Provider Perspective on the HIPAA/ACA Transactions, Code Sets, Identifiers and Operating Rules

HIPAA Summit

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Today's Agenda

- ICD-10
  - Current environment
  - MGMA research
  - Recent developments
- ePayments issues
  - Regulations and operating rules
  - Automation opportunities
  - Challenges
- "On the Horizon…"
  - PMSAP
  - Virtual Clipboard

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ICD-10

- One of the biggest challenges faced by industry
- Each link in the chain must be ready (incl govt)
- Implications of provider compliance: high cost, decreased clinician/coder productivity
- Implications of non-compliance: disrupted $ flow, potential of disrupted patient access to care
- *MGMA most recent survey data, collected February 2015*

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Why the 2014 Delay?

- Concern about competing priorities for providers and vendors
- Concern about readiness levels of:
  - PM and EHR vendors
  - Health plans (CHs not receiving edits)
- Concern about the cost to physician practices
  - Small (3 FTE) practice: $56,639 - $226,105
  - Medium (10 FTE) practice: $213,364 - $824,735
  - Large (100 FTE) practice: $2,017,151 - $8,018,364*

* Jan. 2013 AMA Study

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CMS Announcements

- Cannot use ICD-10 in the HIPAA standard transactions prior to Oct. 1, 2015
- *Good news*, ongoing and unlimited acknowledgement testing
- Bad news, ineffective testing method

- *Good news*, CMS planning 3 end-to-end testing periods
- Bad news, only 2,550 will be permitted to test

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Results from First Round of CMS ICD-10 End-to-End Testing

- Took place from Jan. 26 through Feb. 3, 2015 and included 661 participants.
- CMS received 14,929 test claims and recorded an 81% acceptance rate. Professional claims (56%) Reasons for rejected claims included:
  - 3% - Invalid submission of ICD-9 diagnosis or procedure code
  - 3% - Invalid submission of ICD-10 diagnosis or procedure code
  - 13% - Non-ICD-10 related errors, including issues setting up the test claims (e.g., incorrect NPI, Health Insurance Claim Number, Submitter ID, dates of service outside the range valid for testing, invalid HCPCS codes, invalid place of service)
- Concern: reports that several of the MACs did not return an 835

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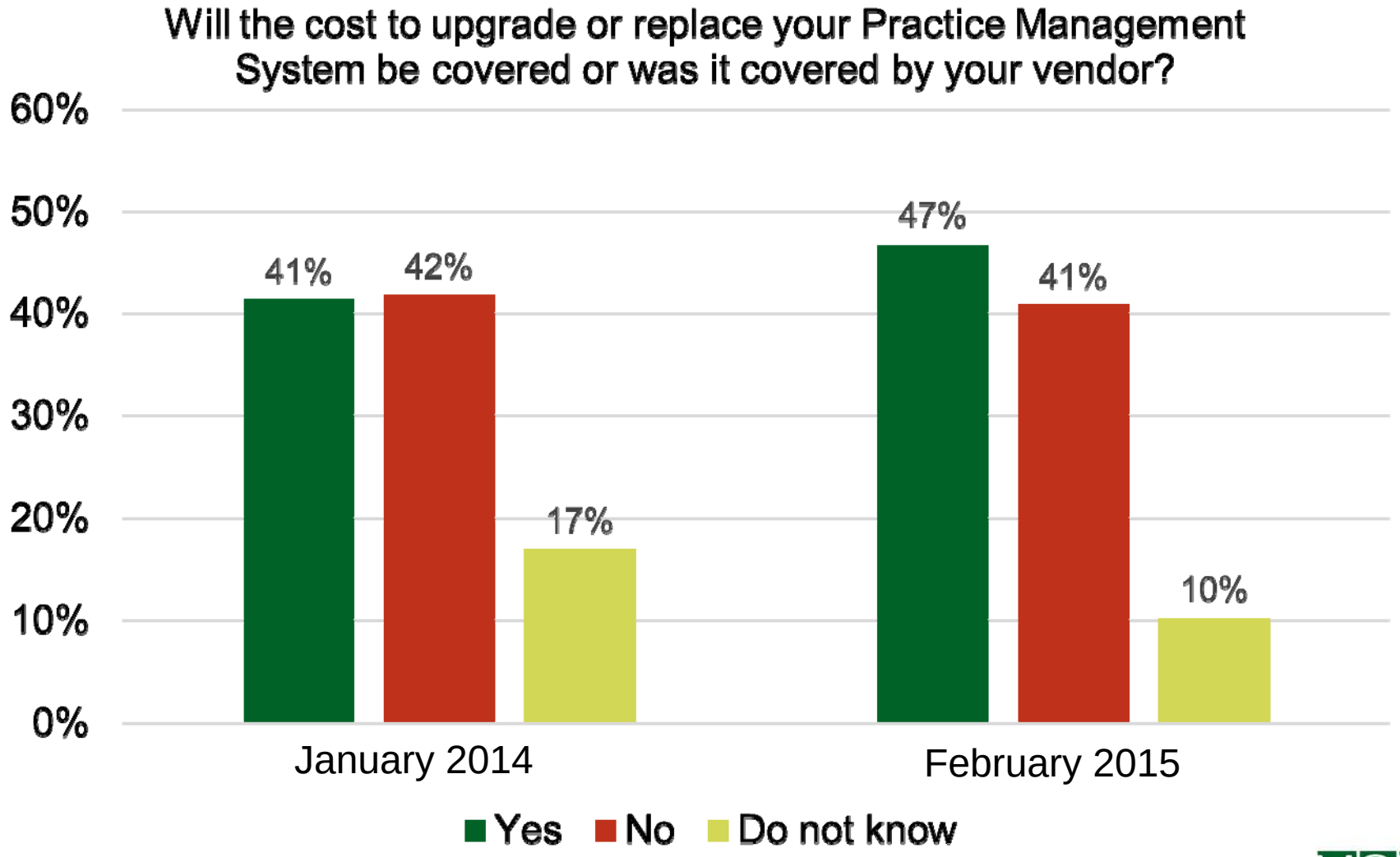
Cost to upgrade or replace software



