

Administrative Simplification in HR 3962

HR 3962: Affordable Health Care for America Act

Division A – Affordable Health Care Choices

Title I – Immediate Reforms

Section 115 – Administrative Simplification [pg 76-89]

- **Section 1173A – Standardize Electronic Administrative Transactions [pg 76]**
 - Standards for financial and administrative transactions:
 - Unique – no conflicting or redundant standards
 - Authoritative – no additions or constraints for electronic transactions, including companion guides
 - Comprehensive, efficient and robust – requiring minimum augmentation by paper transactions or clarification by further communications
 - Enable real-time (or near real-time) determination of an individual’s eligibility et al. specific to requesting provider – includes machine-readable health plan beneficiary identification card or similar mechanism
 - Enable, where feasible, near real-time adjudication of claims
 - Describe all data elements in unambiguous terms
 - Harmonize all common data elements across administrative and clinical transaction standards
 - Adopt the above by interim final rule within 2 years of enactment
 - Requirements for Specific Standards:
 - Clarify, refine, complete, and expand standards as needed
 - Require paper versions of standard transactions to comply with the same data content as for electronic versions
 - Enable electronic funds transfers to allow automated reconciliation
 - Require timely and transparent claim and denial management processes, including uniform claim edits, uniform reason and remark denial codes, tracking, adjudication, and appeal processing
 - Require the use of a standard electronic transaction with which health care providers may quickly and efficiently enroll with a health plan to conduct electronic transactions
 - Provide other requirements related to administrative simplification in consultation with stakeholders.
 - Implementation and enforcement plan – submitted to Congress within 6 months with compliance within 5 years, to include:
 - Process and timeframe with milestones for developing a complete set of standards.
 - Proposal for accommodating necessary change between version changes and a process for upgrading standards as often as annually by interim final rulemaking
 - Proposal to provide incentives for ease of implementation, with consideration for rural and underserved areas and coordination with certification criteria developed under HITECH
 - Proposal to provide incentives for providers who “volunteer to participate in the process of setting standards for electronic transactions”
 - Estimate funds needed to ensure timely completion of the implementation plan
 - Provide an enforcement process including penalties

- Potentially provide for an annual audit and certification process to ensure health plan and clearinghouse compliance
 - Use of data covered in these transactions shall follow state and federal law
 - All data collected under this section shall meet the requirements of HIPAA privacy and security

- **Section 1173B – Interim Companion Guides, Including Operating Rules [pg 82]**

- In general – Adopt a single, binding, comprehensive companion guide, that includes operating rules for each X12 version 5010 transaction – effective until a new version the these transactions are adopted and implemented
- Companion Guide and Operating Rules – Secretary shall consult with a nonprofit entity that meets the following criteria:
 - Focuses its mission on administrative simplification
 - Use a multi-stakeholder process to create consensus-based companion guides, including operating rules – balanced representation by critical stakeholders
 - Public set of guiding principles to ensure guide and rules that are open and transparent
 - Coordinates activities with HIT Policy and Standards Committees [HITECH] and ONC
 - Incorporates HIPAA standards [as described above]
 - Uses existing market research and proven best practices
 - Uses a set of measures that allow for evaluation of market impact and public reporting of aggregate stakeholder impact
 - Supports nondiscrimination and conflict of interest policies and demonstrates same
 - Allows for public review and comment on updates to the companion guide, including the operating rules.
- Secretary shall adopt a single, binding companion guided, including operating rules for each transaction:
 - Eligibility – adopted no later than October 1, 2011 – effective January 1, 2013
 - All Others – adopted no later than October 1, 2012 – effective January 1, 2014
 - Operating rules – “business rules for using and processing transactions, such as service level requirements, which do not impact the implementation specification or other data content requirements”
- Standards for Claims Attachments and Coordination of Benefits – promulgate interim final rule to establish a standard for health claims attachment transaction and coordination of benefits within 1 year of enactment
- Revision in Processing Payment Transactions by Financial Institutions -- updated by January 1, 2014.
- Standards for First Report of Injury – promulgate IFR to establish an interim final rule to establish a standard for the first report of injury transaction by January 1, 2014
- Unique Health Plan Identifier – promulgate an interim final rule to establish a unique health plan identifier by October 1, 2012
- Expansion of Electronic Transactions in Medicare
- Expansion of Penalties and Penalty Authority