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NCVHS Standards and Security Subcommittee

5010/D.0 Vendor/Clearinghouse Panel

EDS Testimony by Margaret Weiker

EXPERTISE. ANSWERS. RESULTS.

Good afternoon. I'm Margaret Weiker, Director of the EDS Business Exchange Services (BES) product which provides scalable B2B solutions and services that allow clients to better communicate, connect and exchange data with their trading partners.

EDS is the leader in *transforming* the healthcare industry (across all market segments – Government, Payer, Provider, and Life Sciences) through products and services aimed at reducing cost, driving quality, and improving lives. EDS has been delivering solutions to the healthcare market for almost 45 years, in fact, healthcare was one of EDS' first industry verticals.

With more than 7,500 healthcare employees, including 400 clinicians, dedicated to serving approximately 250 clients in 21 countries, EDS touches more than 200 million patient lives daily though our services and solutions. Our clinical and administrative applications support 38.4 million patient visits per year and we perform 2.4 billion healthcare transactions annually, including 1 billion in healthcare claims.

Within the Global Healthcare Industry, EDS is focused on the following market segments:

- **Government Healthcare:** Government is EDS' largest healthcare segment based on revenue, this segment includes U.S. Medicaid programs, U.S. Medicare, CDC and similar agencies in other countries, federal, state, and provincial health departments outside of the United States. In fact, EDS is the largest provider of Medicaid claims processing in the world.
- **Payer:** The Payer segment, which includes commercial insurance companies, managed care organizations, Blue Cross and Blue Shields, pharmaceutical benefit managers (PBMs), employers, third party administrators (TPAs) and healthcare consumers, is EDS' second largest healthcare segment
- **Provider:** The Provider segment is a strong market for EDS which includes hospitals and hospital systems, physicians, government providers (Indian Health Affairs, Veterans Administration), Long Term Care Providers and Provider Consortiums (Veterans Hospital Administration, American Hospital Association).
- **Life Sciences:** EDS has a growing footprint in the Life Sciences segment, which includes pharmaceutical companies, biotechnology, genomics, device manufacturers and diagnostic companies.

EDS supports the adoption of the following HIPAA standards: ASC X12N Version 5010 transactions and the NCPDP Telecommunication Standard Version D.0, Batch Standard Version 1.2 and the Medicaid Subrogation Standard Version 3.0.

The primary value in moving to the next versions will be the ability to process ICD-10 codes bringing the level of detail and severity needed to handle today's medical management and reporting needs. The new versions must be in production and precede

the adoption of ICD-10. In addition, the current transactions are over 6 years old with approximately 1,000 industry changes requested via the DSMO and directly to the standards organizations.

These changes will reduce the number of workarounds and improve the usefulness of the transactions. For example, the ASC X12N 278 is rarely used today due to the inability to submit payer required data for prior authorizations. Other examples include workarounds for anesthesia data in the ASC X12N 837P, dental servicing provider address in the ASC X12N 837D, sequencing of loops and inconsistencies of situations has required extra mapping efforts, support of the NPI, multiple methods of submitting compound drug claims, coordination of benefits processing, and Medicare Part D SPAP processing.

The final rule needs to establish a clear timetable and milestone targets with a turnkey approach to implementation. A phased implementation approach introduces additional support and costs as old software is maintained and additional conversion bridges are built to support the phases. An overall industry implementation plan would create severe coordination problems and the whole implementation process would only proceed at the rate of the slowest adopter. Establishing realistic dates and adhering to them is the best way to insure the necessary budget allocations and work, including translation/validation software vendor readiness, is accomplished. Readiness can be tracked through the reporting of testing results and dates to a third party entity such as WEDI or the SDOs. A set of complex test cases and transactions would be useful for internal testing.

While there may be overlap with other HIPAA changes or other healthcare initiatives, this will always be the case and there is no “best time” to begin other than “now”. Most vendors will need 9 – 18 months to incorporate the changes into their products and covered entities will need 9 -12 months after vendor readiness to install, integrate, and test before the compliance date.

It is critical that education and outreach begin immediately. While all parties involved should be more aware of the size of the task and dependencies, detailed analysis is needed in order to properly allocate budgets, resources, and plan for system changes. A CMS weekly email newsletter or notification containing FAQs, postings, and/or URLs would be beneficial to the industry as well as the “Ask HIPAA” listserv with a robust forum section. The standards bodies would be responsible for addressing questions surrounding the standards.

The biggest “mistake” to avoid in the next version of the HIPAA transaction sets is the introduction of an addenda version at the eleventh hour and indeterminate timeframes. By creating a long term schedule and sticking to it, all vendors and covered entities will benefit. The long term schedule would establish the adoption every n years of a new version of the ASC X12N and NCPDP transactions which will allow for planning, budgeting, staffing, and execution to be approached in a deliberate rather than a reactive fashion.

In conclusion, I would like to reiterate that EDS supports the adoption of the next version of the ASC X12N and NCPDP transaction sets, we believe the adoption process should begin immediately and that a firm, clear timetable be established, adhered to and communicated to the industry.

I would like to thank the Subcommittee for the opportunity to testify today and welcome any questions you may have.