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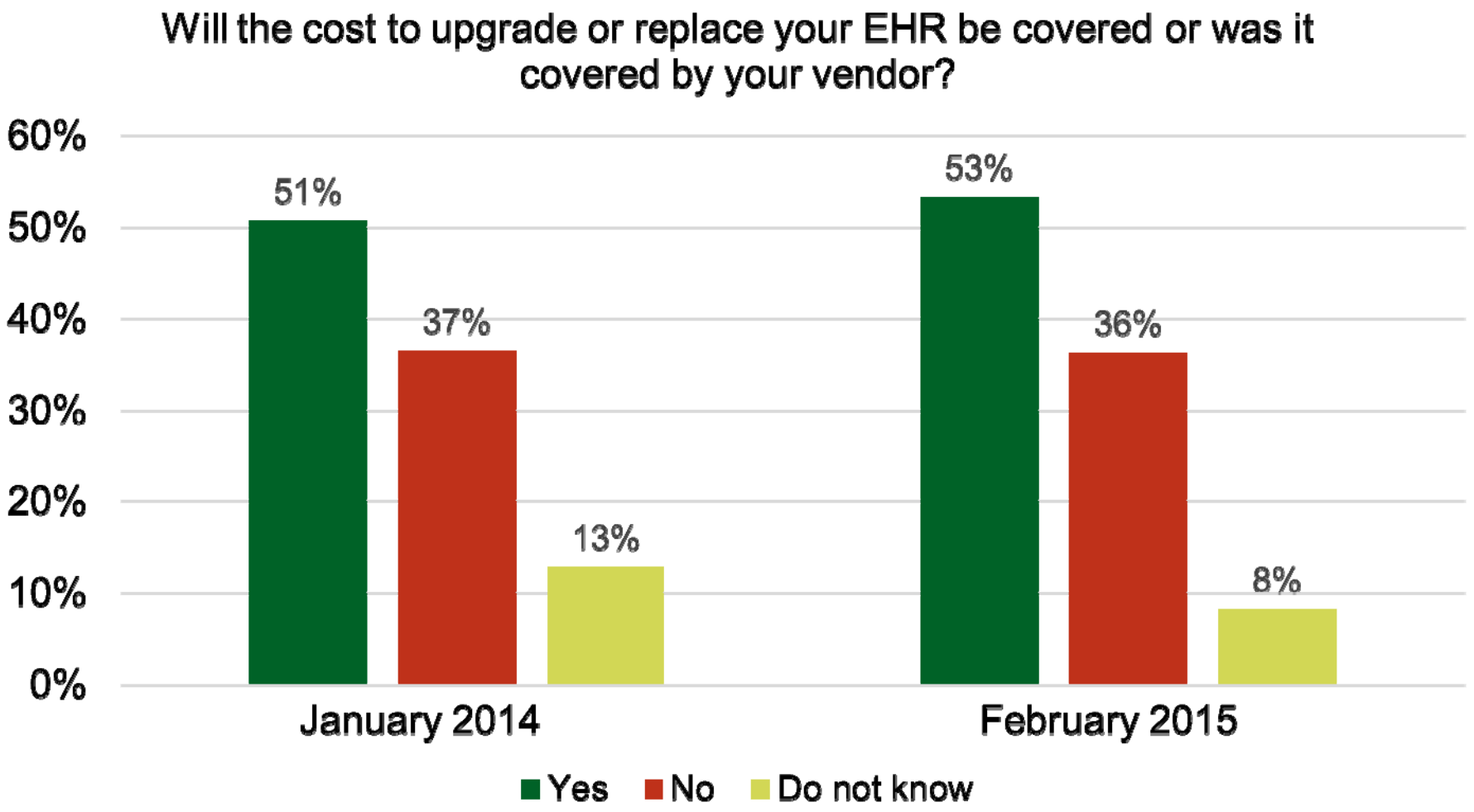
Cost to Upgrade/Replace Software



