plan

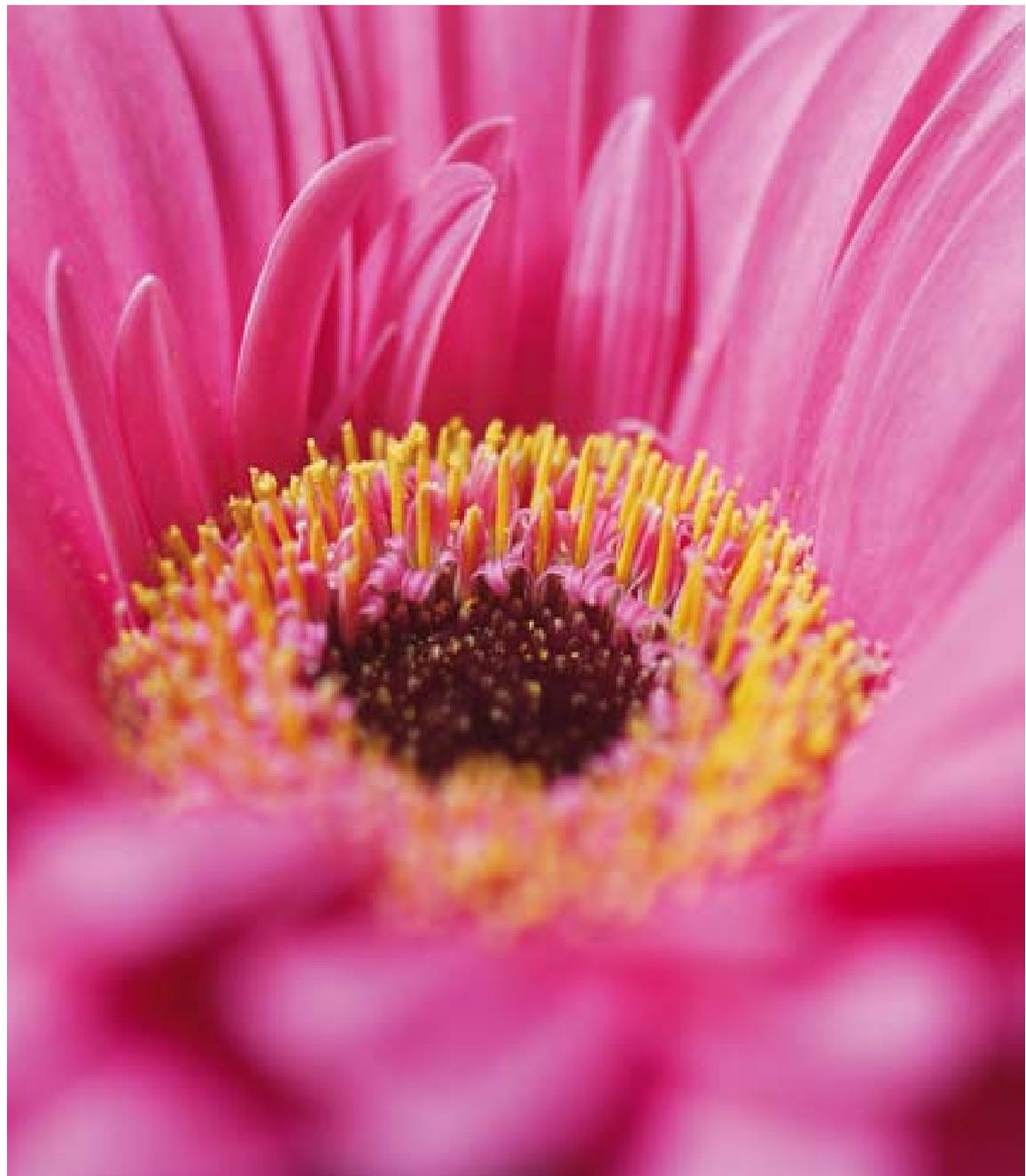
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June 2012 Meeting of the  
National Committee on Vital and  
Health Statistics  
NCVHS

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Presented by the  
Sub-Committee on Standards

