

# Administrative \$implification - The New MN Standards

May 2008

The MN Administrative Uniformity  
Committee (AUC)

[www.health.state.mn.us/auc](http://www.health.state.mn.us/auc)

# Objectives

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- What is the AUC
- Purpose of the AUC
- How the AUC works
- Past, present and future of AUC
- Achieving Uniformity – Coding Examples
- Next Steps

# What is the AUC

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- A broad-based, voluntary group representing Minnesota's public and private health care payers, hospitals, health care providers and state agencies
- In existence since 1992



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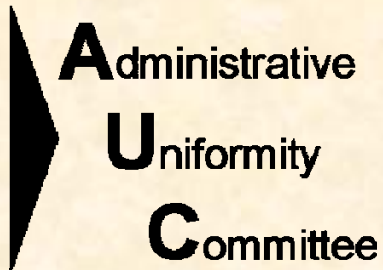
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# AUC Purpose

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- Develop agreement among Minnesota payers and providers regarding standardized administrative processes such as uniform billing forms, uniform claims procedures, standard electronic transactions and coding
- Participate in the implementation of standards
- Function as a consulting resource to national and state administrative simplification efforts
- Research new issues that may lead to enhanced administrative uniformity and bring issues and recommendations to private industry and/or governmental entities



# AUC Legislative Authority

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- Advisory body to the MN Dept. of Health
  - Developing and implementing the provisions of the Administrative Simplification Act
    - Minn. Stat. §62J.50-62J.61



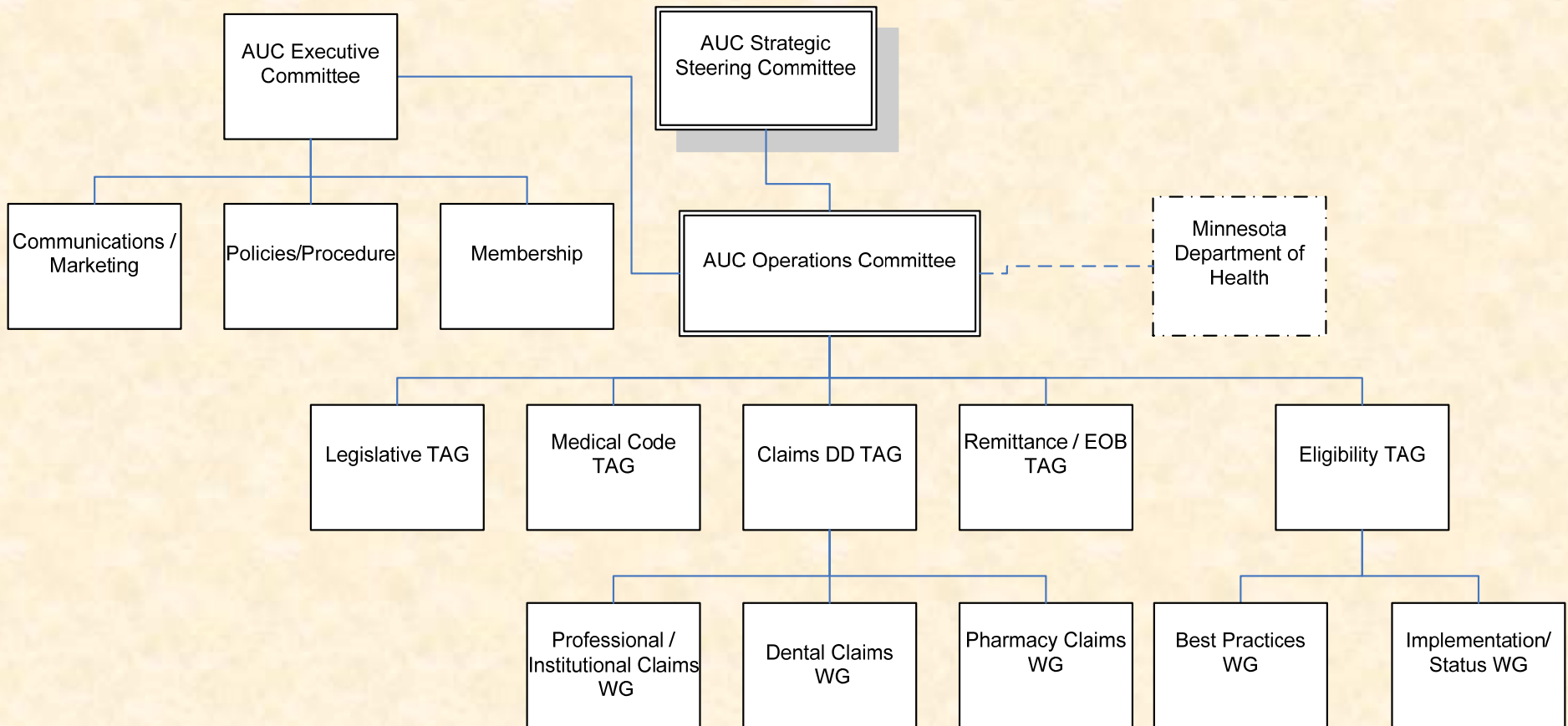
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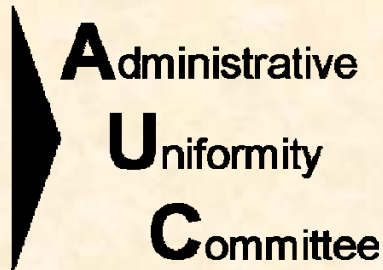
# Member Organizations\*

