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Government
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The Impact of ACA 1104 on Medical Practices

**TWENTY FIRST NATIONAL HIPAA
SUMMIT**

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About MGMA



- MGMA is the premier association for professional administrators and leaders of medical group practices
- Since 1926, the association has delivered networking, professional education and resources, political advocacy and certification for medical practice professionals
- MGMA has
 - 22,500 members...
 - Who manage and lead 13,600 organizations
 - Where 280,000 physicians provide more than 40% of U.S. physician services

Admin Simp-Why Hasn't it Happened Yet?



- In 2006 practices spent an average of \$68,274 per physician per year (roughly \$31 billion) interacting with health plans (*Health Affairs*, Casalino et al., 2009)."
- Previously-each stakeholder "blamed" the others for why providers didn't have administrative simplification functionality
 - Providers didn't want multiple proprietary solutions
 - Payers didn't want to offer solution that only small number of providers will adopt
 - With no single approach, limited market for vendors
- ACA 1104 solves, at least in part, many of these issues

Providers are Looking to...



- Have themselves and their patients utilize a higher level of technology/Internet use to reduce manual processes
- Utilize simple, standardized approaches to administrative transactions
- Leverage both public sector and private sector simplification efforts (HIPAA/ACA vs Real time / CORE / swipe cards)
- Realize proven ROI

ACA § 1104 - A Provider's "Wish List"



- Required
 - Operating Rules
 - Eligibility verification and claim status (2013)
 - EFT standards and operating rules (2014)
 - Other HIPAA transactions (2016)
 - Health Plan Identifier
 - Claims attachments (2016)
 - Plan certification (2014)

Eligibility Operating Rules



- Previously, practices would:
 - Pick up the phone and attempt to verify eligibility
 - Log on a proprietary plan website
 - Employ the “submit claim and cross fingers” technique
 - Play “chase the patient” for outstanding balances
- With new operating rules practices will receive:
 - Health plan name and coverage dates
 - Patient financials (co-pay, co-insurance, base deductibles)
 - Benefit-specific and base deductible for individual and family
 - In/out of network variances
 - Remaining deductible amounts

Health ID Cards



- 1104 Includes:
 - “Requirements for standards, implementation specifications, and operating rules include...Enabling the real time determination of a patient’s financial responsibility at the point of service and, prior to service, including whether a patient is eligible for a specific service with a specific physician at a specific facility which may include a machine-readable health plan identification card...”
- MGMA-advocate for standardized cards (swipeIT.org)
- WEDI has developed an implementation guide (wedi.org)
- HR 2925 / S 1551 “**Medicare Common Access Card Act of 2011**”
- Nov. 2012-HSE E&C cmte holds hearings
- Feb 28, 2013-NCVHS to hear testimony

Electronic Funds Transfer



- Estimates are that:
 - Businesses save between 50 cents and \$1.25 per payment for direct deposit. EFT savings could even be greater
 - Providers could save almost \$3 per claim settled electronically
- According to data from the US Healthcare Efficiency Index™ approximately \$11 billion would be saved if EFT alone were adopted across the health care industry
- One survey found that 96% of providers want the EFT option, but 61% are still receiving paper checks and 74% are receiving paper RAs

The Value of EFT



- EFT more secure, nearly instantaneous (avoiding postal delays, lost checks)
- EFT - reduces administrative costs :
 - Manual handling of the mail, paper checks, deposits
 - Cost of associating paper check with electronic EOP/EOB/RA
 - Facilitates faster cash posting to patient receivable
 - Quicker turnaround on secondary billing
- EFT encourages usage of 835 by improving matching
- Provides a standard process and data content to reconcile bank deposits, auto post payments to receivable, view payment data, and auto bill secondary insurance.
- Facilitates and provides data for research into payments to ensure contract adherence, denial management

EFT Standards / Operating Rules



- Jan 2012-HHS adopts final standards rule for EFT
 - CCD+ / Trace number standardization
- Aug 2012-HHS issues IFR for EFT/ERA operating rules
 - Max set of standard data elements that plans can request from providers to enroll in EFT / ERA
 - Uniform use of CARCs and RARCs
 - EFT/ERA reassociation rules
 - 835 infrastructure rule
- Compliance date: Jan. 2014

EFT Enrollment Environmental Scan



- HHS final rule and CAQH projections:
 - 32% of all healthcare claim payments were made via EFT in 2010.
 - Percentage of commercial health plan payments made via EFT will grow from 15% in 2010 to 79% in 2023.
 - Providers, on average, will enroll in EFT for six additional health plans between 2014 and 2018. This will result in ~1.4M total new enrollments and cost providers ~\$50M in labor to complete.
- ACA-requires that commercial health plans offer EFT and electronic EFT enrollment beginning in 2014
- What providers were looking for:
 - Single entry point (sign up and data input) for EFT

CAQH EFT Enrollment Solution Overview



Step 1: Provider Info > Step 2: Bank Account Details Step 3: Payer Step 4: Submit

Provider Information

Pay To Provider Name: Legal name of provider entity

Nickname:

Address:

City / State / Zip:

Phone Number / Ext:

Tax Identification Number:

National Provider Identifier:

Authorized Agent

First Name:

