



SUBMITTED TO:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS

SUBCOMMITTEE ON STANDARDS

May 3, 2017

Presented By: Sherry Wilson, EVP and Chief Compliance Officer, Jopari Solutions

Chair of the Board, Cooperative Exchange: *The National Clearinghouse Association*

Members of the Subcommittee, I am Sherry Wilson, Chair of the Board for the Cooperative Exchange representing the National Clearinghouse Association and Executive Vice President and Chief Compliance Officer, Jopari Solutions. I would like to thank you for the opportunity to present testimony today on behalf of the Cooperative Exchange membership concerning the National Health Plan Identifier (HPID). We also suggest that you refer to our June 2015 HPID written testimony, which reflects the same findings and comments as expressed in this document.

Cooperative Exchange Background

Cooperative Exchange is the nationally recognized resource and representative of the clearinghouse industry for the media, governmental bodies and other interested parties. Cooperative Exchange 25 clearinghouse member companies¹, represent over 80% of the clearinghouse industry and process annually over 4 billion plus claims representing \$1.1 trillion, from over 750,000 provider organizations, through more than 7,000 payer connections and 1,000 HIT vendors. Combined with our non-profit members (AMA, X12N and UHIN) and Supporting Organizations (Axiom, BancTec and MEA) the Cooperative Exchange **truly represents the healthcare industry EDI highway infrastructure** and maintains hundreds of thousands of highways and the majority of the on and off ramp connections across all lines of healthcare business in this country.

¹ American Medical Association (AMA), Apex EDI, X12N, Availity, LLC, AXIOM Systems, Inc., BancTec, Change Healthcare, ClaimRemedi, eProvider Solutions, Dorado Systems, GE Healthcare, Greenway Health, Health-e-Web, Inc., HDM Corp., InstaMed, Jopari Solutions, Inc., Medical Electronic Attachments (MEA), NextGen Healthcare, OfficeAlly, OptumInsight, PassportHealth, PractiseInsight, Secure EDI, Siemens HDX, The SSI Group, Trizetto Provider Solutions, Utah Health Information Exchange (UHIN), WEX, Inc., WorkCompEDI, Xerox EDI Direct, ZirMed ([CLICK HERE](#) for Cooperative Exchange industry resource information)

Cooperative Exchange member clearinghouses support both administrative and clinical industry interoperability by:

- Managing tens of thousands of connection points
- Securely manage and move complex data content including administrative and clinical information
- Receive and submit both real time and batch transactions
- Provide interoperability by normalizing disparate data to industry standards
- Provide flexible solutions to accommodate the different levels of stakeholder EDI readiness (low tech to high tech)
- Actively participates and provides strong representations across all the national standard organization with many of our members holding leadership positions.

Therefore, we strongly advocate for EDI standardization and compliance within the healthcare industry. We are committed to promote and advance electronic data exchange for the healthcare industry by improving efficiency, advocacy, and education to industry stakeholders and government entities.

Recommendation

Cooperative Exchange reached out to our members to determine the current use of Health Plan Identifiers and the need to move forward with at National Health Plan Identifier (HPID). Our testimony remains the same as that provided to the Committee previously. We do not believe that there is a business need for the use of a health plan identifier in the administrative transactions and recommend that the regulation be rescinded. We have provided the following answers to your questions based on the results of **Cooperative Exchange HPID survey that represented 100 % of the clearinghouse membership.**

Questions posed by the Committee

1. *What health plan identifiers are used today and for what purpose? Visual work flows are welcome.*

Health Plan Identifiers as defined in the regulation are not used today. Our EDI Network uses the Payer Identifier to exchange transactions as well as the following: payer specific editing; payer lookup tables; provider enrollment with payers; payer formatting; distribution and routing of transactions and reports, and customer billing. The payer identifiers are published in our payer lists for providers, payers and vendors use.

2. *What business needs do you have that are not adequately met with the current scheme in use today?*

As stated above, the industry has worked diligently over the past 20 years to establish a vast network and have not determined any other business needs at this time. We work closely with the standards development organizations when new business needs arise.

3. *What benefits do you see the current HPID model established by the HHS regulation provide? Does the model established in the final HPID rule meet your business needs?*

We see no benefit to the HPID model established by the HHS regulation and as written does not meet our needs for routing, editing and reporting.