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- Allianz
  - Allina Hospitals and Clinics
  - American Association of Healthcare Administrative Management (AAHAM)
  - Blue Cross Blue Shield of MN
  - Care Providers of Minnesota
  - CentraCare Health System
  - Children's Hospitals and Clinics
  - Delta Dental Plan of MN
  - Fairview Hospitals Health Care Service
  - HealthEast
  - HealthPartners
  - HealthPartners Medical Group & Regions Hospital
  - Hennepin County Medical Center
  - Hennepin Faculty Associates
  - Mayo Clinic
  - Medica Health Plan
  - Metropolitan Health Plan
  - MN Council of Health Plans
  - MN Dental Association
  - MN Department of Health
  - MN Department of Human Services
  - MN Department of Labor & Industry
  - MN Health and Housing Alliance
  - MN Home Care Association
  - MN Hospital Association
  - MN Medical Association
  - MN Medical Group Management Assoc
  - MN Pharmacist Association
  - Noridian Medicare Part A
  - Park Nicollet Health Services
  - Prairie River Home Care
  - PreferredOne
  - PrimeWest Health
  - REM Health, Inc
  - SFM
  - St. Mary's Duluth Clinic Health System
  - UCare Minnesota
  - University of Minnesota Physicians
  - United Health Care

\*(current list at: <http://www.health.state.mn.us/auc/memborg.htm>)

# AUC Structure





# The AUC in Action

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- Strategic Steering Committee
  - Executive input to help prioritize efforts and improve compliance
- Operations Committee
  - Monthly open meeting
  - Issues brought forward for consideration
  - Direct the work of technical advisory groups (TAGs) for research and recommendation
  - Formal Voting to approve work products and recommendations of TAGs
  - Provide feedback and recommendations to state and federal organizations

# TAGs

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- Executive TAGs
    - Membership, communications & marketing, policies & procedures
  - Operations Technical Advisory Group (TAG) and Workgroups (WG)
    - Group of interested parties (members and non-members) develop solutions and bring forward recommendations
      - Legislative changes
      - Rulemaking initiatives
      - Manual revisions
      - Forms
      - Best Practices
      - Standard Companion Guides

