Healthcare.gov is steadily righting itself after October’s disastrous debut. But concerns remain. Will some consumers only learn they aren’t really enrolled at the first doctor’s visit? Are insurance companies receiving bad data from the federal government? Did the delay stymie the required influx of old and young, healthy and ill—thereby preventing a financially viable risk pool? Final answers are weeks—if not months—in the future.

Today, however, the pace of signups has dramatically increased. By the end of November approximately 365,000 individuals had selected health plans. While the number falls well under the government’s estimates, it’s still a ringing endorsement of the need for the availability to individuals of reasonably priced health insurance. In the rush to cover the shortcomings of healthcare.gov, experts say, that fact is frequently overlooked.

See federal numbers here. »

Former healthcare CIO John Kelly has no illusions about the federal website’s troubled launch. But he says the relentless focus on flawed technology is misplaced. “The real story is why the Affordable Care Act was created in the first place. The failure of the American health system demanded positive disruption. People needed a new way
to buy health insurance because the market wasn’t working. That’s why the government stepped up.”

Based in Massachusetts, Kelly is a principal business consultant at Edifecs, and a national expert on the exchange of health information.

Dr. David Cutler shares the view that while the launch was very unfortunate, “it’s not the worst that could happen, or irreversible. The government has another four to five months to get it right.”

Ironically, the purchase of health plans on the exchanges was considered to be the easy part of the two-pronged ACA.

“We can’t lose sight of the fact that the status quo before the ACA wasn’t working at all. If everybody already had high quality care at an affordable price I wouldn’t have made this a priority.”

The law addresses not only coverage but transformation of a costly system which offers too little incentive for quality care. That second piece—which experts predicted would be difficult to achieve—has actually met with much more success, Cutler explains. A professor at the Harvard School of Public Health, Cutler participated in a panel discussion on the ACA earlier this month.

Health spending has flattened in the United States but there’s dispute over the reason. Some believe it’s the impact of the ACA. But others insist the trend is reflective of economic conditions following the Great Recession. As the country regains financial strength those former patterns may return, this school of thought maintains. Regardless of the explanation for today’s slowdown, few argue the importance of curbing health costs going forward.

No matter where the website stands on that date, January 1 ushers in an extraordinary new era in American healthcare generally. The fact that people will no longer be subject to discriminatory practices because of pre-existing conditions nor held to lifetime benefit caps means “we’re fundamentally moving to a different place,” says Dr. John McDonough. McDonough is also an HSPH faculty member and participant on the panel.

Despite the broad intentions of the ACA, polls reveal deep wariness among Americans. The distrust stands in marked contrast to the Massachusetts healthcare bill of 2006, the HSPH speakers said. That state’s landmark health plan resulted from bipartisan legislative action and still enjoys widespread public support.

A December Gallup poll showed that despite their reservations about the ACA only 26 percent of Americans want it repealed. To many observers that’s a strong indication that positive experiences may yet override negative impressions caused by the rollout.

**Gallup healthcare poll. »**

The websites of state-run exchanges are performing dramatically better than healthcare.gov, particularly those in California and New York. Connecticut, Kentucky, Rhode Island and Washington are also making strong showings, though none without some hiccups.

Arkansas, Idaho, Illinois and New Mexico—which plan to launch sites in 2014—will undoubtedly learn from these other states.

Among the factors reported in the success of some exchanges compared to others are simplicity in design and testing. Healthcare.gov reputedly tested for a mere two weeks. A fuller picture is likely after U.S. Health and Human Services Secretary Kathleen Sebelius’ call for a full inquiry into the rollout is addressed.

Government officials still maintain they’ll reach the target of 7 million enrollees by March 31, 2014.

The prevalence of “young invincibles” in the risk pool is especially vital if insurers are to survive the new marketplace. Historically young people hesitate to purchase insurance for health reverses they have yet to experience. Enrollment difficulties only compounded the problem. The result could mean inaccurate actuarial assumptions and financial losses.

