

# Colorado Medical Clean Claims Transparency and Uniformity Task Force Agenda Packet: June 24 & 25, 2014

**Location:** Pinnacol Assurance – 7501 E Lowry Blvd, Denver CO

**When:** June 24 (noon-6:00 p.m.); and June 25 (7:30 a.m.-2:00 p.m.)

**Call-In Details:** Call: 1.866.740.1260  
Code: 8586318#

**Web:** (DAY ONE) <https://cc.readytalk.com/r/svmg9xgx6tuu&eom>  
(DAY TWO) <https://cc.readytalk.com/r/k8mptpv80nhz&eom>

## Agenda Day One:

**Tuesday, June 24, 2014**

**12:00 p.m. – 6:00 p.m.** (Mountain Time)

---

**Noon – 12:30 p.m.**

### **Welcome and Introductions – Vatsala Pathy**

#### Housekeeping Items:

- Approve May 2014 meeting minutes (**Attachment A**)
- MCCTF Roster (**Attachment B**)
- Review agenda
- Meeting procedures
- Thanks to Wendi Healy of CHC for catering
- Welcome specialty society members
- Welcome Jeff Hinson – Regional Administrator, Centers for Medicare & Medicaid Services
- Welcome Green Mountain Care and Blue Cross and Blue Shield of Vermont
- Roll Call

**– Working Lunch –**

---

**12:30 p.m. – 1:15 p.m.**

### **Orientation for Specialty Society Guests**

- Introduction of Task Force Members – *Marilyn Rissmiller*
- Review background of MCCTF – *Barry Keene*
- Specialty Society Opportunity – *Mark Painter*
- Q & A

---

**1:15 p.m. – 1:30 p.m.**

### **Break**

---

**1:30 – 1:45 p.m.**

### **Specialty Society Outreach Committee Report**

*Co-Chairs: Alice Bynum-Gardner/Terrance Cunningham*

- Edit Review Process & Role for Specialty Societies

---

**1:45 p.m. – 2:15 p.m.**

### **Legislative Update**

*Barry Keene, Legislative Liaison for the MCCTF*

- HHS Proposal (**Attachment C**)
    - Discussion with Jeff Hinson
-

---

**2:15 p.m. – 3:15 p.m.**

**DSR Committee Report**

*Co-Chairs: Mark Painter/Barry Keene*

- Review Draft Governance Proposal (**Attachment D**)
  - Workflow Diagrams (**Attachment E**)
- 

**3:15 p.m. – 3:30 p.m.**

**Break**

---

**3:30 p.m. – 4:00 p.m.**

**Edit & Rules Committee**

*Co-Chairs: Beth Wright/Nancy Steinke/Beth Kujawski/Wendi Healy*

- Edit & Rules Committees combining to form “Edit Evaluation Team”
  - New Meeting Schedule 2014 -*First/Third Wednesdays of the Month; 2:00-3:00p.m. MT*
  - MCCTF Payment Rules ([Download by clicking this link](#))
  - Proposed grouping of rules
  - Preview of upcoming work:
    - Specialty Society participation in edit review process
- 

**4:00 p.m. – 4:50 p.m.**

**Project Management**

*Project Manager: Vatsala Pathy*

- Review Workplan (**Attachment F - to be included in final agenda**)
  - Glossary of Terms (**Attachment G**)
  - Website Overview: [www.hb101332taskforce.org](http://www.hb101332taskforce.org)
- 

**4:50 p.m. – 5:50 p.m.**

**Q & A for Invited Specialty Society Members**

---

**5:50 p.m. – 6:00 p.m.**

**Public Comment**

---

**6:00 p.m. ADJOURN FOR THE DAY**

**Agenda Day Two:**

**Wednesday, June 25, 2014**

**7:30 a.m. – 2:00 p.m.** (Mountain Time)

---

**7:30 a.m. – 8 a.m.**                      **Continental Breakfast**  
Roll Call (8 a.m.)

---

**8:00 a.m. – 9:00 a.m.**                      **Legislative Update**  
*Barry Keene, Legislative Liaison for the MCCTF*

- SB14-159 (**Attachment H**)
- Vermont Update

---

**9:00 a.m. – 10:30 a.m.**                      **Data Analytics**

- Workflow Diagram (**Attachment E from Day 1**)
- Production Data Analytics Demonstration

---

**10:30 a.m. – 10:45 a.m.**                      **Break**

---

**10:45 a.m. – 12:00 p.m.**                      **Discussion Continued**

---

**12:00 p.m. – 12:30 p.m.**                      **Lunch**

---

**12:30 p.m. – 1:00 p.m.**                      **Other Business**

---

**1:00 p.m. – 2:00 p.m.**                      **Public Comment**

---

**2:00 p.m. ADJOURN FOR THE DAY**

**DRAFT****HB10\_1332 MEDICAL CLEAN CLAIMS TRANSPARENCY AND UNIFORMITY ACT TASK FORCE**

Meeting Minutes

May 28, 2014, 12:00–2:00 PM, MDT

Call-in Number: 1-866-740-1260

Conference ID: ID 8586318#

**Attendees:**

- Alice Bynum-Gardner
- Amy Hodges
- Barry Keene
- Beth Kujawski
- Beth Wright
- Dee Cole
- Douglas Moeller, MD
- James Borgstede, MD
- Kathy McCreary
- Kim Davis
- Marilyn Rissmiller, CC
- Mark Painter, CC
- Nancy Steinke
- Ruth Backlund
- Terrence Cunningham
- Wendi Healy

**Staff :**

- Connor Holzkamp
- Vatsala Pathy

**Public:**

- Diane Hayek (ACR)
- Mike Donofrio, (GMCB)

**Meeting Objective (s):**

See Agenda

**Key:**

- TF = Task Force
- TFM = Task Force Member
- CC = Co-Chair

**May 28, 2014****WELCOMING REMARKS & ROLL CALL:****Housekeeping Items:**

- Minutes from April Task Force meeting were accepted with no changes.
- The Task Force was reminded of the upcoming on-site meeting on June 24 & 25 @ Pinnacol Assurance in Denver.

**EDIT COMMITTEE—Beth Wright and Wendi Healy**

- The Edit Committee reported that it had not met in March or April and will likely not meet again until after the Task Force receives edits from suppliers.

**PAYMENT RULES COMMITTEE— Nancy Steinke**

- The Rule Committee also reported that it had not met in March or April and will likely not meet again until after the Task Force receives edits from suppliers.
- The Edit/Rules Committee's will be combining beginning in June to tackle the edit development work as a singular group.

**SPECIALTY SOCIETY OUTREACH COMMITTEE—Alice Bynum-Gardner**

- Alice reported that the AMA has been working to inform the specialty societies of the upcoming edit review process and invite them to the June Task Force meeting in Denver.
- The Specialty Society continues its charge to act as the "liaison between the task force and the AMA's Federation of Medicine, which includes 122 national specialty societies and 50 state medical societies in order to assess if public

code edit and payment policy libraries meet the needs of national medical societies and state medical associations by reaching out and obtaining feedback from these groups.”