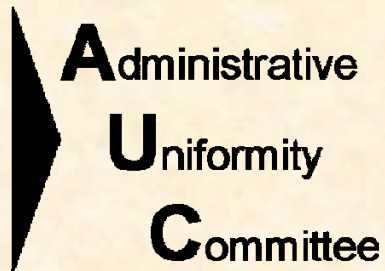
# TAGs

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- Eligibility (270/271)
  - Claims (837)
    - Pharmacy
    - Dental
    - Professional and Institutional
  - Medical Codes
    - e.g. behavioral health, home care, etc.
  - Remittance / EOB (835)

## Where We've Been

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- Standard Manuals
  - CMS 1500, dental claims, EOB/remit, hospital claims (via liaison to the State UB Committee - SUBC)
- Standard Forms
  - Mental health/chemical health authorization
  - Paper EOB/remit
- Standard Codes and Definitions
  - NPI (MN use and paper claims)
  - Units of service
  - Place of service (initiated creation of national code for urgent care)



## Where We've Been

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- Standard ID cards
  - Content
  - Readability
  - Payer-wide adoption
- Identification of Relevant Issues
  - Gaps and ambiguity in HIPAA standards
  - Nonstandard billing issues
- Resource to the community and national groups
  - Website
  - Open meetings
  - Providing input on HIPAA implementation to national organizations

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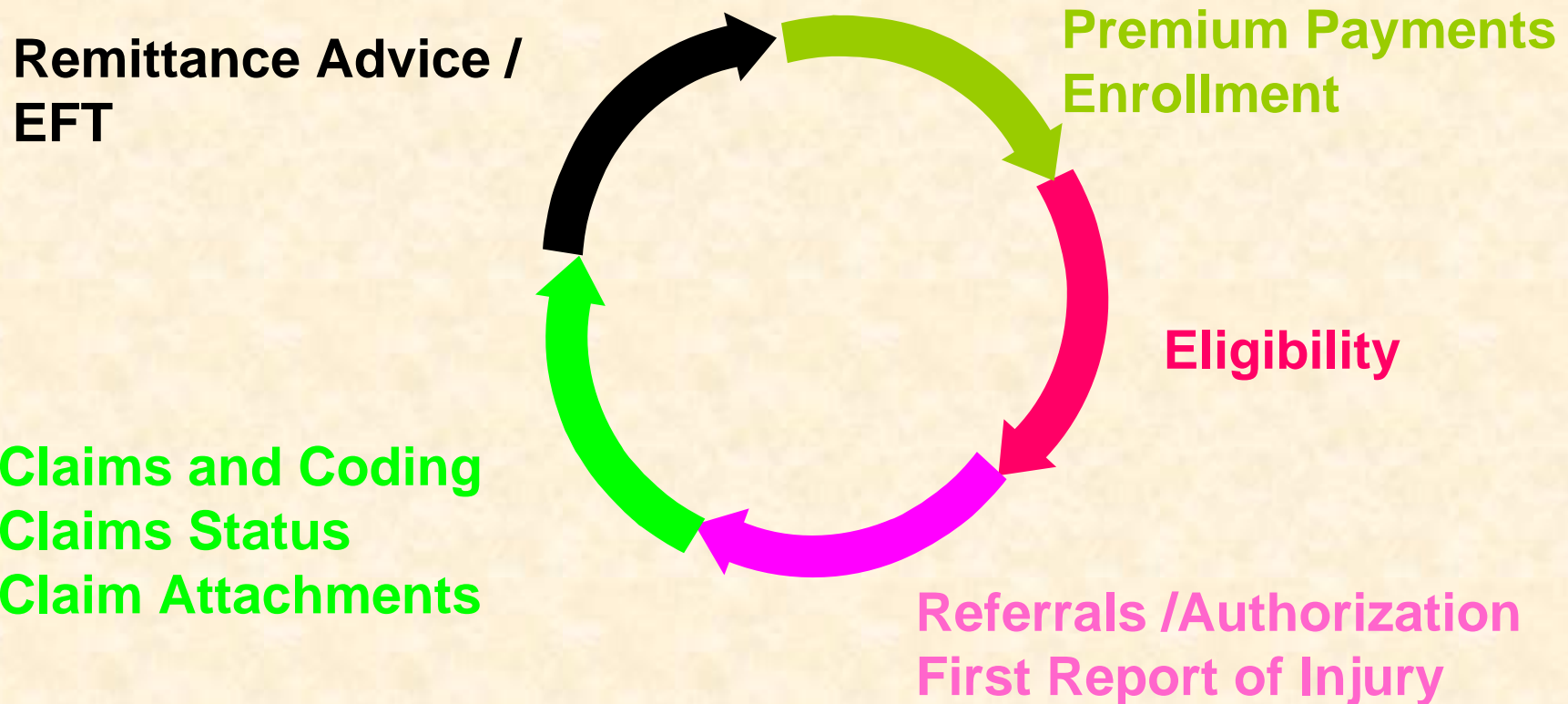
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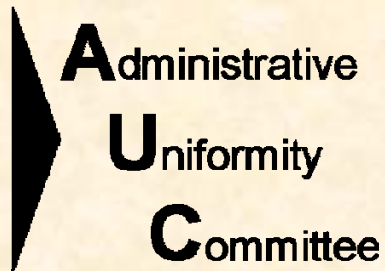
# 2007-2009 Work