Both insurers and exchanges are struggling to adjust to the volatile situation through a variety of means, including temporary expansion of deadlines to make possible coverage in January. To many observers that’s indicative of an industry pulling together rather than rending apart.

No matter the short-term outcomes, combined political, social and economic forces have created a tipping point in the American healthcare system, Kelly says. “Change is inevitable and the statute is law. Together they mean there is no going backward.”
Will today’s agonizing difficulties with the health insurance exchanges reignite the call for yet another pushback? It’s possible, but in the view of many experts an unhealthy idea. The better lesson is using the example of the flawed exchange launch to prepare for careful ICD-10 testing. Contingency planning is one such illustration. Another is testing in the safe confines of a production-like environment rather than the much riskier live one.

Politics aside, ICD-10’s greater granularity underscores quality, outcomes and efficiency measurement, all fundamental to the interests of reform. It also contributes to the economic viability of payer and provider.

Unfortunately, the acquisition of deeper data, increased understanding and wider application of best clinical practices carries complications of its own. First and foremost is the sheer volume of codes added; the number swells from 19,000 to 141,000. Altogether demands posed by the migration to ICD-10 produce what most in the industry consider the largest and most complex initiative in the history of American healthcare. And these unprecedented stresses occur not only when there’s a lack of trained coders but a dearth in IT resources overall.

Both past history but current reports suggest that even major health plans are already far behind in their preparations for ICD-10. The situation of smaller plans and most providers can easily be inferred. And while it’s hard to imag-
ine a more troubling website launch than that which occurred October 1, 2013, consider this one: failed adjudication. That jeopardizes the collection of both premiums and payments.

Read the Edifecs white paper on Collaborative Testing. »

Undoubtedly a carefully conceived, tested and judiciously executed ICD-10 plan is the gold standard. But for many that is no longer possible. They may now be justifiably considering a contingency option, such as an ICD-10 translation solution, very likely the only means through which they can still achieve compliance.

Regardless of whether preparation has been poor or rigorous, external testing is required to demonstrate ICD-10 compliance. While testing is clearly just adequate with the requirements adopted by the Secretary and ensure the uninterrupted flow of transactions with trading partners. Given the number of new requirements that covered entities will need to implement in the coming years, a process and tool to perform end-to-end testing is needed to aid the industry in meeting the compliance dates.

The sheer volume of new codes makes it prohibitive to test every possible transaction. A few proactive payers have already chosen to focus upon the clinical scenarios most likely to pose the greatest risk and the subset of providers who will probably submit these. The experiences of these payers have yielded valuable lessons. Unexpected variances, for example, did occur. And while some unforeseen problems were easily fixed, others raised troubling questions and required systemic adjustment.

Edifecs’ 17-year experience with hundreds of payers and providers offers a unique perspective about external testing. It’s recently released collaborative testing solution offers an online portal that enables payers and providers to jointly design testing requirements, share test data, exchange transactions and analyze results. Used with contracted providers, payers gain confidence about managing their contracts and reimbursement rates.

Learn about the Edifecs’ Collaborative Testing Solution. »

“No only is the transition to ICD-10 resource-intensive for both payers and providers, it holds significant risk across several areas. Given the complexity of ICD-10 and potential for considerable variance, neither payers nor providers can afford to take that chance,” said Edifecs’ senior director Ryan McDermitt. “Our goal with the collaborative testing solution is to ensure our customers—payers and providers alike—experience as little variance as possible in respect to clinical intent, business operations and payment patterns after the October 2014 deadline. Collaborative testing requires the cooperation of both entities to achieve not only the desired results for their own organization, but for their partners as well.”

The solution helps jumpstart payer-provider testing with a repository of more than 1,500 clinical scenarios to cover high-risk codes. By sharing data with their provider network and conducting external testing limited to these scenarios, payers can leverage results to minimize payment variances. This type of collaborative testing will grow increasingly necessary as the healthcare industry evolves and adapts to newer mandates. Now providers and payers will both require greater clarity into the content of transactions, and not just the file formats. As the HIX situation makes abundantly clear, the era of crossed fingers and magical thinking carried grave consequences. As the stakes grow ever higher, the need for best practices—whether in the clinical realm or IT environment—rises in tandem.