June 21, 2011



# Background

## Sec 10109 – Development of Standards for Financial and Administrative Transactions

- Secretary to solicit no later than January 1, 2012 and not less than every 3 years thereafter input from NCVHS, Health IT Policy and Standard Committees, SDOs, others:
  - Whether there could be greater uniformity in financial and administrative activities and items as determined by the Secretary
  - Whether such activities should be considered financial and administrative transactions for which standards and operating rules would improve the operations of the health care system and reduce administrative costs
- Areas (“*whether....*”):
  - Provider enrollment process should be made electronic and standardized
  - Standards and operating rules should apply to worker’s comp, auto insurance
  - Standardized forms could apply to financial audits required by health plans
  - Greater transparency and consistency of methodologies and processes used in claim edits across health plans
  - Health Plans to publish timeliness of<sup>2</sup> payment rules

# Background

- NCVHS held hearings November 18, 2011
  - Covered first four topics (health plan timeliness of payment rules was not addressed)
  - Testimony included perspectives from various stakeholders directly involved with, or affected by issues associated with each topic
  - Testifiers asked to address not just the current state of state of each topic, but also current issues due to lack of standardization, whether some standards exist, and the degree of maturity of those standards
- NCVHS prepared and submitted a letter to Secretary in March, 2012
  - Two overarching recommendations: 1) a strategy should be established to further explore each of these areas in order to develop recommendations (NCVHS to recommend strategy by June, 2012); 2) NCVHS prepared to facilitate the recommended strategy, as resources permit, but would benefit from feedback from Secretary on the relative priority of each topic

# Important Context

- Each of the topics have different degrees of significance in the larger context of health, health care, cost, safety, quality, access, etc
  - Relative 'size' of topic compared to other areas of concern, cost-benefit associated with topic, impact to industry, etc
- New industry trends and directions (including P4P, Medical Homes, etc) are shifting the way in which all these administrative processes are done
- Health reform is creating a new environment for how health care is organized, delivered, paid
- Major new requirements are occurring all at the same time, including Meaningful Use, ICD-10, Operating Rules, Privacy and Security, etc

# Assessing Priorities

	Provider Enrollment	Consistency of Claim Edits	Consistency and Standardization in Audits	P&C Industry Inclusion in HIPAA	Requirement on Health Plans to Publish Timeliness of Payment Rules
Perceived level of value and benefits to industry	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High
Existence of common industry practices, standards and perceived level of acceptance	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High
Degree to which there is level of understanding of issues and opportunities	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High
Degree to which background information already exist	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High
Degree of difference in business model among stakeholders (e.g., Medicare, Medicaid, Commercial) and perceived challenges of applying common standards (Low=less differences; High=more differences)	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High	Low/Medium/High
Other				Will require congressional action	
Overall level of priority		5			

# Considering Options

- One option is to convene through CMS, NCVHS, or other mechanism, stakeholder groups (“tiger teams”) for each of the topics, ask them to review current state of the topic, issues associated with lack of standardization, opportunities for adopting standards, existence of standards, etc, and come back to NCVHS with recommendations
  - Intended to be an open, transparent, participatory process
  - Timeline: within the next 12 month
  - Not all to start at the same time (start with one or two, then progressively start with the others)
  - Some of the topics already have significant work done by the industry, in terms of research, background information, identification of gaps, etc
  - Concerns about resources, time commitment, participation

# Considering Options

- Another option is to report to the Secretary that NCVHS is deferring action in these areas for a variety of reasons
  - Provider enrollment—An initiative underway by CAQH-Core has increasing participation and should be given more time to mature
  - Claims edits and audits—Payment reforms currently being developed in multiple sectors would make standard promulgation now problematic. And program integrity issues may limit scope of desirable standards regardless.
  - Property and casualty inclusion under HIPAA—While potentially an appropriate undertaking, the volume of affected claims would be small relative to health care claims. Priority needs to be given to achievement of standardization of health care claims and examination of the role of claims information needed for payment reform
  - Payment rules—The considerable activity in payment reform efforts makes consideration of standards at this time inappropriate.

# For Committee Discussion

- **Prioritization**
- **Recommended Strategy**
- **Next Steps**