### LEGISLATIVE UPDATE – Barry Keene, Legislative Liaison

- Barry reported that [SB14-159](#) is expected to be signed by the Governor at 11:30 am on Thursday (5/29) and will include the full appropriation.
- Barry reported that he has been in contact with Jeff Hinson, CMS Region VIII Regional Administrator, regarding the Task Force’s proposal which will be finalized in the coming weeks.
- It was noted that the Task Force had received a congressional letter of support from Colorado Senators Mark Udall and Michael Bennet.

### DATA SUSTAINING REPOSITORY COMMITTEE – Mark Painter and Barry Keene

- The Committee submitted the first section (pages 1-7) of the draft governance proposal for consensus:
- The Task Force briefly reviewed section I of the document which focuses on the processes for:
  - *Rule Development*
    - ✓ Describes in detail the process that was used by the Task Force to create the rules.
  - *Development of Edit Set*
    - ✓ Attempts to lay out the process to develop the edit sets: 1) Call to general public for submission of edits; 2) Population of proposed edit data set; 3) MCCTF analysis of accepted edit sets; 4) Final notice of edit set proposed online; 5) Evaluation of Comments; and 6) Final edit set is published and posted online
    - ✓ Overall the edit development process spans approximately 11-months; tentatively the preliminary set will be ready for public review in April, 2015.
      - Timeline is somewhat dependent on the volume of data that is submitted as well as other factors.
  - New Rules and Updates to Edit Sets
    - ✓ Proposes that a similar process to the edit/rule development be used to handle new rules and update edit sets.
  - [To view the governance proposal please click here.](#)

• **Action Item:** Section I of the draft governance proposal was formally adopted by Task Force consensus.

- Mark displayed a [workflow diagram](#) which outlines the Edit Development processes described in Section I of the governance proposal and noted that a more detailed version would be forthcoming in June.
- The DSR Committee will now turn some of its focus to developing *Section II* of the draft governance proposal which focuses on:
  - Dispute Resolution Processes:
    - ✓ Recommends a three level process: 1) MCCTF Resolution; 2) Challenge submitted; 3) Upon resolution of edit by MCCTF, decision of MCCTF can be challenged through mediated resolution.
  - Ongoing Processes:
    - ✓ As the MCCTF is scheduled to be dissolved at the end of 2014 a new, permanent entity will need to be created to assume the role of the task force. It is recommended that a similar group be created, and all meetings should be open to the interested public. Further, it is recommended that any sub-committee created have balanced representation to maintain the spirit of cooperation and integrity the MCCTF has been able to maintain.

### Data Analytics – Mark Painter

- The “Vendor Committee” has been working collaboratively with Bishop Enterprises to construct the analytics database for the edit set development. Among the things the group has been working on are:
  - Defining *User Classes* for the database (See March TF minutes)
  - Defining the column variables for the queries – refine the “data dictionary”
  - Developing the exact queries the group will need to be able to run to build the edit set.
  - Completing the “interface mockup” – i.e. what the “user” will see and how they will interact with the data.
- The Vendor Committee will continue to work with Bishop and “test” the database using the edits that have been submitted thus far, tweaking the software as needed. The Committee will demonstrate the functionality of the database at the June meeting.

## **PROJECT MANAGEMENT – Vatsala Pathy**

- The Task Force was presented with the work-plan. The timelines for the edit set development will need to be re-visited as the data is submitted and the specific timeline comes into focus.
- Vatsala noted that the Task Force would be submitting its annual report to the Colorado Health Foundation before June 1, 2014.

## **PUBLIC COMMENT:**

**The meeting was adjourned at approximately 1:45 PM MDT.**

DRAFT

## MCCTF Members and Staff as of 6/17/14

NAME, FIRST	NAME, LAST	STAKEHOLDER GROUP	TITLE	PHONE	E-MAIL
Alice, Specialty Society Outreach Committee Chair	Bynum-Gardner, MPH	American Medical Association	Senior Policy Analyst II	(312) 464-4632	<a href="mailto:Alice.Bynum-Gardner@ama-assn.org">Alice.Bynum-Gardner@ama-assn.org</a>
Amy	Hodges	IV, Billing Revenue Cycle Mngt, BloodHound Technologies, a subsidiary of Verisk Health	Director of Content	919-313-1670, 919-637-0496 (m)	<a href="mailto:ahodges@veriskhealth.com">ahodges@veriskhealth.com</a>
Anita	Shabazz, MBA, MHA	Denver Health and Hosiptal Authority	Applications Analyst	Phone: 303.602.2243	<a href="mailto:Anita.Shabazz@dhha.org">Anita.Shabazz@dhha.org</a>
Barry, Finance Committee Chair; Legislative Liaison for TF; DSR Committee Co-Chair	Keene	Other, KEENE Research & Development	Non-medical Analyst	303-665-0180	<a href="mailto:krd@gadas.com">krd@gadas.com</a>
Beth, Edit Committee Co-Chair	Wright	2, Anthen Blue Cross and Blue Shield	Director – Reimbursement Policies and Procedures	203-677-8100, 203-671-2204 (m)	<a href="mailto:Beth.Wright@anthem.com">Beth.Wright@anthem.com</a>
Carol	Reinboldt	V.a., State of Colorado	Claims Operations Section Manager	303-866-6197, 303-929-3729 (m)	<a href="mailto:carol.reinboldt@state.co.us">carol.reinboldt@state.co.us</a>
Christine	Yoder	Kaiser Permanente of Colorado	Business Configuration Manager	720 857 4658 (c) 303-968-4316 (m)	<a href="mailto:chris.a.yoder@kp.org">chris.a.yoder@kp.org</a>
Douglas	Moeller, MD	Other, Software, McKesson Health Solutions	Medical Director, Claims Performance Group	610-205-5527 484-524-5580 (m)	<a href="mailto:Doug.Moeller@McKesson.com">Doug.Moeller@McKesson.com</a>
James	Borgstede	I, University Physicians Inc	Diagnostic Radiologist	719-337-9103 (m)	<a href="mailto:borgrad@msn.com">borgrad@msn.com</a>
Kathy	McCreary	1.d., University of Colorado Hospital	Managed Care and Contractor Administration	720-848-8779, 303-901-8290 (m)	<a href="mailto:Kathleen.McCreary@uchealth.org">Kathleen.McCreary@uchealth.org</a>
Kim	Davis	IV, Physician Billing, University Physicians, Inc.	Director of Patient Accounts	303-493-7781, 720-837-5820 (m)	<a href="mailto:kim.davis@upicolo.org">kim.davis@upicolo.org</a>

