

September 23, 2014

The Honorable Sylvia M. Burwell  
Secretary, Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Re: Findings from the June 2014 NCVHS Hearing on Coordination of Benefits, Health Plan Identifier (HPID), and ICD-10 Delay

Dear Madam Secretary,

The National Committee on Vital and Health Statistics (NCVHS) is the statutory advisory committee with responsibility for providing recommendations on health information policy and standards to the Secretary of the Department of Health and Human Services (DHHS). Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), NCVHS advises the Secretary on the adoption of standards and code sets for the HIPAA transactions. The Patient Protection and Affordable Care Act (ACA) {Sec. 1104 (b) enacted on March 23, 2010, calls for NCVHS to assist in the achievement of administrative simplification to “reduce the clerical burden on patients, health care providers, and health plans.”

Each year, NCVHS holds industry hearings on standards, code sets, identifiers and operating rules adopted under the HIPAA and the ACA to evaluate the need for updates and improvements to any of these standards and operating rules. NCVHS is pleased to present in this letter, findings from our June 2014 hearing. This letter summarizes common themes across various topics covered during the hearing, followed by findings, observations and recommendations on specific topics.

### Coordination of Benefits

Coordination of benefits is the process of coordinating payments made on behalf of an individual who has more than one health plan payer. Testifiers were in agreement that it is the lack of common and consistent practices in business operations and standardization of operating rules, rather than the adopted standard (837 COB) itself, that gives rise to current coordination of benefits (COB) issues. These issues include:

- Lack of consistency in the rules for initiating benefit and payment coordination between payers and providers.

- Inconsistent exchange of information between payers to fulfill benefit and payment coordination.
- The need to improve access to and communication of information from payers to providers that identify coordination of benefit needs in the front-end, early in the eligibility process rather than in the back-end when claims are being filed.

It is NCVHS' understanding that Operating Rules are under development to address these issues, and should be completed by early 2015. At the current time, NCVHS does not have any recommendations. However, NCVHS will hold additional hearings once Operating Rules are developed and submitted to NCVHS for consideration.

### Health Plan Identifier (HPID)

Health Plan Identifier (HPID) was discussed at the February 27, 2014 hearing. Findings from this hearing were summarized in our May 15, 2014 letter to the Secretary. At the June 10, 2014 hearing, HPID was again discussed. Some of the issues described in the May 2014 letter were highlighted and emphasized again by testifiers. These included

- Lack of clear business need and purpose for using HPID and Other Entity Identifier (OEID) in health care administrative transactions.
- Confusion about how the HPID and OEID would be used in administrative transactions, including strong concerns that HPID might replace the current Payer ID widely adopted and used throughout the industry.
- Challenges faced by health plans with respect to the definitions of controlling health plan (CHP) and sub-health plan (SHP).
- Use of HPID for group health plans that do not conduct HIPAA standard transactions.
- Cost to health plans, clearinghouses and providers if software has to be modified to account for the HPID.

A consistent message heard strongly across the industry at the June, 2014 hearing was the lack of benefit and value in the use and reporting of HPIDs in health care transactions. Testifiers were in consensus that HPID should not be required to be used in administrative transactions and it should not replace the payer ID currently used by the health care industry.

NCVHS understands that the original intent back in the mid-1990s of the use of HPIDs and OEIDs was to identify health plans and clearinghouses *to facilitate routing of transactions to appropriate payer recipients*. However, the industry has moved to the implementation of a standardized national payer identifier based on the National Association of Insurance Commissioners (NAIC)

identifier. This identifier is now widely used and integrated into all provider, payer and clearinghouse systems. This payer ID is currently the basis for routing day-to-day administrative transactions from a provider to the appropriate payer, and modifying it would create a significant disruption in the routing and processing of all administrative transactions.

NCVHS also understands that the HPID has been given other purposes, including use in other CMS programs such as insurance exchanges/ marketplaces and with health plan compliance certification under the Affordable Care Act.

In consideration to this testimony, NCVHS recommends the following:

Recommendation 1: HHS should rectify in rulemaking that all covered entities (current and future health plans, providers and clearinghouses, and their business associates) will not use HPID in administrative transaction, and that the current payer ID will not be replaced with HPID.

Recommendation 2: HHS should further clarify in the Certification of Compliance final rule, when and how the HPID would be used in health plan compliance certification and if there will be a connection with the Federally-facilitated Marketplace.

### ICD-10 Delay

Testifiers were consistent in their message that another delay in implementing ICD-10 would add to the already substantial costs of delays arising from stopping and re-starting processes and re-education and training of staff. Testifiers expressed (1) concern that the deadlines will continue to be shifted, (2) the need to continue efforts to ensure that organizations not ready to implement ICD-10 will have a pathway for readiness, (3) the need for organizations to use the delay to achieve end-to-end testing, and (4) the need to inform the Congress regarding ICD-10 readiness.

Recommendation 3: HHS and industry leaders should proactively emphasize to Congress the merits of ICD-10, progress made by the health care industry in its readiness to implement ICD-10, and, costs to the health care industry associated with any further delay.

## Closing Comments

NCVHS recognizes the challenges that the health care industry faces today and will continue to experience over the coming years as they adjust to these transformative changes. NCVHS will continue to support your efforts to increase the adoption of standards and operating rules that help move the industry forward with technology to achieve greater efficiency.

Sincerely,

/s/

Larry A. Green, M.D. Chairperson,  
National Committee on Vital and Health Statistics

Cc: HHS Data Council Co-Chairs