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- Minnesota Statute. § 62J.536 – Uniform Electronic Transaction and Implementation Guide Standards
- **Requires:** Three health care administrative transactions must be **exchanged electronically** using a **single standard for content and format** starting in 2009
  - Eligibility Verification
  - Claims (Professional, Institutional, Dental, Pharmacy and Medical Codes)
  - Payment and Remittance Advice

# Simplifying Administrative Business Processes





# Why Administrative Simplification?

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- To make health care administrative processes and transactions
  - Simpler
  - More accurate
  - More efficient
  - Less costly



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# Applicability of 62J.536

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- **All Health Care Providers**
  - Provide health care services in MN for a fee
  - Eligible for reimbursement under Medical Assistance
  - **Includes:** Doctors, hospitals, nursing homes, pharmacists, dentists, chiropractors, home and community based service providers, others



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# Applicability of 62J.536

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- **All Group Purchasers**

- Purchaser of health care services on behalf of identified group of persons
- **Includes:** Health plans, health insurance companies, employee health plans offered by self-insured employers, trusts established by collective bargaining agreement, state and federal health care programs, others



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# Regulatory Update

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- The Department's bill includes provisions that allow the Commissioner of Health to issue a temporary exemption for non-HIPAA covered entities -- workers compensation, property/casualty, or auto carriers -- from requirements that do not currently meet their data needs.
- Under the proposal, the Commissioner may only exempt a carrier if a standard is incapable of exchanging required data or if another national standard is more appropriate and effective.
- The bill also has two additional components:
  - technical and clarifying changes and updates to the Minnesota Health Care Administrative Simplification Act of 1994 (Minnesota Statutes, sections 62J.50-62J.69);
  - provisions for a complaint-driven compliance mechanism that ensures payers and providers implement the requirements enacted in 2007. The mechanism is based on federal compliance requirements and emphasizes technical assistance and cooperation with providers and payers.
- At this time, the bills are currently proceeding toward passage before the Minnesota Legislature is constitutionally required to adjourn no later than May 19, 2008.

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# Developing the Standards

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- 62J.536 requires the Commissioner of Health to use rulemaking to develop standard companion guides (content and format standards)
  - Companion guides **based on Medicare** standards
  - Developed **in consultation with** Minnesota Administrative Uniformity Committee (**AUC**)
  - Modifications from Medicare by Commissioner as deemed appropriate
  - Rules developed in 2008, effective in 2009

# MN Companion guides

Screen 1 of 116



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

## Minnesota Uniform Companion Guide

For the Implementation of the  
**Eligibility Inquiry and Response  
Electronic Transaction  
(ANSI ASC X12 270/271)**