MCCTF Members and Staff as of 6/17/14

Lori	Marden	II, Other, Rocky Mountain Health Plans, HMO	Claims Director	970-248-8750, 970-985-5489 (m)	<a href="mailto:lori.marden@rmhp.org">lori.marden@rmhp.org</a>
Marianne	Finke	II, Humana	Strategic Consultant	572-476-7792, 502-442-6883 (m)	<a href="mailto:mfinke@humana.com">mfinke@humana.com</a>
Marie	Mindeman	American Medical Association	Director of CPT Coding and Regulatory Affairs	312-464-4421, 708-299-5553 (m)	<a href="mailto:marie.mindeman@ama-assn.org">marie.mindeman@ama-assn.org</a>
Marilyn	Rissmiller	Other, Physician Practices, Colorado Medical Society	Senior Director, Health Care Finance	720-858-6328	<a href="mailto:marilyn_rissmiller@cms.org">marilyn_rissmiller@cms.org</a>
Mark	Laitos, MD	CIGNA	Senior Medical Director	303-566-4705, 720-442-4817 (m)	<a href="mailto:mark.laitos@cigna.com">mark.laitos@cigna.com</a>
Mark, MCCTF Co-Chair; DSR Committee Co-Chair	Painter	IV, V.c., CEO, Relative Value Studies, Inc.	Chief Executive Officer	303-534-0574, x110, 303-618-0173 (m)	<a href="mailto:markp@prsnetwork.com">markp@prsnetwork.com</a>
Robin	Weston	IV, IPA, Centura	Revenue Cycle Administrator	303-673-1000, 720-272-2547 (m), best	<a href="mailto:robinweston@centura.org">robinweston@centura.org</a>
Ruth	Backlund	Unite Health Group	Dir. UHC Payment Policy	218-525-3316	<a href="mailto:ruth.t.backlund@optum.com">ruth.t.backlund@optum.com</a>
Ryshell	Schrader	I.a., Community Reach Center	Billing Manager	303-412-6091, 720-982-8458 (m)	<a href="mailto:R.Schrader@mlpi.org">R.Schrader@mlpi.org</a>
Tom	Darr, MD	Other, Software, Ingenix	Chief Medical Officer/Emergency Physician	801-982-3590, 801-808-5557 (m)	<a href="mailto:Tom.Darr@ingenix.com">Tom.Darr@ingenix.com</a>
Wendi Healy, Edit Committee Co-Chair	Healy	Other, Independent Coder with CHC - Correctional Healthcare Companies	Manager Provider Contracting	720-622-8012, 720-261-4652 (m)	<a href="mailto:Wendi.Healy@correctioncare.com">Wendi.Healy@correctioncare.com</a>
<b>ALTERNATES</b>					
Beth, Rules Committee Co-Chair	Kujawski	I. University Physicians Inc.	Healthcare Administration	720-848-6612, 303-902-1545 (m)	<a href="mailto:beth.kujawski@ucdenver.edu">beth.kujawski@ucdenver.edu</a>

MCCTF Members and Staff as of 6/17/14

Dee	Cole	V.a., Department of Health Care Policy and Finance, State Gov't Representative	NCCI Analyst	303-866-2880, 303-523-9008 (m)	<a href="mailto:dee.cole@state.co.us">dee.cole@state.co.us</a>
Elizabeth	Provost	Cigna health Care, Cigna alternate	Clinical Code Edit Lead	815-933-0399, 815-693-0129 (m)	<a href="mailto:beth.provost@cigna.com">beth.provost@cigna.com</a>
Nancy, <b>Rules Committee Co-Chair</b>	Steinke	II, Other, Rocky Mountain Health Care Maintenance - RMHP, HMO	RN, Clinical Policy Manager	303-967-2083, 303-981-0614 (m)	<a href="mailto:nancy.steinke@rmhp.org">nancy.steinke@rmhp.org</a>
Ray	Painter	IV, V.c., Relative Value Studies, Inc.	Consultant	303-534-0574 x108, 303-619-1988 (m)	<a href="mailto:rayp@prsnetwork.com">rayp@prsnetwork.com</a>
Terrence	Cunningham	American Medical Association	Sr. Policy Analyst I	P: 312-464-4225	<a href="mailto:terrence.cunningham@ama-assn.org">terrence.cunningham@ama-assn.org</a>
Timothy	Miller	II, Anthem Blue Cross and Blue Shield, alternate		804-354-2135, 804-212-6977 (m)	<a href="mailto:tim.j.miller@anthem.com">tim.j.miller@anthem.com</a>
<b>Other</b>					
Vatsala	Pathy	Other, Rootstock Solutions		303-512-3330	<a href="mailto:vatsala.pathy@rootstocksolutions.com">vatsala.pathy@rootstocksolutions.com</a>
Connor	Holzcamp	Other		720-620-1667 (m)	<a href="mailto:connor.holzcamp@rootstocksolutions.com">connor.holzcamp@rootstocksolutions.com</a>
Susan	McMillon	Kim Davis' assistant		303-493-7705	<a href="mailto:Susan.McMillon@upicolo.org">Susan.McMillon@upicolo.org</a>



**COLORADO HB10\_1332 MEDICAL CLEAN CLAIMS  
TRANSPARENCY AND UNIFORMITY ACT  
TASK FORCE**

June 9, 2014

Mr. Jeff Hinson  
Regional Administrator, Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
1600 Broadway, Suite 700  
Denver, CO 80202

Re: Proposal to fund start-up of pilot project & measurement of outcomes;  
Administrative simplification provisions addressed in Section 10109 of the Affordable  
Care Act, "Consistency of Claim Coding Edits"

***CLAIM EDIT TRANSPARENCY:*** *NCVHS to investigate whether there could be greater transparency and consistency of methodologies and processes used to establish claim edits used by health plans (as described in section 1171(5) of the Social Security Act (42 U.S.C. 1320d(5)). It is believed that uniform edits could improve the quality of comparability across multiple payers in an all payer claims data base, and simplify claim submission compliance for providers....*

Dear Mr. Hinson:

The purpose of this letter is to formally place within your visibility and for your careful consideration the initiative undertaken in the state of Colorado to develop a uniform set of "medical claim edits". During the 2010 legislative session Colorado's lawmakers passed, by a wide bipartisan margin, HB10-1332 which formed a Task Force of a broad based alliance of stakeholders to develop a uniform set of claim edits that would subsequently be adopted by all commercial payers having contracts with providers in Colorado.

To this end a group of approximately 25 experts including national representatives from many health plans, vendors of software and providers came together voluntarily to deliberate; the membership list is included as an attachment. The group is now approximately 43 months into a 5 year project. This fully transparent process has solicited input from all stake holders, works by consensus and continues to add members.

The Colorado Task Force was invited to give testimony during a NCVHS hearing on Section 10109 in November 2011. Our testimony remains on the NCVHS website at <http://www.ncvhs.hhs.gov/111118p24.pdf>.

We now wish to formally solicit your recognition of our work with a request to have Centers for Medicare & Medicaid Services (CMS) collaborate with us in a program to

measure the performance this nationally known pilot on this topic. A testament to the importance our work follows and logically transitions further on to performance metrics.