4. What challenges do you see with the current HPID model established by HHS?

The current HPID model does not take into account the relationship between health plans and payers. Many health plans do not engage in the exchange of administrative transactions and outsource to payers to administer their benefit plans. The current transactions have not been properly designed to use the HPID, and the vast majority of routing and other issues that a national payer identifier might have solved some time ago have been resolved. The payer Id must be kept, as is, to continue the efficient routing of transactions experienced today.

5. What recommendations do you have going forward regarding health plan identifiers and an HPID final rule established by HHS?

Cooperative Exchange takes the position that CMS not require the use of the HPID in the current transactions. We believe that the HPID is not a useful data element to use in the transactions at this time. Clear return on investment for all stakeholders needs to be realized and communicated prior to implementation.

Conclusion

Over the years the health care industry has used the terms “health plan” and “payer” interchangeably, but functionally these two entities have very different roles. The difference between a health plan and a payer, we look to the definitions in the WEDI Issue Brief “What is the Difference Between a Health Plan and a Payer?”

Today billions of transactions are exchanged with minimal disruption in the flow. When the need for a national payer identifier was introduced in the 1993 WEDI Report, this was not the case and many transactions were getting lost. In the last 25 years, the clearinghouse industry has worked collaboratively to “fix” the routing issues seen earlier in the development cycle of electronic transactions. The Payer ID must be kept, as is, to continue the efficient routing of transactions and mitigate the potential PHI breach risk. **Clearinghouses are focused on the secure exchange of transactions, especially those containing PHI.**

In closing, we would like to thank the members of the Subcommittee for their time and attention. The changes being discussed today represent a major transformation for our industry. We appreciate all of your efforts to bring clarity and consensus to the process. We hope this information will be useful to you. Should you have questions or need any further information, please do not hesitate to let us know.

Respectfully Submitted,
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The National Clearinghouse Association

National Committee on Vital and Health Statistics (NCVHS) Subcommittee on Standards Hearing on Health Plan Identifier

HPID

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Cooperative Exchange Overview

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- Process over 4 billion plus claims annually
- Representing \$1.1 trillion, from over 750,000 provider organizations, through more than 7,000 payer connections and 1,000 HIT vendors.
- Cooperative Exchange Members:

American Medical Association (AMA), Apex EDI, X12N, Availity, LLC, AXIOM Systems, Inc., BancTec, Change Healthcare, ClaimsRemedi, eProvider Solutions, Dorado Systems, GE Healthcare, Greenway Health, Health-e-Web, Inc., HDM Corp., InstaMed, Jopari Solutions, Inc., Medical Electronic Attachments (MEA), NextGen Healthcare, OfficeAlly, OptumInsight, PassportHealth, PracticeInsight, Secure EDI, Siemens HDX, The SSI Group, Trizetto Provider Solutions, Utah Health Information Exchange (UHIN), WEX, Inc., WorkCompEDI, Xerox EDI Direct, ZirMed

www.cooperativeexchange.org for Cooperative Exchange industry resource information

Recommendation for HPID

- Our testimony remains the same as previously testified in June 2015
- The Cooperative Exchange April 2017 HPID Survey response representing 100% of the membership agreed there is not a business need for the use of HPID in administrative transactions
- Recommend that the regulation be rescinded

What health plan identifiers are used today and for what purpose?

- HPID as defined are not used today
- EDI Network uses Payer Identifier
 - Payer specific Edits
 - Payer lookup tables
 - Provider enrollment with payers
 - Payer formatting
 - Distribution and routing of transactions and reports
 - Customer billing
- Publish payer lists for our customers to use

What business needs do you have that are not adequately met with the current scheme in use today?

- We have not determined a business need for HPID
- We work closely with the SDOs when new business needs are identified

What benefits do you see the current HPID model established by the HHS regulation provide? Does the model established in the final HPID rule meet your business needs?

- None to the clearinghouse industry
- Does not meet our business needs for rouging, editing and reporting

What challenges do you see with the current HPID model established by HHS?

- Relationship between payer and health plan is not considered
- Requiring the use of health plan identifier in the transactions may result in miss routing of transactions
- Disrupt the providers cash flow
- Put Personal Health Information at risk.

What recommendations do you have going forward regarding health plan identifiers and an HPID final rule established by HHS?

- Do NOT require the use of the HPID in transactions
- Clear ROI must be established for all stakeholders prior to going forward with any regulation

Conclusion

- **Payer Identifier must remain as is.**
 - To continue the efficient routing of transactions
 - To avoid PHI breaches
 - To avoid unnecessary costs with no ROI

Thank You

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