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Anticipated Vendor Costs

Approximately how much will it cost or did it cost to upgrade or replace your software (per FTE)?

	January 2014	February 2015
Practice Management System	$11,500	$ 11,800
EHR	$12,885	$12,600

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Vendor “Do not Know” Has Risen

What is your Practice Management System vendors scheduled date to begin internal ICD-10 testing with your software?

Answer Options	January 2014	February 2015
Testing has started but not yet complete	9.9%	16.9%
Testing is complete	2%	14.4%
Do not know	**30.7%**	**42.4%**

What is your EHR vendors scheduled date to begin internal ICD-10 testing with your software?

Answer Options	January 2014	February 2015
Testing has started but not yet complete	6.6%	14.8%
Testing is complete	1.6%	13.9%
Do not know	**36.2%**	**45.5%**

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Payer/CH Readiness

When have your major health plans indicated that they will be ready to accept your test claims?		
Answer Options	**January 2014**	**February 2015**
Fully tested	0.5%	6%
Started to test but not yet complete	5.4%	19.3%
We have not heard from major health plans	59.6%	49.7%

When has your clearinghouse indicated that they will be ready to accept your test claims?		
Answer Options	**January 2014**	**February 2015**
Fully tested	3.2%	15.3%
Started to test but not yet complete	8.1%	19.7%
We have not heard from clearinghouse	47.2%	37.8%

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Unanswered Questions

- Key issues on the table include:
  - Will CMS alter its implementation approach?
  - Where will industry be in Oct?
  - Will Medicare/Medicaid be ready?
  - How many WC plans will switch?
  - Can we move to dual coding?
  - And…
  - Will ICD-10 be delayed again?

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Congressional Environment

- June letter
- GAO report
- Energy & Commerce Health Subcmte hearing
- Pete Sessions (R-TX)
- SGR patch

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Administrative Simplification- Electronic Payments

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The Value of EFT for Practices

- EFT more secure, nearly instantaneous (avoiding postal delays, lost checks), faster payments
- EFT - reduces administrative costs :
  - Manual handling of the mail, paper checks, deposits
  - Cost of associating paper check with electronic EOP/EOB/RA
- EFT encourages usage of 835 by improving matching
- Operating rules add:
  - Time frame (3 bus days)
  - Trace #s
  - Standardized enrollment data (and e-enrollment)