A uniform set of medical claim edits and payment rules is estimated to save approximately \$80 - \$100 million/year just in Colorado. Such a claim is borne out by the combined estimates of the American Medical Association's (AMA) white paper of 2010 where they find that the claims process consumes from 10 – 14% of all provider revenue; The Colorado SB06\_208 Commission Baseline financial findings for provider revenue for 2007 – 2008 timeframe Colorado provider revenue were approximately \$8 billion. Applying the lower AMA finding of 10% of provider revenue yields \$800 million in administering the claims revenue process cycle. By further estimating that a uniform edit set would reduce rework and overall administration by only 10 – 12% the net is \$80 - \$100 million. We believe this to be a conservative estimate.

During the NCVHS hearings in 2011 testimony from the Health Billing Management Association (HBMA) submitted that they find *“61% of all denied claims are associated with idiosyncratic payor edits”* (edits unique to a payor). Continuing, *“when written appeals disputing these denials were sent we were successful in 86% of the cases.”* The HBMA testimony documented over 2 million problem claims in less than a year. When taken in the context of AMA's estimate that the administrative cost to contest a claim is \$100 - \$250 the scope of this problem begins to come into focus. This is a multi-billion dollar loss nationally and Colorado has stepped up to design an actionable solution.

We recognize and acknowledge the merit and savings to health plan policy holders of insurer's careful scrutiny of claims. Therefore, we have meticulously carved out an area that encourages the thoughtful value added work of health plans to continue while eliminating wasteful rework of medical claims required to align them with individual payer's edit libraries, payment rules and interpretations of correct coding.

Please note that the health plans have participated voluntarily. However, their view of the severity of this problem is eschewed by circumstances and results in a different perception between the plans and the provider community. The health plans only see the claims rework caused and absorbed by their company, whereas the providers contend with rework for up to 20 different health plans. Consequently, providers have a visceral opinion of the issue while the plans are willing to be helpful but not willing to bare great expense to get there. It is important to understand this circumstance objectively.

#### **Performance Measurement Initiative:**

To this end, Colorado is preparing to carefully measure the impact of a uniform set of claim edits and payment rules. To accomplish this we must create a reference baseline in the near term and implement a set of target metrics and a process to monitor them beginning early in 2015 and continuing through late 2018 to get “before and after” data.

Because the Colorado administrative simplification around claims edit uniformity stands alone and is a stakeholder driven, self-funded model we believe it presents an ideal opportunity for CMS take a measure of the idea as prescribed by sec 10109 in the ACA.

We solicit CMS participation in helping the Colorado Clean Claims Task Force establish methodologies and measurements around several parameters of the impact of uniform edits and payment rules. Following are a few example metrics we believe are pertinent and readily measurable:

**Claims Rework by Providers / Billing Agencies:**

- Percentage of all claims requiring rework
- Proportion of reworked claims due to edit types that are/will be covered by the Colorado Uniform Edit Set
- Dollar value of claim rework, including all labor that can be captured
- Provider's time consumed administratively per day, week, etc.

**Claims Rework by Payers:**

- Percent of Medical Loss Ratio (MLR) accounted for in claims rework
- Percentage of claims entered into the appeals process attributable to edit types that are/will be covered by the Colorado Uniform Edit Set

We believe that current practices in place within the claims processing system can be leveraged to capture meaningful data on the provider and billing agency points above. In addition Colorado's rigorous "rate review" process for payers through the Division of Insurance requires a sufficient degree of transparency on administration that a significant quantity of payer data should be available as well. By making baseline measurements in 2015 and 2016 before the uniform edit set is implemented in January 2017 and then capturing and comparing the same data for 2017 and 2018 meaningful insight into the tangible effect of the simplification can be revealed.

It is important to capture two years of baseline data to avoid any calendar effect anomalies that may exist. Similarly capturing both 2017 and 2018 is important because the very first year (2017) may have subtle start up effects that could also skew data.

In their testimony to the NCVHS in 2011 the HBMA had very specific data informing some of our questions. Because HBMA is a nationally recognized community of health billing companies they could be very helpful if Colorado specific data could be produced. Reflecting upon the highly engaged and enthusiastic testimony HBMA offered on this problem when asked to contribute to the 2011 hearing, we believe CMS could be very influential in soliciting HBMA to participate in the Colorado metrics.

In addition to the more obvious claims specific metrics there are some second order effects of the Clean Claims work that should be considered:

**Business Model & Management Trends:**

- Coder, billing & office management trends, including automation
- Employment trends in provider settings
- Business model or configuration adjustments

Detailed information about the provider setting is necessary to conduct meaningful analysis of the impact of even simple questions like the percentage of claims reworked. To this end we propose a comprehensive, transparent and objective assessment design. We solicit CMS participation in our process at the outset to assure a result that is useful and credible in answering the challenge of sec 10109 of the ACA.

Colorado is an optimal environment for this work because we not only have the administrative simplification model, funded by the State legislature but we also have excellent objective health care data analysis entities like the Colorado Health Institute (CHI). This long standing organization has been aware of the Clean Claims Task Force work since its inception and is a respected neutral not-for-profit entity historically providing objective information to the State legislature and other policy makers.

We propose to combine the very knowledgeable data analytics of a CHI class organization with a professional survey firm working in the health care field. By further combining assistance and input from CMS in designing the inquiries with a neutral data analytics group it will produce a highly independent, 3<sup>rd</sup> party assessment of the Colorado Clean Claims initiative.

Colorado also features its own fully operational All Payer Claims Database (APCD) which began producing reports last year. Through this additional leverage of data we can track actual reimbursements for specific types of procedures that providers and payers identify as coding problem areas over the same 4 year period. This can reveal effects on the cost of care that may be contributable to our innovative common edit set.

For all of these reasons we believe that the Colorado Clean Claims Task Force is uniquely positioned to offer CMS an outstanding targeted opportunity to satisfy a portion of the Administrative Simplification section of the Affordable Care Act at very low cost and without endorsing a strategy. We invite you to help measure a nationally scalable solution being developed in Colorado right now.

### **2017 Implementation Support:**

The complete Colorado Common Edit Set is slated to “go live” through a legislated implementation authorization January 1, 2017. As would be anticipated, there is some fear on the part of all stakeholders, including regulators about the start-up costs and process. The task Force has specifically addressed the long term governance and sustaining function to keep this work advancing into the future. Our “Data Sustaining Repository” committee has several charters and designing the long term governance and business model is a principle part of its work.

Fortunately, the unique approach the Task Force has taken to creating the original common edit set is the most basic building block of a long term sustainable policy. Our approach focuses on the credibility of direct stakeholder representation in consensus driven decision making of every aspect of our work from governance process to specific highly technical deliberations.

We have embraced a broad based stakeholder community as the foundation for process from the outset; this is of course the theme for input groups laid out in ACA sec 10109. This foundation has served our work very well and kept the group together for going on 4 years to bring us to the threshold of formal launch.

As detailed policy making organizations compare our model is highly cost effective and has the benefit of validating and vetting policy decisions through a robust public review process before they are implemented, thereby avoiding costly litigation after the fact. While certainly not identical, the Colorado Clean Claims Task Force membership and process is comparable to emerging innovative forms of private/public policy development entities such as the CPT® Committee, WEDI or CAQH-CORE.