Last Name:

Address:

City / State / Zip:

Phone Number / Ext:

Email:

Send copy of all CAQH correspondence



Provider Name	Address	Associated NPIs	Enrollment Status	Notes	Select
123 Provider Entity TIN: 054113210 NPI: 054113210	123 Street Cityville, MD, 20904	1234567771 1234567772 1234567773	Enrollment requested on 05/08/2012		<input type="checkbox"/>
123 Provider Entity TIN: 054113210 NPI: 054113210					<input type="checkbox"/>

View Details	
1 of 1	
Pay To Entity Information:	
Name: 123 Provider Entity	Phone: (202) 555-1212
Address: 123 Street	TIN: 054113210
Cityville, MD 20904	NPI: 054113210
Authorized Agent Name: Fname Lname	Associated NPIs: 2316548202
Address: 123 Street	2316548203
Cityville, MD 20904	2316548204
Email: name@domain.com	
Financial Institution Information	
Routing Number: 052000113	
Account Number: 2316548201	
Account Type: Checking	
Bank: Citicorp	
City, State: Cityville, MD	

- Web-based data entry for provider EFT enrollment information.
- Alignment with CORE ERA / EFT Operating Rules for definition of the standard enrollment data set and supporting documents.
- Web-based access portal for health plan customers.
- Provider adoption campaigns / integration with UPD to electronically promote the CAQH EFT enrollment utility to UPD provider users.
- Provider support center.
- Voided check and other uploaded document processing.
- Pre-note transactions via ACH partners to validate bank account information.

The Value of ERA



- ERA data allows for more automated system and improved business intelligence
- HIPAA-standard ERAs enable efficient management of claims denials, which leads to:
 - Increased collections
 - Streamlined revenue cycle operations
 - Identification and correction of technical problems and business process issues
 - Reduced rework
 - Improved productivity and performance monitoring
 - Improved patient and payer relations

Benefits of EFT with ERA



- Fewer duplicates (Industry metrics indicate 30% of payer denials are due to duplicate submissions)
- Decreased need for claim status checks as payment cycle time is reduced
- EFT coupled with ERA offers self-service capability through use of payer portals
- Remittance advice can be accessed on line
- Notifications can be delivered via e-mail

HPID



- Providers who hoping for savings from two indirect consequences of implementation of the HPID:
 - The cost avoidance of a decrease in administrative time spent by physician practices interacting with health plans, and
 - A material cost savings through automation of processes for every transaction that moves from a manual transaction to an electronic transaction.
- HHS estimates ROI over 10 yrs- \$700 million to \$4.6 billion
- Expectations: low that the ROI identified in the rule will be achieved
 - Minimal value with a single ID number per plan
 - At least CH/TPOs/repricers etc could be identified
- Compliance date pushed to 2016 (20 years after HIPAA)

Current Claims Attachments Environment



- Providers don't know when/what attachments are needed
- Some providers proactively submit attachments "just in case," but this can delay claim adjudication
- Requests from payers get misrouted, misplaced in hospitals
- Payers lose attachments or can't re-associate with the claim
- Major source of delays, denials and write-offs
- Defeats the use of electronic claims in some cases
 - Some concerned about Medicare requirements
 - 5 - 20% of claims require attachments
 - varies widely, almost 100% for some specialists
- One estimate: 700 million attachments annually

Benefits of a Standardized ECA



- Predictable content
- Can anticipate requirements
 - Capture during care (or at least) capture while preparing claim
 - **Send unsolicited**
- Payers can
 - Expect less irrelevant content
 - (May require this under HIPAA minimum disclosure)
 - Establish processes to adjudicate faster
 - Decrease Medical Review time

A Standard ECA Can Provide Immediate Benefits...



- Providers
 - ROI available by saving People, Paper, and Postage
 - Maximum opportunity for immediate participation
 - Reduction in appeals
 - Fewer claim denials
- Payers
 - ROI available by saving People, Paper, and Postage
 - Investment more justified by higher provider participation
 - Improved denials management
 - Reduction in appeals

ACA Wish List (§ 10109)



- In discussion:

- *“(i).....whether there could be **greater uniformity in financial and administrative activities and items, and (ii) whether such activities should be considered financial and administrative transactions for which the adoption of standards and operating rules would improve the operation of the health care system and reduce administrative costs.**”*

- HHS Secretary is to seek input on the following issues:

- The application process for enrollment of health care providers
- Whether the HIPAA standards and operating rules should apply to automobile insurance, worker’s compensation, and other property and casualty insurance programs
- Whether standardized forms could apply to financial audits required by health plans, Federal and State agencies, and other relevant entities.
- Whether there could be greater transparency and consistency of methods used to establish health plan claim edits
- Whether health plans should be required to publish timeliness of payment rules

Moving Forward to Admin Simp



- Standards and technology are transforming HC administration
- Vendors are key to successful practice adoption
- Practices can't take advantage of ACA 1104 without support from their PMS/billing/EHR vendors
- Other issues require PM/EHR upgrades (ICD-10, MU)
- With the AMA, we've created a PMSS Toolkit and Directory listing software capabilities
- One option for industry – *private sector PM certification*



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Thank you!
Q&A

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