Learn about the Edifecs’ Collaborative Testing Solution. »

Ryan McDermitt
Senior Director

Prudent industry practice, it remains all too unfamiliar in healthcare, for a variety of reasons.

No less a formidable bureaucracy than the Centers for Medicare and Medicaid Services—again smarting from the events of the last two months—now expresses a renewed appreciation for more comprehensive testing. Healthcare IT testing historically focused on compliance with electronic data interchange file formats such as those required by HIPAA. But clearly this is no longer sufficient. According to CMS’ own website:

Testing is essential to ensure compliance with the requirements adopted by the Secretary and ensure the uninterrupted flow of transactions with trading partners. Given the number of new requirements that covered entities will need to implement in the coming years, a process and tool to perform end-to-end testing is needed to aid the industry in meeting the compliance dates.

Read the Edifecs’ white paper on Crosswalking. »
Five years ago the Centers for Medicare and Medicaid Services arguably announced the beginning of a new and more sophisticated era. Their actions suggested that the future would bring not only greater scrutiny but more exhaustive requests for information. The agency required Medicare Advantage Organizations to report a broad range of data, including enrollee utilization of benefits, grievances and appeals, and agent and broker activities. CMS also expanded its authority to collect and use encounter data for risk adjustment and other purposes.
The reason for the enlarged encounter data was the formation of more accurate payment to MAOs based upon their enrollees’ health and benefits utilization. MAOs are compensated on a capitated basis by CMS. This means that services are not paid for as they are consumed. Rather they occur on a per member/per month basis. A fee is assessed and paid to the MAO from CMS.

The actions of 2008 laid the foundation for the implementation by CMS—in January 2012—of the sweeping Encounter Data System. The effect of this development upon the MAO has been monumental, because it presents a complete overhaul of CMS reporting requirements. The scope of reporting has increased dramatically. These and other demands force a radical shift in terms of the compilation and dissemination of encounter data coupled with the need for an agile response. CMS has announced a period of monitoring for 2013 to 2014.

Prior to 2012, CMS used a formula based on only a handful of characteristics to support the calculation of capitated payments for Medicare beneficiaries covered on MAO plans. The most notable of these beneficiary attributes were age, gender, and disease states [diagnosis codes]. Now MAOs are required to provide full encounter data reporting, which will eventually be used to support the calculation of capitated reimbursement.

Edifecs’ leader Vik Anantha explains the shift this way: “As we move from paying for volume to paying for value, the transactional system that was built to process claims is being retrofitted. Now it will process encounters instead. Further, MAOs are growing larger through increased enrollment and consolidation. In these market conditions, technology solutions that can scale to meet the needs of large MAOs while also being flexible enough to meet changing rules from CMS are keys to success.” Anantha is vice president of Financial Management Solutions.

So how does CMS define full encounter data reporting? It is actually full claim reporting. Instead of just a handful of data elements related to the beneficiary, a full claim with complete encounter data is submitted to CMS for every beneficiary receiving services. A full claim may contain thousands of data elements, in innumerable combinations. True, CMS is still evaluating this data primarily based upon the beneficiary’s age, gender and disease states. Now, however, a plethora of additional information is available to support capitated rate decisions. For example, encounter reporting data now contains service code and pricing information. That permits CMS to “shadow price” encounters and determine what they would have paid under the traditional fee-for-service model. [This model is used by Medicare Parts A and B, which are often referred to “traditional” Medicare.] Such data can now be compared to the calculated capitated rate for each beneficiary. In the future, adjustments of the capitated rate may be made based on this data.