The long term business model necessary to sustain the “Colorado Common Edit Set” will be detailed in the next year. Similar to the private/public entities mentioned previously, one possibility is to generate the necessary income for its operations from fees assessed to users of the Common Edit Set. However, the final revenue generation model will not be formalized until the 2016 legislative session. Therefore, revenue to operate during the 2017 start-up year must be planned in advance and will not be able to leverage user fees in advance.

To assure a stably funded implementation we are proposing to have CMS support the first year costs. This would significantly relieve concerns of stakeholders of an unexpected expense during their adoption period. By being able to offer essentially a free pass to the Colorado stakeholders who are fully committed to this pilot it will allow them to plan for their costs accurately. This approach will also allow the start-up period to attract the maximum number of potential users immediately and thereby assist in establishing a stable user fee base going forward.

Our budget estimates and narrative for both the Performance Metric Measurements and First Year Start-up Costs are attached as a separate spreadsheet.

We would like to meet with you at your earliest convenience to discuss next steps.

Respectfully,



Barry Keene, Legislative Liaison MCCTF  
President KEENE Research & Development  
1309 Alexandria St  
Lafayette, CO 80026  
303-665-0180  
[krd@qadas.com](mailto:krd@qadas.com)



Marilyn Rissmiller, Co-Chair MCCTF  
Senior Director  
Colorado Medical Society  
7351 E. Lowery Blvd  
Denver, CO  
720-858-6328  
[marilyn\\_rissmiller@cms.org](mailto:marilyn_rissmiller@cms.org)

## Colorado Medical Clean Claims Governance & Dispute Resolution Process

### Section I:

#### I. Background & Context:

---

During the 2010 legislative session Colorado's lawmakers passed, by a wide bipartisan margin, HB10-1332 which instructed that a Task Force of a broad based set of stakeholders be formed to develop a uniform set of claim edits that would subsequently be adopted by all payers having contracts with providers in Colorado.

To this end a group of approximately 25 experts including national representatives from many health plans, vendors of software and providers came together voluntarily to deliberate. This group is now approximately 38 months into a 4 year project. This fully transparent process has solicited input from all stake holders, works by consensus and continues to add members.

There are currently four committees that are undertaking the work of the taskforce on behalf of the full MCCTF. All of these committees "touch" the process described below at various points. They are tasked with the following:

- 1. Edit Committee:** To examine the edits and associated rules, concepts and methodologies contained in national sources and national source guidelines; assessing their applicability to private health plan claims processing; and making recommendations to the task force on the claims edits to be included in the standardized set.
- 2. Rules Committee:** To develop and make recommendations to the task force concerning coding scenarios that is unique and eligible for differentiated payment.
- 3. External Engagement Committee:** To liaison between the task force and the AMA's Federation of Medicine, which includes 122 national specialty societies and 50 state medical societies in order to assess if public ode edit and payment policy libraries meet the needs of national medical societies and state medical associations by reaching out and obtaining feedback from these groups.
- 4. Data Sustaining Repository Committee:** To recommend to the task force how the standardized set will be maintained, updated and sustained.

As technology and the nomenclature required under HIPAA for health care transactions evolves the edits sets created will need to be maintained. Additional rules may be desired with changes in the system and medical technology. The description below describes the process for and oversight of edits and rules in the near term -- while the MCCTF is still providing the oversight for the process. The following description of the processes used by the task force is intended as a template for the continued development and maintenance of this Rule set designed to simplify the payment of medical claims as directed by section 10109 of the Affordable Care Act. However, it is anticipated that a separate final document recommending long term development and dispute resolution will be produced and provided to the Colorado Legislature.

The MCCTF emphatically believes that a permanent entity similar to the existing task force representing all parties affected by the rule set function as the core decision-making body should be created with respect both rules and edits. This recommendation reflects that belief.

44

45 **II. Definition of terms/glossary:**

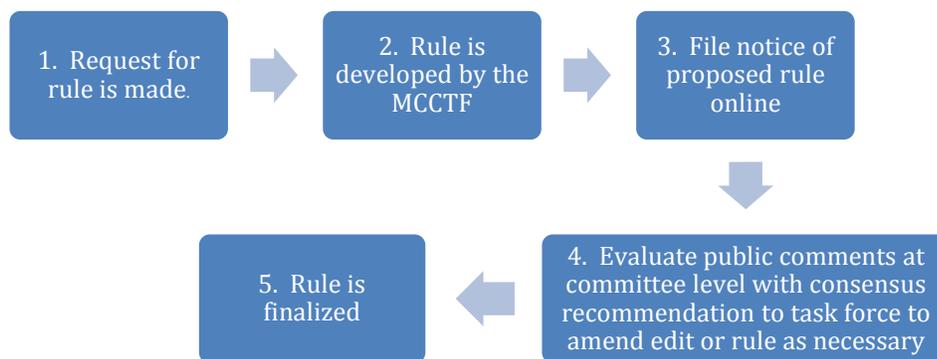
---

46 Please see attached Glossary of terms

47 **III. Development of Rules:**

---

48 The MCCTF has created rules sets based on the Act to be applied to claims submitted in the state of  
49 Colorado. The rules have been initially developed with input from the members of the task force.  
50 Rules have been released for public comment in four separate bundles. Public comment has been  
51 received and responded to under the following format and guidance. It is recommended that a  
52 similar format be used to address new rule requests.  
53



54

55

56 **1. Rule is requested:**

57

A. Rules may be requested by affected parties.

58

B. Rules must be requested 120 days prior to the end of a quarter for potential inclusion in the following Quarter update request for edit tables. New rules developed through this process will then be required to follow the Edit Development Guideline that follows.

59

60

61

62

**2. Proposed rule is developed and/or reviewed by the MCCTF:**

63

A. Requests for a rule will be vetted by the MCCTF Rules Committee and either determined to be actionable or rejected for inclusion in the rule set based on the following:

64

i. The rule is within the scope of the legislation

65

ii. The rule can be defined and sources are available to develop effective edits in accordance with the acceptable data sets.

66

iii. The rule is not in conflict with or covered by existing rules.

67

68

B. If the request for the rule is determined to actionable by the MCCTF, the MCCTF will develop the rule through attempted consensus among the members in accordance with the rules template. In lieu of consensus a simple majority vote of the members will serve as adequate for publication of the final rule.

69

70

71

C. No requested rule by a stakeholder may be arbitrarily rejected without due consideration if it is deemed within the scope of the Act.

