

Minnesota Health Care Administrative Simplification

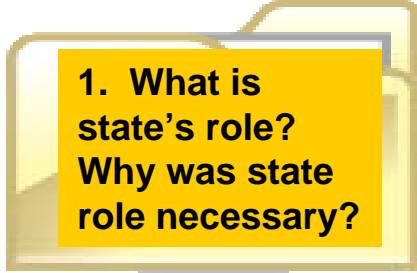
Prepared for a meeting of the
Oregon Health Policy and Research
Administrative Simplification Work Group,
March 30, 2010

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Overview

- Answer five questions (and provide context and background in the process)
 1. State role: What is the state's role in admin simp in MN? Why did state leaders conclude that a state role was necessary?
 2. Priorities: Why did MN choose the priorities you did? What do you see as the next priorities?
 3. Savings: How did MN measure potential savings from simplification activities? [How detailed are the measures?]
 4. Public benefit: Do you expect admin simp savings to flow through to taxpayers and the public? How?
 5. Adoption in Oregon: One model -- set deadlines for private sector to develop a standard ... if not met will result in state imposition of an existing standard? Would it make sense to use MN standard as a fall-back? When will your 5010 uniform guides be ready?
- Specific lessons, challenges, practical considerations in implementing Minnesota's rules

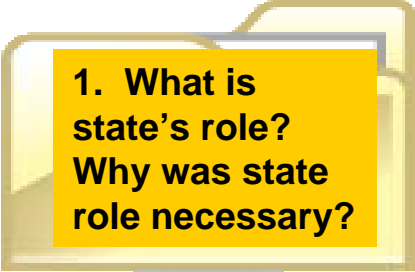
MN Administrative Simplification Act (ASA)



1. What is state's role?
Why was state role necessary?

- Part of larger, ongoing health care reforms (ASA passed in 1994)
- Goals:
 - Reduce health care administrative costs and burdens
 - Improve accuracy and usefulness of administrative data
- Initial focus:
 - Standard paper claims forms
- Minnesota Administrative Uniformity Committee (AUC)
 - Voluntary; free to join; stakeholders -- providers, payers, associations, state agencies; open, public process

MN Administrative Simplification Act (ASA)



1. What is state's role?
Why was state role necessary?

- Minnesota Department of Health (MDH) implements, administers ASA
- Government -- needs/opportunities for variety of roles
 - Neutral convener, facilitator, catalyst
 - Resources and resource coordinator
 - Technical assistance, staffing, institutional memory
 - Communication, coordination with other states, regional, national efforts
 - Compliance and enforcement

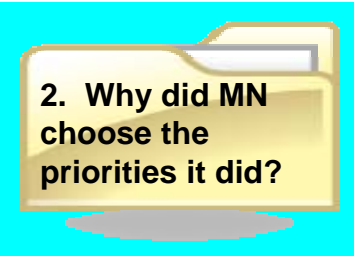
Recent amendments to the ASA (MN Statutes § 62J.536)

- 2007 – Standard, electronic exchange of health care administrative transactions
- 2008 – Compliance and enforcement added
- Other reinforcing laws:
 - Additional reinforcing e-billing requirements for MN Workers' Comp, property-casualty, and auto claims in 2009

2007 Amendments to ASA (Minnesota Statutes § 62J.536)

- All health care providers and all group purchasers (payers) must exchange 3 administrative transactions electronically
- Rules for single, common data content and format
 - Eligibility inquiries and responses (1/15/09)
 - Claims (Institutional, Professional, Dental, Pharmacy) (7/15/09)
 - Payment remittance advices (12/15/09)
- Affects:
 - Nearly 60,000 providers
 - 2000+ payers
 - Includes national payers licensed or doing business in MN

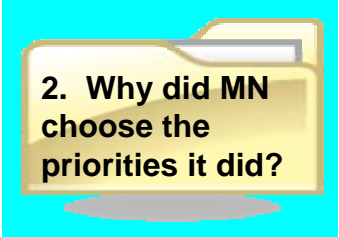
2007 law addressed 3 key problem areas



2. Why did MN
choose the
priorities it did?

1. Many administrative transactions are still paper-based
 - Solution: Require 3 common transactions be exchanged electronically
2. Proliferation of “companion guides” creates non-standard transactions
 - Solution: Require single, uniform companion guide (single standard data content and format)
3. Many payers are exempt from HIPAA requirements
 - Solution: Requirements for claims, remits apply to non-HIPAA covered payers
 - Non-HIPAA covered payers exempted from eligibility requirement because transaction does not meet business needs

