



THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

July 6, 2012

Justine M. Carr, M.D.
Chairperson, National Committee on Vital and Health Statistics
Centers for Disease Control and Prevention
National Center for Health Statistics
3311 Toledo Road, Room 2402
Hyattsville, MD 20782

Dear Dr. Carr:

Thank you for your three recent letters on important issues regarding administrative simplification in the health care industry. Your insights and recommendations are extremely valuable as we implement measures to streamline health care transactions and operations.

The Department is considering each of the three issues discussed in your letters, including the development, maintenance and updates to standards and operating rules; provisions of section 10109 of the Affordable Care Act that call for improving standardization and uniformity in new financial and administrative activities; and electronic claims attachments. Enclosed are observations and comments on each of these matters.

The NCVHS's ongoing commitment to supporting the adoption of standards, operating rules, and identifiers and their related processes has played an important role in improving the efficiency and quality of health care. I appreciate your sharing these insights and look forward to the NCVHS's ongoing engagement and guidance.

Sincerely,



Kathleen Sebelius

Enclosure

Enclosure for Justine M. Carr, M.D.

Process for Developing, Maintaining, and Updating Standards and Operating Rules

Appropriate industry engagement is critical to ensure the validity and viability of standards and operating rules. As the National Committee on Vital and Health Statistics (NCVHS) has noted, because of the increasing complexity of standards and operating rules, processes that have been in place for more than a decade now need improvement. The limited cross-collaboration between standards development organizations (SDOs) and operating rules authoring entities (ORAEs) may be creating barriers to progress on this matter. Additional challenges may include:

- Lack of subject matter expertise;
- Availability of developers;
- Broad industry representation;
- Lack of comprehensive testing strategies; and
- Timing of review, balloting, publication, and regulatory processes.

Your suggestion that the Department of Health and Human Services (HHS) work more closely with both SDOs and ORAEs to ensure consistency and successful implementations resonates across the health care industry. The NCVHS has already taken steps to foster this collaboration, and, as your discussions continue, we look forward to receiving updates on your progress in this area.

We are reviewing your second recommendation that HHS work with SDOs and ORAEs to establish an expedited modification and adoption process for “emergency” changes to the standards and operating rules. Your third recommendation was that operational testing of any standards or operating rules be required before their consideration for adoption. We look forward to receiving more information on refinements and criteria for evaluating the readiness and adoptability of standards and operating rules.

Section 10109 of the Affordable Care Act

The NCVHS has identified a number of opportunities for greater efficiencies and simplification. Given the complexity of these issues – provider enrollment, property and casualty insurance inclusion under HIPAA, standardization in financial audits, and transparency and consistency of claims edits – HHS will continue to explore these and identify additional opportunities for future initiatives. Future NCVHS hearings will improve our understanding of the issues and help us determine where to focus our efforts.

Electronic Claims Attachments and the Naming of an Authoring Entity for Operating Rules

Your letter and summary report regarding electronic claims attachments provided helpful information gleaned from the NCVHS’s Subcommittee on Standards hearings on this topic.

There is growing support for moving towards a standards-based environment for electronic transactions and information exchange, and, to that end, HHS's meaningful use criteria includes a requirement that electronic health records use standard messaging content. Health care would be more efficient if providers could easily submit medical documentation to support claims, though it is important that claims attachments comply with the HIPAA Privacy and Security rules.

We understand the significance of naming an entity to develop operating rules for claims attachments. HHS will work with NCVHS and industry stakeholders to establish an expedited selection process. Several industry initiatives that support identifying, testing, and adopting standards and operating rules for electronic claims attachments are helping organizations to reduce costs and improve efficiency. Collaboration across industry will also ensure that operating rules representing "best practices" and the greatest needs will be addressed first. In addition to the upcoming Medicare pilot to test the use of the HL7 standard for attachments for medical review program purposes, we look forward to receiving your specific recommendations regarding the adoption of standards, implementation specifications, and operating rules for claims attachments.

We will consider these, as well as your aforementioned observations and recommendations.