HCA

Statement to:

The U.S. Department of Health and Human Services

National Committee on Vital and Health Statistics

Subcommittee on Standards and Security

on

HIPAA Standards Version 5010

draft

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Thank you. Mr. Chairman and members of the Standards and Security Subcommittee, my name is Karen Raines, Assistant Vice President of Regulatory Compliance Support for the Hospital Corporation of America, commonly known as HCA. HCA is the nation's largest non-governmental system with 173 hospitals and other health care facilities. HCA is an active member of the American Hospital Association and the Federation of American Hospitals. Also, I represent the Federation on the National Uniform Billing Committee.

I would like to thank you for the opportunity to present testimony today on the ASC X12N 5010 standards. HCA believes 5010 contains many improvements to the current standard. One of the key benefits of 5010 is facilitating ICD-10-CM and ICD-10-PCS. Also, we believe the more definitive language in 5010 will eliminate many of the variances in interpretation in health plan Companion Guides today. The new standards should be adopted as the replacement to 4010 and 4010A1 as soon as possible. At HCA, we can support 5010, electronic claims attachments, ICD-10, the implementation of the national health plan identifier, and other requlatory requirements as final rules are published.

An industry-wide implementation plan should be set forth in regulation. This should include requirements with regard to testing and should contain a clear timetable for implementation. It appears that CMS is best positioned to track progress regarding implementation and provide education (perhaps using the listserv process).

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As further background for the subcommittee, HCA outsources our support of the 837 claim to an external billing vendor. External billing vendors will not begin the process of implementing new standards until definitive guidance is published by HHS. These billing vendors have the most insight as to individual provider and payer readiness when standards change.

With regard to the electronic remittance, we support much of that work internally. While we transitioned our hospitals to the current version of the 835 electronic remittance advice consistent with the pace outlined by the health plans, it took over two years for HCA to migrate to the current standard. As recently as six months ago we worked jointly with a health plan to resolve lingering issues with the implementation of 4010 and 4010A1.

Extensive end-to-end testing is critical to the successful implementation of 5010. Health plans have been reluctant to test with providers, as evidenced by both the current standard and the NPI. Health plans need encouragement to be cooperative with such testing.

We encourage the publication of an NPRM to address the adoption of 5010 by the end of this year, with a Final Rule being published in early 2008, and a compliance date of 2010. A 2010 compliance date for 5010 permits transition to the next version of the HIPAA standards one-year ahead of implementing ICD-10.

A phased transition for 5010, similar to what the NUBC approved for the UB-04, could be considered as an option. Health plans, clearinghouses, and vendors should be required to transition first, followed by a dual-use period, and a mandatory compliance date for all covered entities. Enforcement of the compliance date is of great importance. With UB-04, some state Medicaid programs still cannot project an implementation date. State governments must ensure Medicaid programs transition according to schedule with 5010.

In conclusion, we are supportive of the adoption of the next version of the new transactions standard. Thank you again for the opportunity to provide testimony today and I welcome any questions you may have.