Started with 3 key transactions



2. Why did MN choose the priorities it did?

- Choices reflect stakeholder input regarding:
 - Key transactions in business cycle
 - Common, high volume, high value transactions (opportunities for impact, savings)
 - Practical (HIPAA adopted standards; familiar transactions; many claims already sent electronically)
- Other additional transactions are possible in the future

Uniform companion guide rule making process

- Commissioner of Health – rules for single, uniform companion guides
- Based on HIPAA, Medicare standards
 - Developed in consultation with MN Administrative Uniformity Committee (AUC)
 - Open, public process
 - Modifications from Medicare by the Commissioner as deemed appropriate
- Opportunities for public comment
- Final rules must be adopted at least one year prior to having the force of law

Proposed rules published for public comment, 02-08-10. Further information regarding the proposed rules and submitting public comments can be found at: <http://www.health.state.mn.us/asa/rules.html>.



MINNESOTA DEPARTMENT OF HEALTH
DIVISION OF HEALTH POLICY
CENTER FOR HEALTH CARE PURCHASING IMPROVEMENT

Minnesota Uniform Companion Guide

For the Implementation of the

Health Care Claim - Professional Electronic Transaction (ANSI ASC X12 837P Technical Report Type 3)

Version 5010

*Prepared In Consultation With
Minnesota Administrative Uniformity Committee*



FEBRUARY, 2010
VERSION 1.0



Periodic updates of rules

- 1/16/09 -- CMS adopted Version 5010 for HIPAA transactions
 - NCPDP D.0 for pharmacy claims
- 5010/D.0 in effect January 1, 2012
 - 5010/D.0 may be used prior to 1/01/2012 by mutual agreement between trading partners
 - “Level 1” compliance by December 31, 2010
 - Create, receive 5010, complete internal readiness
- CMS also adopted ICD-10, effective 10/1/1013

v.5010 MN Companion Guides Rules Development

- Developed in consultation with AUC
- Proposed eligibility and claims Guides (rules) Feb. 8, 2010
 - 30 day public comment period over, MDH reviewing comments in consultation with AUC
- Proposed remittance advice Guides Mar. 1; public comment period through Mar. 30
- Final rules expected mid-2010
 - Provide lead time for CMS 12/31/10 Level I and 1/1/2012 Level 2 compliance

MN Uniform Companion Guides Implementation and Use

Time period	Companion Guides
Now until adoption of MN v5010 guides (mid-2010)	Only the MN v4010
After adoption of MN v5010 guides (mid-2010) to 1/1/2012	Either of the following: <ul style="list-style-type: none">– MN v41010– MN v5010 (By mutual agreement between trading partners)
Starting Jan. 1, 2012	Only the MN v5010

2008: Implementation and Compliance

- MDH is to assure compliance
- Statute emphasizes:
 - Voluntary compliance; may provide technical assistance
 - Enforcement is complaint-driven
 - MDH to seek informal resolution of complaints
 - If informal resolution not possible penalties (fines) may be imposed
 - Mitigating factors may be considered in determining any penalties
 - Ability to contest and appeal

Estimated potential annual cost savings

3. Estimates of potential cost savings?

- MDH -- very preliminary, conservative, estimates of overall system-wide savings
 - Total MN annual health care spending:
 - More than \$40 billion annually
 - Share of total spending due to costs of 3 transactions:
 - 2% (\$800 million annually)
 - Possible reduction in annual administrative costs when MN rules fully implemented (2011-2012)
 - At least 7% reduction in costs
 - 7% reduction off \$800 million current costs = $.07 \times \$800$ million = \$56 million projected annual savings, system-wide

Public benefit

- Many potential benefits of standard EDI transactions
 - Difficult to quantify amount, flows to taxpayers, public
- Greater efficiencies, lower “back office costs” may translate into:
 - Lower insurance premium costs, lower Medicaid costs;
 - Investments that improve patient care and outcomes;
 - Fewer problems for consumers obtaining care, or for claims improperly denied or paid
- Standard, accurate, administrative EDI is foundational
 - Quality improvement, health care planning
 - Broad benefits for consumers and taxpayers

Adoption in Oregon



5. Adoption
in Oregon?
Use of MN?

- Important considerations:
 - Oregon is committed to health care administrative simplification
 - Will be working with stakeholders to reach goals by a date certain
 - If the deadline is not met, state could specify in advance:
 - a default, or
 - a process by which the state will create single, uniform companion guides (and timeline for implementing).