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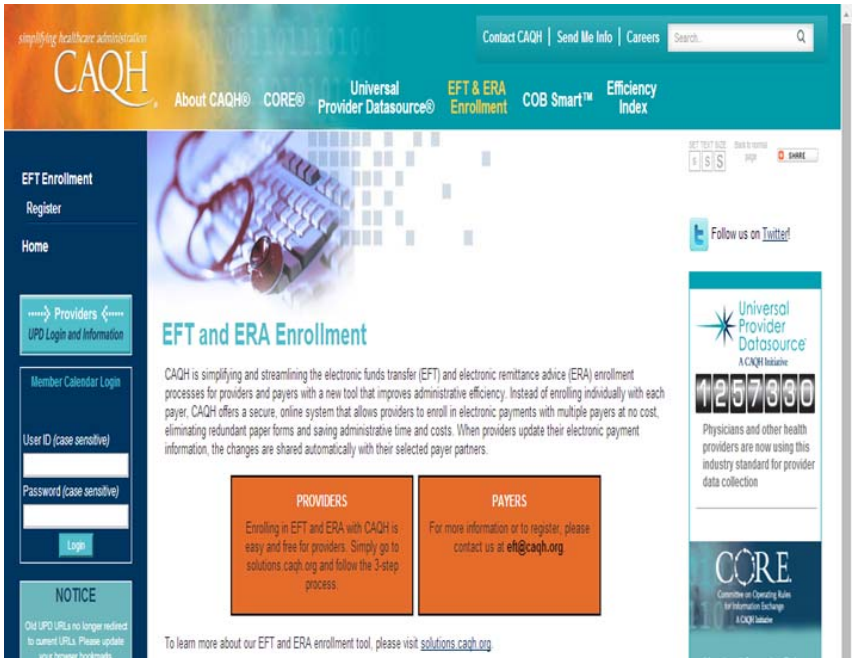
CAQH.org Enrollment Module



- Aetna
- Anthem, Inc.
- Anthem Colorado
- Anthem Connecticut
- Anthem Indiana
- Anthem Kentucky
- Anthem Maine
- Anthem Nevada
- Anthem New Hampshire
- Anthem Ohio
- Anthem Virginia
- Anthem California
- Anthem Missouri
- Anthem Wisconsin
- Blue Cross and Blue Shield of Alabama
- Blue Cross Blue Shield of Georgia
- BlueCross BlueShield of Tennessee
- CDPHP
- CareCentrix
- Cigna
- Empire Blue Cross Blue Shield
- First Community Health
- Hap Midwest Health Plan
- Health Plan of San Mateo
- Humana
- Kaiser Permanente
- MAPFRE
- Unicare

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Issues Associated with use of EFT

- Some health plans/vendors now charging providers a % of the value of the transaction to deliver the healthcare EFT standard
- Not all plans have adopted the CAQH approach
- Virtual credit cards have made their way onto the market
  - Health plans mail, fax, or email single-use credit card payment information
  - Some plans dropping paper checks-some have moved to VCC “opt out”

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Issues associated with use of VCC

- Opt-out programs often contain no information on how to opt-out or the cost to the provider
- Counter to the Goals of Admin Simp
  - No automated reconciliation of the payment and remittance advice
  - No HIPAA compliant ERA with virtual card transaction
  - Manual process of payment and manual reconciliation with EOB
  - Shifting the payment processing cost from health plan to provider
- Provider pays interchange fees of up to 5%
- Health plans incentivized to use VCC

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Virtual Credit Card Guidance/Actions

- CMS FAQs state:
  - Health plans must comply with provider request for payment via ACH EFT
  - Health plan cannot delay or reject standard transaction
  - Providers cannot be incentivized for using alternate payment method or adversely affected for using standard transaction (i.e., charged excessive fees)
  - Additional guidance needed/expected

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On the Horizon for Practices

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Practice Management System Software Problems

- Software very expensive
- Requires significant staff training and change in workflow
- Doesn’t always allow practice to take advantage of the new standards
- Brochures and salesmen are all we have to rely on
- New opportunity…

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EHNAC-WEDI PMSAP

- *Practice Management System Accreditation Program*
- Final criteria just approved
- GE and NextGen first two PM vendors to be accredited (Beta)
- MGMA will be telling members to use the accreditation as the first step in selection process
- www.ehnac.org

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Patient ID Card Issues

- Patient matching
- "Dirty data"
- Fraud
- Identity theft
- Patient ID cards that lack all utility
- Keystroke errors lead to claim denials
- St to plans, little value for providers/patients

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Patient Intake "Virtual Clipboard" Automation Project

- Sullivan Institute for Healthcare Innovation
- In partnership with HIMSS/MGMA/WEDI
- VCB concept in the 2013 WEDI Report
- Will automate a very manual process
- First phase to focus on current ID card data
- Future phases will look at:
  - Medications (claims data)
  - Family history
  - Feedback loop with patient (i.e., questions, fraud check)

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VCB Project Goals

- Build a framework for an integrated benefit and essential health record mobile solution that can:
  - Provide patients (and caregivers) with real-time health information using mobile technology
  - Improve patient satisfaction and patient safety
  - Improve physician office workflow and decrease administrative overhead
  - Provide administrative efficiencies for payers by encouraging use of the HIPAA transactions

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Thank you!

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