72

73

74

75

76

**3. File notice of the proposed rule online:**

- 77           A. The notice will be posted on the MCCTF website and electronic notification will be sent to  
78           the interested parties alerting them.
- 79           B. Initially identify “interested” parties by utilizing the communication networks of the  
80           Colorado Association of Health Plans, Colorado Medical Society, American Medical  
81           Association, and vendor organizations. Additionally notification will be sent to Health &  
82           Human Services, the Colorado Division of Insurance, Colorado Division of Workers  
83           Compensation, and Colorado Health Care Policy and Finance. Need to have an official  
84           method of notifying Payers Division of Insurance, Insurance commissioner ( we have the  
85           big players on the committee but ..) in the list.
- 86           C. A sign up place will be added to the MCCTF website for interested parties to  
87           request/receive direct notification of future proposed rules.
- 88           i. Notification should include enough information for the public to understand the  
89           proposed rule, its potential impact, and the decision making process the MCCTF  
90           used to arrive at the recommendation:
- 91           a. Edit/payment rule name and definition;  
92           b. Associated modifiers;  
93           c. Rule logic description (including a payment rule hierarchy where there are  
94           multiple sources as well as date tracking);  
95           d. Rationale for the rule;  
96           e. Administrative guidelines for handling special billing situations;  
97           f. Specialty Society comments as available;  
98           g. Initial Edit set; and,  
99           h. A summary of the Task Force workgroup recommendation/decision.
- 100          ii. Provide information on how to submit comments and by when:
- 101          a. Take comments only by electronic submission to the MCCTF e-mail address,  
102          provide an automatic acknowledgement receipt with an indication of the  
103          next steps/timeframe.  
104          b. Identify what format the comments should be in and the type of  
105          rationale/information necessary for a complete evaluation.  
106          c. Commenter should provide a contact person in case more information is  
107          needed. *For the initial review process a 30-day comment period is deemed*  
108          *sufficient; a second review opportunity for input occurs before the final*  
109          *implementation date.*
- 110        **4. Evaluation of comments:**
- 111           A. *Initial process review by Staff, which will include a quick review of the comment for*  
112           *required format and supporting information within 7 days of receipt.*
- 113           B. Committee co-chairs evaluate public comment cleared by staff and send to committee  
114           members for review within 14 days. *Committee members will be notified and asked to*  
115           *review and post their comments within 14 days.*
- 116           C. Committee co-chairs present member input and present to their own committee  
117           members for consensus recommendation to the whole Task Force.
- 118           D. The MCCTF co-chairs will do an initial evaluation of the comments; they will include their  
119           evaluations as part of a regularly scheduled committee meeting. *To facilitate the process,*  
120           *the comments will be posted to the Task Force members’ site for review.*

121 E. Task Force reaches consensus on committee recommendations regarding comments,  
122 including rationale for decision. *The Task Force will complete its review of all comments*  
123 *with consensus recommendations by 60 days after the close of the comment period.*

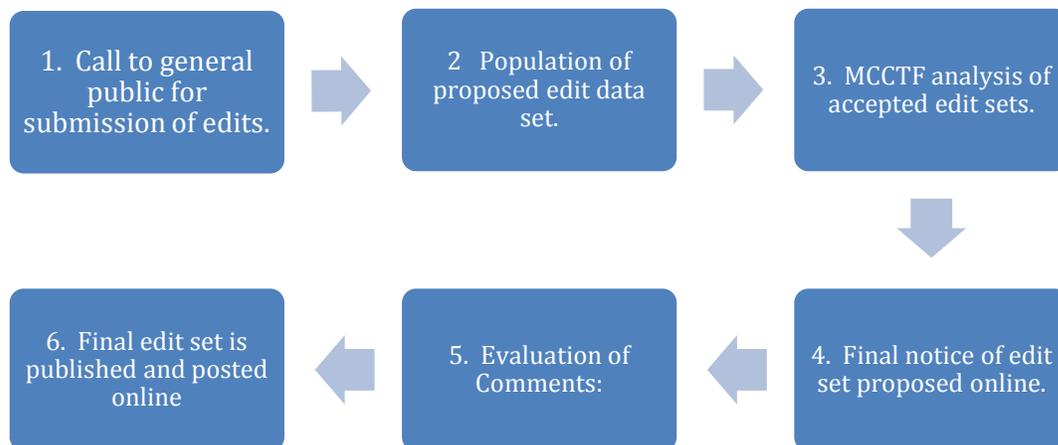
124 **5. Rule is finalized:**

- 125 A. Final rule is published.  
126 B. Rule is then moved to Edit set development protocol.  
127

128 **IV. Edit Set Development:**

---

129 Once a rule is developed the MCCTF will initiate the development of and edit set to support the  
130 implementation of the rule. Again the process of consensus will be attempted at the edit level.  
131 The task will require that the MCCTF develop parameters for edit analysis including time frames  
132 for response and appeal of adopted edits. In lieu of consensus a simple majority vote of the  
133 members shall prevail.  
134



135 **1. Call to general public for submission of edits**

- 136 A. A database for edits is created for housing of all edits.  
137 B. An acceptable format for submission of edits will be included in the request for  
138 submission of edits for each rule or set of rules. See Appendix A for submission format.  
139 C. A timeline for submission of edits is included in the request for submission of edits.  
140 i. The initial edit submission timeline will be set in accordance with statute deadline  
141 for development the initial data set for April 30, 2014.  
142 ii. Thereafter Deadlines for inclusion of an edit in an edit set will be 45 days prior to  
143 the end of the quarter.  
144 iii. NOTE: Due to the current timeline of some sources it is anticipated that MCCTF will  
145 release edit sets for each quarter 2 weeks prior to Quarter start. This process will  
146 not allow for adequate public feedback, therefore, the proposed process will  
147

148 include release of data with a public comment period of 60 days allowing update  
149 based on public comment.

150 **D.** Submission request includes notification that edits not submitted will not be included in  
151 the final edit set and therefore, will not be allowed in processing of claims unless  
152 specifically included in contractual agreements between payer and provider.  
153

154 **2. Population of Initial Edit data set (Initial Edit Set).**

155 **A.** Edits that conform to requested edit submission format will be added to the Initial Edit  
156 Set. Edit submission format will include the following:  
157 **i.** Edit must be in electronic format in file layout specified in the submission request.  
158 **ii.** Edit must include a national industry source, as recognized by MCCTF  
159 **iii.** Existing national industry sources as identified in House Bill 10-1332:

160 (I) THE NCCI;

161 (II) CMS DIRECTIVES, MANUALS, AND TRANSMITTALS;

162 (III) THE MEDICARE PHYSICIAN FEE SCHEDULE;

163 (IV) THE CMS NATIONAL CLINICAL LABORATORY FEE SCHEDULE;

164 (V) THE HCPCS CODING SYSTEM AND DIRECTIVES;

165 (VI) THE CPT CODING GUIDELINES AND CONVENTIONS; AND  
166

167 (VII) NATIONAL MEDICAL SPECIALTY SOCIETY CODING GUIDELINES.