Adoption in Oregon



5. Adoption
in Oregon?
Use of MN?

- Proposed MN 5010 Guides published, final versions ready by mid-2010
 - Minnesota Guides vetted through AUC and public comment
 - Public domain and free
 - National recognition
 - MN guides apply to payers nationally, other national audiences aware
 - Minnesota encourages other states to use/adopt Guides

Some Lessons, Challenges, and Practical Considerations

- Single, uniform companion guides can be developed through a multi-stakeholder process and implemented in the timeframes given
- Too early for evaluation of impact, but preliminary indications are positive
- Enforcement seems appropriately balanced
- Connectivity and connecting were initially bigger challenges than anticipated

Some Lessons, Challenges, and Practical Considerations

- Communication and outreach are important, especially for smaller providers and non-HIPAA covered payers
- Need “development lab/parking lot” (e.g., “SBARs”, FAQs, “best practices”)
- Claims attachments, COB, common coding are challenging
- Need to coordinate with other federal reforms and regulations (federal health reform, 5010, EHR standards for meaningful use)

Connectivity and connecting

- Clearinghouses
 - Information needed to make connections sometimes difficult to obtain
 - Sometimes not connecting with other clearinghouses
 - Some charging fees inappropriately
- Difficulty obtaining information needed to make connections
 - “EDI yellow pages” needed
 - Minnesota list of payers, survey



Administrative Simplification Act (ASA)

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Minnesota Statutes, section 62J.536

- [Rules \(MN Uniform Companion Guides\)](#)
- [Implementation and Compliance](#)
- [Technical Assistance](#)
 - [FAQs](#)
 - [HIPAA Privacy](#)
 - [Group Purchasers and Connectivity Information](#)

Other Health Reform Projects

- [Uniform Formulary Exception Form](#)
- [Prescription Drug Prior Authorization Project](#)

Group Purchasers and Connectivity Information

Licensed Carriers, HMOs

- Preliminary informational list of Licensed Carriers, HMOs covered by Minnesota Statutes, section 62J.536 ([Excel 407 Kb](#))
- “Electronic Data Interchange (EDI) Survey” (Licensed carriers, HMOs)
 - [Background and How to Use the Survey Results Spreadsheet \(pdf 34 Kb/ 3 pages\)](#)
 - [Survey Results Spreadsheet \(Carriers, HMOs\) \(Excel 105 Kb\)](#)

Third Party Administrators (TPAs)

- Preliminary informational list of TPAs covered by Minnesota Statutes, section 62J.536 ([Excel 108 Kb](#))
- “Electronic Data Interchange (EDI) Survey” (TPAs)
 - [Background and How to Use the Survey Results Spreadsheet \(pdf 25 Kb/ 1 page\)](#)
 - [Survey Results Spreadsheet \(TPAs\) \(Excel 111 Kb\)](#)



Outreach, education, technical assistance

- Variety of experience, familiarity with concepts and requirements, access to resources and assistance
- MDH providing information, assistance within limited scope, resources
 - Particular needs:
 - Smaller providers
 - Non-HIPAA covered payers (workers' compensation, property casualty, and auto)
- Other industry responses and developments
 - Trade associations and professional organizations
 - Educational forums, vendor displays
 - MN Council of Health Plans arranged for free, web-based tool for submitting claims to Minnesota health plans

Outreach, education, technical assistance

- Significant efforts
 - AUC process (over 160 public meetings and teleconferences in 2009)
 - MDH provides AUC with meeting facilities, conference lines, webinar capabilities, staffing, consulting resources
 - Other ongoing MDH communication/tech assistance: two websites, list serve, press releases, industry press, targeted mailings, presentations and meetings, coordination with provider/payer/association organizations
 - MDH responded to over 1500 individual email and voice inquiries in 2009