Many of the billing rules applied to encounter data reporting are equivalent to those linked to fee-for-service claims under Medicare Parts A and B. But other rules and requirements are unique to MAO encounter data reporting. For example, the MAO payment and adjudication information is reported in the coordination of benefits section of the encounter, which is normally used to report “other” insurance payment and adjudication information when a patient is covered by

“As we move from paying for volume to paying for value, the transactional system that was built to process claims is being retrofitted. Now it will process encounters instead. Further, MAOs are growing larger through increased enrollment and consolidation. In these market conditions, technology solutions that can scale to meet the needs of large MAOs while also being flexible enough to meet changing rules from CMS are keys to success.”

Vik Anantha
Vice President of Financial Management Solutions

continued on page 7
two or more health insurance plans. Complex business rules were created to meet this encounter data reporting requirement.

What can MAOs do to mitigate the risk associated with these CMS encounter data reporting requirements? The strategic course addresses several areas. First is simply vigilance. Many invaluable resources and publications address CMS encounter data. Find them at the Technical Assistance Registration Service Center website (http://www.tarsc.info/). Click on the Resources tab to obtain all of the current encounter data reporting materials – including the companion guides (which are reissued with changes on a monthly basis), bulletins, user group information (from the Encounter Data User Group conference calls), industry update session information, and quarterly newsletters. This site also contains the schedule for the Encounter Data User Groups conference calls. These occur every other week and cover current encounter data reporting issues and their remediation, as well as changes and additions to CMS’ encounter data reporting requirements. Another website holding vital information regarding encounter data reporting requirements is the CSSC Operations website: www.csscoperations.com ».

In addition to the educational component there is the critical need for staff engagement. Operations, EDI and IT staff should play a role in the design and development of the encounter data reporting solution. Whether the solution was built in-house or through an external vendor, business and technical teams must jointly define the plan.

Business staff usually are first to identify a changed CMS requirement. Very often these take effect immediately. So how can operations employees communicate these quickly and clearly? What means will ensure they’re rapidly embraced and implemented by the EDI and IT departments? Rapid turnaround in the design and implementation of the appropriate system response is essential.

Finally, collaboration with other MAOs can yield many positive results. Collectively, MAOs have the leverage and ability to influence CMS decisions. Many improvements, refinements and clarifications to CMS encounter data reporting requirements were originally generated by MAO questions. When MAOs share information on best practices or how they solved the problem of implementing a particular CMS requirement, everyone benefits. Even across the myriad encounter reporting system designs, one MAO goal reigns: CMS-compliant encounter data reporting.

In summary, it takes time, effort and dedicated resources to ensure success in MAO encounter data reporting. Staying abreast of CMS encounter data reporting requirements, ensuring that communication occurs across the functional areas of operations, EDI and IT, and collaborating with other MAOs lays the groundwork.
A not-for-profit coalition that identifies itself as a cross-section of the industry, WEDI was established in 1991 to advise HHS regarding healthcare IT.

Earlier this month WEDI released its latest report. This one both exhorts the importance of past initiatives while acknowledging the need for new forms of outreach. Areas of emphasis include focusing upon patient engagement through improved access to healthcare information; data exchange under emerging healthcare payment models; aligning clinical and administrative information capture and exchange and innovative models of patient encounters that capitalize on mobile technology.

The report praises the industry’s design of EDI standards but says the speed with which the standards have been applied to business processes has been much less impressive. Citing figures from the Healthcare Efficiency Index, the report says the rate of healthcare claim transactions meeting EDI standards is now approximately 85 percent. But other key transactions—including claim remittance, eligibility verification, claim status inquiries and claim payments—fall well under 50 percent. The lag underscores how much remains to be accomplished, officials say.

According to WEDI CEO Devin Jopp, the new report “helps to set a common direction for the healthcare industry as we continue to evolve to greater focus on patients managing their own healthcare information, the movement towards fee-for-value arrangements and the use of new payment models and technologies.”

“The new report helps to set a common direction for the healthcare industry as we continue to evolve to greater focus on patients managing their own healthcare information.”