168 **3. MCCTF analysis of edit sets with National Industry sources (Preliminary Edits)**

169 **A.** MCCTF will assign edit review to sub-committees  
170 **B.** Sub-committees will analyze edits for all edits in which there is conflict from sources.  
171 **C.** Sub-committee will analyze edits, other than those in conflict, at its discretion.  
172 **D.** Referenced Sources will be notified by MCCTF that edits have been added to the  
173 Preliminary Edit Set that have referenced the organization as a Source.  
174 **E.** Referenced Sources may request review of all edits listing the Referenced Source  
175 regardless of MCCTF determination to analyze the edit.  
176 **i.** Referenced Source will have 90 days to review the data provided under this  
177 request. If Referenced Source does not return a response the edit provided will be  
178 considered valid and accepted into the Preliminary Edit Set.  
179 **ii.** For those edits that the Referenced Source does not agree with interpretation and  
180 can provide valid counter reference material initial Referenced Source will be  
181 considered invalid and edit will not be included in the Preliminary Edit set unless a  
182 second Referenced Source considers the edit valid, supplier of Draft Edit will be  
183 provided with comments of MCCTF and Referenced Source.  
184 **iii.** If Referenced Source agrees the edit is valid, edit will be included in Preliminary  
185 Edit set  
186 **F.** For those edits which are analyzed, source analysis will be conducted as needed



- 232 **4. Final notice of Preliminary edit set online**
- 233 **A.** Vendor/payer/provider (VPP) who has its own rule logic takes the MCCTF edit set and
- 234 compares it/conducts an internal crosswalk against their edit list.
- 235 **B.** Vendor/payer/provider provides MCCTF with its requests to remove, retain or add edits
- 236 based on analysis. VPP must provide rationale for any change recommendations. It is
- 237 anticipated that comments on edits will be provided in required format similar to
- 238 process required for on-going edit evaluation.
- 239
- 240 **5. Evaluation of Comments:**
- 241 **A.** MCCTF Edit Committee reviews VPP recommendations during its bi-monthly meetings
- 242 and arrives at consensus recommendations on what is “in” and what is “out” based on its
- 243 review and analysis of the VPP recommendations. If consensus is not achievable within
- 244 Edit Committee on any edit and edit committee has agreed that source information is
- 245 valid, edit will be sent for review by full task force with noted lack of consensus.
- 246 **B.** Edit Committee posts its vetted edit list for MCCTF full task force review and comment
- 247 relative to any non-consensus edits. All other edits for which consensus has been
- 248 obtained will be added to edit set to be posted to website for public comment. The
- 249 website will have the capability to place vetted edit list for public comment with data
- 250 files and a section for public comment. *Commenters will have 30 days to review the edit*
- 251 *list.*
- 252 **C.** Edit Committee will review public comments at the end of the public comment period
- 253 and provide responses to commenters and its consensus recommendation to the Task
- 254 Force. Following same process used for VPP comment review.
- 255 **D.** Task Force reaches consensus based on committee recommendations regarding
- 256 comments, including rationale for decision. *The Task Force will complete its review of all*
- 257 *comments with consensus recommendations by 60 days after the close of the comment*
- 258 *period.*
- 259 **E.** *If Full task force consensus for an edit/rule change cannot be obtained. Interested parties*
- 260 *identified by the task force will be invited to present their positions to the Task Force. After*
- 261 *the presentation(s), a vote of the Task force will be called with the majority opinion*
- 262 *prevailing.*
- 263 **F.** As the federal register and other government agencies do, the MCCTF would provide a
- 264 summary of the comments it has received and their deliberations/decisions for each.
- 265
- 266 **6. Draft edit set, is published and posted online**
- 267 **A.** This notification would be posted on the same website and notification would be sent out
- 268 to the interested parties.
- 269 **B.** The notification would provide the final determination.
- 270 **C.** The notification would include the “effective” date or implementation date and specific
- 271 statutory requirements. *Notification of the rule findings and finalization will be completed*
- 272 *within 180 days of publication.*

273 **V. New Rules and Updates to Edit Sets:**

274 New rules and those updates as required by changes in code and technology will be subject to the

275 process stated above.

Section II:

VI. Dispute Resolution Process Open to Public:

---

In the event a person or group wishes to challenge an edit or a rule, the following three level dispute resolution process is proposed:

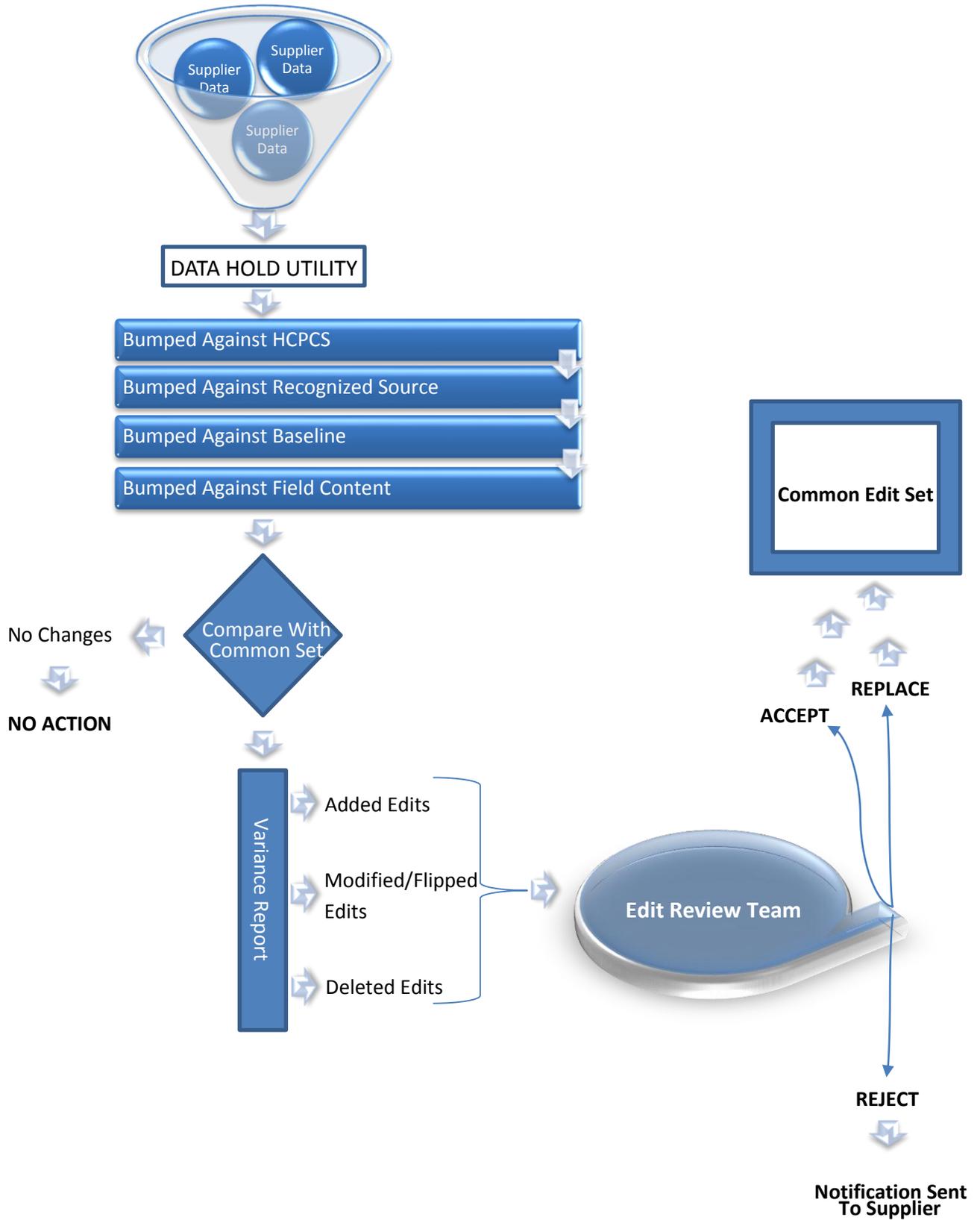
- A. First, a dispute goes through MCCTF resolution; MCCTF resolution will consist of comparing edit and complaint to determine if either or both are correctly sourced to an accepted source by vendor or staff. If both are correctly sourced dispute would be elevated to MCCTF for resolution. If either is incorrectly sourced the correctly sourced decision would be recommended to task force for adoption of deletion, retention or addition of edit.
- B. Upon resolution of edit by MCCTF, decision of MCCTF can be challenged through mediated resolution. An independent ad hoc dispute resolution capability would be created which is separate from the business and content management functions. It would entail the creation of a three person panel comprised of: 1) complainant selected individual; 2) defendant selected individual; and, 3) a 3<sup>rd</sup> person that is acceptable to other two parties. Disputes would be brought before this three person panel for review and a final decision. The panel would be all-volunteer and not receive any direct compensation.
- G. *Rule /Edit will be subject to panel arbitration as follows:*
  - i. *Arbitration panel (AP) will be elected consisting of x vendors, x payers, x providers and x others.*
  - ii. *Panel will review comments from public, committees and task force.*
  - iii. *Based on review a vote of the AP will be conducted. The AP can vote to include the edit or rule change, reject the edit or rule change or refer the edit or rule change back to a committee for further evaluation.*