Development lab/parking lot

- Need place, process for non-rule clarifications, elaborations
 - Consensus recommendations, information without the force of law
- Can be a way to arrive at consensus, test in practice before subsequently adopting as a rule
- Examples: Best practices, FAQs, “coding clarification grid”

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Minnesota Uniform Companion Guide for the Implementation of the Health Care Claim - Professional Electronic Transaction (ANSI ASC X12 837P)

[Professional Claims Guide](#)

Minnesota Uniform Companion Guide for the Implementation of the Health Care Claim - Professional Electronic Transaction (ANSI ASC X12 837P)
(pdf 414Kb/75 pgs)

Best Practices

- [Minnesota Community Coding Recommendations Grid](#)
- [Provider COB Claims Data Population](#)
- [Format of Claim Submitter's Identifier](#)
- [Utilization of the Basic Character Set Values](#)
- [Taxonomy Submission Requirements](#)
- [Claims Attachments](#)

NOTE: Claims Attachment Cover Sheets should be sent to the appropriate payer and not the MN Department of Health or the AUC.

- [Attachment Cover Sheet Instructions](#)
- [Attachment Cover Sheet](#) (MS Word) • [Attachment Cover Sheet](#) (pdf)
- [AUC Member Contact Information](#)
- [Hearing Aid Model Numbers in NTE Segment](#)
- [Miscellaneous Supply/Product Numbers in NTE Segment](#)
- [COB Claims when Primary Payer is not a MN Group Purchaser](#)
- [Claim Service Dates Restricted to Same Calendar Month](#)
- [Product and Supply Description in NTE Segment](#)
- [Replacement/Void Claims](#)
- [Submission of Appeals](#)

NOTE: Claims Appeal Cover Sheets should be sent to the appropriate payer and not the MN Department of Health or the AUC. The Attachment Cover Sheet must not be sent with the Appeal Request Form.

- [Instructions for Completion of Appeal Request Form](#)
- [Appeal Request Form](#) (MS Word) • [Appeal Request Form](#) (pdf)
- [AUC Member Contact Information](#)
- [Coordination of Benefits / Non-Assignment of Primary Payer Benefits](#)
- [Coding for Preventative Medicine Visit with a Separately-Identifiable, Problem-Oriented Service During the Same Encounter](#)
- [Billing for Postage Charges](#)

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Claims Attachments

- Minnesota law does not require electronic claims attachments (claims must be electronic)
 - No national HIPAA standard
- Especially an issue with workers' compensation claims
- Instructions in Guide (rule) for submitting attachments
 - Populate PWK segment, provide unique control no.
- Best practice (elaboration) and standard cover sheet for faxed attachments

Coordination of benefits (COB)

- Submit CAS segment information from previous payer's remittance advice
- If no previous compliant electronic remittance, submit using PWK segment and forward the paper remittance advice
 - Per attachment instructions (previous slide)
- MN Guides do not apply to payer to payer transactions
 - However, best practice outlines payer to payer recommendation

Common coding

- Determining what Medicare requirements are
- Requirements, recommendations when Medicare does not apply
 - E.g. pediatrics, services not covered by Medicare
- Service delivery innovations
 - “Baskets of care”, new types of services (comprehensive treatments for substance abuse, eating disorders, others)

MN near-term work plan

- Complete v5010/D.0 implementation
- Plan for federal legislation
 - Patient Protection and Affordable Care Act
 - Meaningful use incentives and Electronic Health Record (EHR) standards
- Possible development of Minnesota Uniform Companion Guides for Acknowledgments
- Studies, development projects mandated by law

Thank you

- Contact information:
 - David K. Haugen -- Director, Center for Health Care Purchasing Improvement
 - david.haugen@state.mn.us; 651-201-3573
- Helpful websites:
 - MDH Administrative Simplification Act (ASA):
 - <http://www.health.state.mn.us/asa/>
 - Minnesota Administrative Uniformity Committee (AUC)
 - <http://www.health.state.mn.us/auc/index.html>
 - Minnesota Health Reform
 - <http://www.health.state.mn.us/healthreform/>