Devin Jopp
WEDI CEO

patients in general stand to benefit from new technologies. The WEDI report says not only do they gain more rapid access to care they receive information that aids critical decision-making. In particular the report makes the following recommendations with regard to patients:

1. Standardize the patient identification process across the healthcare system.

2. Expand Health IT education and literacy programs for consumers to encourage greater use of Health IT, with a goal of achieving better care management and overall wellness.

3. Identify and promote effective and actionable electronic approaches to patient information capture, maintenance and dissemination that leverage mobile devices and “smart” technologies and applications.

More than 200 volunteers—representing government, public and private sector groups—contributed to the report, WEDI officials say. Siva Tunga and Tanya Krylstsova of Edifecs were among them.

“The 2013 WEDI Report and recommendations will serve as the roadmap that will lead to greater efficiency and improved healthcare delivery in the years ahead,” Sullivan says.
As philosopher and singer Kermit the Frog infamously said, it’s not easy being green. That hasn’t dissuaded Tushar Patel in the slightest. Besides his responsibilities at Edifecs’ headquarters in Bellevue, Washington, the company’s senior operations manager is also deeply enmeshed in regional sustainability efforts.

Those initiatives have now prompted external recognition: Edifecs was recently named to the Washington Green 50 list by Seattle Business Magazine.

The magazine’s Green Washington Awards program recognizes 50 leading companies in Washington State that are demonstrating an extraordinary commitment to making their business sustainable. Edifecs was honored for the impact its technology products have on the healthcare system, including automating business processes and cutting back on paper transactions.

Ongoing national studies suggest the healthcare system could save billions by eliminating paper through the wider adoption of EHRs.

Spearheaded by Patel, Edifecs’ Corporate Sustainability program champions multiple “green” business practices. Examples include reducing landfill waste by more than 75 percent per year and saving more than 30,000 kilowatt hours per year by installing LED energy-efficient light bulbs.

“Every employee at Edifecs is passionate about reducing the company’s carbon footprint, as well as that of Washington
37,000 Kilowatt hours saved

State’s, and plays a critical role in our Corporate Sustainability program—conservation is a core element of who we are as a company,” said Sunny Singh, CEO of Edifecs. “Much of that commitment is embodied in our mission to help healthcare organizations realize the potential for immense cost savings by reducing their reliance on paper and making the switch to electronic transactions.”

Home to such LEED building standouts as famed architect Rem Koolhas’s Seattle Public Library (Silver) and the Bill and Melinda Gates Foundation (world’s largest Platinum campus), Washington State is a national model in environmental and sustainability matters. But Patel explains that it takes a portfolio of large and small practices to keep energy footprints low. His leadership of Edifecs’ sustainability campaign began with educational awareness and continued with encouraging staff to compost. Commute and transportation policies are another piece of sustainability planning: the company currently operates a fleet of 7 All-Electric Nissan Leafs.

Elevating the level of discussion about facilities management and responsibly minimizing environmental impact comes naturally to Patel. He’s a board member and education committee chair for the International Facilities Management Association’s Seattle Chapter.

Patel’s appreciation for his profession isn’t limited to a single country or for that matter one continent. A recent far-flung adventure took him to the oldest bazaar in the world (Istanbul), the costliest standalone integrated resort (Singapore) and a remarkable natural geothermally-heated swimming pool (Reykjavik). While none of the sites were exactly LEED-worthy the trip revitalized Patel’s perspective about the importance of the built environment in people’s lives.

In addition to his role at Edifecs, Patel is completing a master’s degree in Environmental, Health & Safety Management at the Rochester Institute of Technology, where he has been awarded a Staples Scholarship three years running.

“Every employee at Edifecs is passionate about reducing the company’s carbon footprint, as well as that of Washington State’s, and plays a critical role in our Corporate Sustainability program—conservation is a core element of who we are as a company,”

Tushar Patel
Senior Operations Manager
The year draws to a close having been an unusually fruitful one for outside recognition. Edifecs received multiple awards in 2013, and the designations acknowledged accomplishments ranging from revenue growth to corporate culture and environmentalism. Here’s a partial rundown:

Edifecs ranked 318th on Deloitte’s 2013 Technology Fast 500 list, recognizing the fastest-growing North American companies in the technology, media, telecommunications, life sciences and clean technology industries. This is the fourth consecutive year Edifecs has been included in this prestigious group which celebrates the top 500 private and public companies in the United States and Canada as measured by revenue growth over the last five years.