Prepared In Consultation With  
*Minnesota Administrative Uniformity Committee*



Screen 45 of 116

Transaction: 271 Health Care Eligibility Benefit Response									
IG Ref	Loop ID	Segment		Data Element			Minnesota Information		MN Usage Same as HIPAA IGs
		Name	Usage	ID	Usage	Min/Max	MN Usage	Value Definition and Notes	
270	2000D	TRN		TRN03	R	10/10	R		X
270	2000D	TRN		TRN04	S	1/30	S		X
		NM1 – Dependent Name	S				S	If the Patient is submitted as the Subscriber in the 270 transaction and the Information Source determines that the Patient is actually a Dependent, the NM1 Segment is required.	
271	2100D	NM1		NM101	R	2/3	R		X
272	2100D	NM1		NM102	R	1/1	R		X
272	2100D	NM1		NM103	S	1/35	R	If the Patient is submitted as the Subscriber in the 270 transaction and the Information Source determines that the Patient is actually a Dependent, the Information Source will return Patient values from the Information Source's database.	
272	2100D	NM1		NM104	S	1/25	R	If the Patient is submitted as the Subscriber in the 270 transaction and the Information Source determines that the Patient is actually a Dependent, the Information Source will return Patient values from the Information Source's database.	
272	2100D	NM1		NM105	S	1/25	S	If the Patient is submitted as the Subscriber in the 270 transaction and the Information Source determines that the Patient is actually a Dependent, the Information Source will return Patient values from the Information Source's database.	
272	2100D	NM1		NM107	S	1/10	S		X
273	2100D	NM1		NM108	S	1/2	S		X
273	2100D	NM1		NM109	S	2/80	S	This should be the Patient identifier the Information Source expects to receive in subsequent transactions (837, 276, etc.).	
		REF – Dependent	S				S		X

# Rulemaking Timeline

Health Care Transaction	Deadline for Rule Promulgation	Effective Date for Rules
Eligibility	January 15, 2008	January 15, 2009
Claims	July 15, 2008	July 15, 2009
Remit/Payment	December 1, 2008	December 15, 2009

# Opportunities for Savings

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- **Electronic Transactions**
  - Electronic claims are less expensive to process than paper claims
  - Reduced data entry across trading partners
  - Eliminates mailing and telephone costs
  - Facilitates faster submission, verification and payment
  - Enables other types of administrative uniformity and simplification – e.g., EFT or real-time processing

# Implementation Costs

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- **Single Standard - Content and Format**
  - Programming changes to existing systems and programs
  - Training of staff on new requirements
  - May temporarily increase in suspended claims due to errors during the transition
  - May temporarily increase customer service costs during the transition
- **Most costs are one-time costs, although they may be significant**

# Next Steps

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- Preparing for 2009
  - Variety of options available to providers and payers
  - Providers should talk to payers they do business with about options available (web & EDI)
  - Explore vendors to help you become electronic

## Next Steps (cont.)

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- Spread the word!
  - Let your peers know about the work of the AUC
  - Be a voice for your organization
- Become involved!
  - TAG participation
  - Membership
- Keep informed!
  - AUC website
- Make uniformity a reality!
  - Comply with standards

# Contact Info

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## Contact

- [auc@health.state.mn.us](mailto:auc@health.state.mn.us) (AUC e-mail)
- 2008 Chair and Co-chair:
  - [patrice.kuppe@allina.com](mailto:patrice.kuppe@allina.com)
    - 612-262-1459
  - [ann.m.hale@healthpartners.com](mailto:ann.m.hale@healthpartners.com)
    - (952) 883-6292
- AUC Web site [www.health.state.mn.us/auc/index.html](http://www.health.state.mn.us/auc/index.html)
- Minnesota Department of Health Web Site  
<http://www.health.state.mn.us/asa/rules.html>
  - David Haugen, Director, Center for Health Care Purchasing Improvement
    - (651) 201-3573