The publication Inc. recognized Edifecs in its Hire Power Awards, which honors private businesses that have generated significant job growth nationwide in the past 18 months. The award acknowledges top job creators nationally, by state, industry, revenue or growth percentage. Overall, 2013 award recipients created 51,327 jobs from January 1, 2012 to June 30, 2013. Inc. also added Edifecs to its annual 500|5000 list for the fifth time. The fastest growing companies in the nation are acknowledged; Edifecs placed 2606th.

Edifecs ranked fourth among job creators in the state of Washington. The company employs more than 250 people in the United States and more than 500 people worldwide.

Healthcare Informatics’ 2013 ranking of the top 100 healthcare IT vendors nationwide recognized Edifecs based on its 2012 revenue from healthcare IT products and services. Edifecs placed 84th on this year’s list.

Modern Healthcare’s list of the Best Workplaces in Healthcare named Edifecs for the first time, placing it 82th. The same magazine designated “Healthcare’s Hottest” 40 fastest-growing organizations nationwide and recognized Edifecs based on its six-year revenue growth. This is the second time the company was so honored, and its rank was 22nd.


Seattle Business Magazine’s Washington Green 50 honored Edifecs for its corporate sustainability programs and its contributions reducing the healthcare industry’s heavy reliance upon paper.
Conservationists at the Core
At Edifecs, “Green” isn’t an initiative. It’s our way of business.

37,000 Kilowatt hours saved
75% Reduction in landfill waste
4 Electric cars
200 million Paper-based healthcare claims converted to electronic

Add it up over a year, and you have one company, single-minded in its commitment to sustainability and helping the healthcare industry do the same.

Edifecs is proud to be among this year’s Washington Green 50.

www.edifecs.com
Different strokes mark painter’s path to national renown

Little-known facts about the Marines: the term “leatherneck” refers to straps worn to safeguard against Barbary pirate saber strikes. The Corps’ first recruitment campaign took place in a Philadelphia bar [specifically the Tun Tavern, 1776]. Finally, the bracing military training is apparently superb preparation for a career in the fine arts. At least that was the case for Edifecs’ Warren Dykeman, formerly of Camp Pendleton.

Warren is a senior graphic designer in the Corporate Marketing Department. The role requires problem-solving skills and a drive for client service, both of which he enjoys. The Edifecs’ position also acts as a healthy counterbalance to painting. Besides being continually demanding, that taskmaster is virtually never satisfied. But Warren’s painting hasn’t lacked for interest, reward and exposure.

Add Microsoft’s New York headquarters to your bucket list for highlights in that city. One of Warren’s paintings “Green Jeans,” pictured here, will soon hang there. A Warren Work appears in the JB Morgan Chase Building, also in Manhattan, where it’s also part of the company’s permanent collection. Elsewhere in the country his paintings show in Atlanta, Miami and Los Angeles. In Seattle Warren is represented at the Davidson Galleries in Pioneer Square and the Seattle Art Museum.

In 2009 Warren’s “Fullness” was chosen for the city’s annual Bumbershoot poster. That honor put him in the company of such legendary Northwest painters as Fay Jones. He cites her as a primary influence along with Jacob Lawrence.

Warren studied painting at Western Washington University. Despite early and ongoing success he looks back at some periods with dismay. “I did a show in Seattle years ago that was all large angles and skeletal figures. It was very dark and I suppose sort of immature. Frankly, even today it frightens me.”

It could be argued that a Kennewick upbringing, in the shadow of the Hanford Nuclear Reservation, might easily provoke fascinating and contradictory images. But Warren’s paintings have been described by some critics “as fantastical and brimming with complex ideas … yet rooted in familiar shapes.” Read more about Warren here ».