VII. On-Going:

---

As the MCCTF is scheduled to be dissolved at the end of 2014 a new, permanent entity will need to be created to assume the role of the task force. It is recommended that a similar group be created. It is recommended that the new body be similar in make up consisting of 4 payer representatives, 4 provider representatives, 3 vendor representatives and 2 lay people representing the patient interests. All meetings should be open to the interested public. Further it is recommended that any sub-committee created have balanced representation to maintain the spirit of cooperation and integrity the MCCTF has been able to create. It is recommended that members of the group be technically qualified to analyze the issues presented to the group and that the membership be approved by the state. Further it is recommended that the body be made up of volunteers with compensation only for travel and expenses for required meetings of the group.

The group will carry out the charge of maintaining the Rule and Edit set in the spirit and function created by the task force with changes to the process adopted by consensus of the group.





3/10/2014

# Work Plan and Statutory Deadlines, January 2014 – December 2015

KEY		
Activity Color - Category	Symbol	Deadline/Status Color
Creating the Standardized Set of Edits (MCCTF Overview)	<b>X</b> Signifies an item that has been completed	Ongoing
Data Analytics Database - Bishop Enterprise Project plan	Arrow Signifies an "ongoing" event	Date of Completed Event
MCCTF Review of Edits	Red Background Indicates that deadline has been missed	Date of Incomplete Event
Statutory Deadlines/Final Report	Arrow Signifies an "ongoing" event	Date of Missed Deadline
Rule Bundles		

Activity	2014												2015												Deadline/Status	
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec		
Filter by Activity																										Filter by Date
Payment & Edit Committees review comments on 3rd set of recipes and make recommendations for revisions.	<b>X</b>																									January 6, 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
Public comments due on 4th bundle of rules	X																								January 6, 2014
Task force reviews and approves selection of an RFP contractor based on scoring.	X																								January 8, 2014
After reviewing comments on 3rd bundle of draft recipes, task force finalizes and approves.	X																								January 21, 2014
Payment & Edit Committees review comments on 4th set of recipes and make recommendations for revisions.			X																						March 8, 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
After reviewing comments on fourth bundle of draft recipes, task force finalizes and approves.			X																						March 26, 2014
Contract for data analytics contractor (Bishop) signed.		X																							February 18, 2014
Orientation and in-person meeting with Bishop 3/4 and 3/5			X																						March 4, 2014
National conference call to Specialty Societies re solicitation of edits			!	!																					March 31, 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
Bishop Project Start 3/6/14			X																						March 6, 2014
List of Suppliers 3/5/14 - 3/31/14 <a href="#">CLICK CELL TO VIEW DETAIL</a>			!																						March 31, 2014
Solicitaion Letter: 3/7/14 - 3/31/14 <a href="#">CLICK CELL TO VIEW DETAIL</a>			!																						March 31, 2014
Task force publishes notice of intent to solicit edits for inclusion in the data analytics model and specifies form in which edits should be submitted to the data analytics contractor.				!																					April 1. 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
<b>User interface mock-up</b> 3/5/14 - 4/23/14 <a href="#">CLICK CELL TO VIEW DETAIL</a>			!!	!!																					April 23, 2014
Contractor ready to accept edits from vendors, payers, others.			!!																						March 31, 2014
Interim report to CHF				!!																					June 1, 2014
<b>Initial Edits Loaded Into Data Analytics Database</b> 3/31/14 - 5/31/14 <a href="#">CLICK CELL TO VIEW DETAIL</a>			!!	!!	!!																				May 31, 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
<b>Create List of all Completed Data Tables</b> 5/10/14 - 6/22/14 <a href="#">CLICK CELL TO VIEW DETAIL</a>					!	!																			June 22, 2014
<b>Beta Test Data Analytics Database</b> 5/31/14 - 6/26/14					!	!																			May 15, 2014
<b><a href="#">1st Set of Rules (CLICK TO VIEW):</a></b> Rules and Edit Committee review and analyze edits with IT support from analytics vendor with recommendations for public comment.						!																			June 1, 2014
<b>Production Data Analytics Database</b> 6/26/2014 - 7/24/2014						!	!																		July 24, 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
Royalty and Liscensing Report Before 12/31/14	!	!	!	!	!	!	!	!	!	!	!													July 25, 2014	
Complete proposed standardized edit set ready for review and approval by task force.						!																		June 1, 2014	
Task force solicits comments on its recommendations for DSR operations regarding who is responsible for establishing a central repository for accessing the rules & edits set & enabling electronic access-- including downloading capability--to the rules & edits set.							!																	July 31, 2014	
1st Set of Rules: Draft edit set published for public comment. <i>Public Comment due 9/1/14</i>							!	!																July 1, 2014	

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
1st Set of Rules: Final edit set approved by TF.								!																	September 31, 2014
1st Set of Rules: Public Comment reponses published.								!	!																October 1, 2014
Comments due on proposed standardized edit set and DSR operations. Public hearing.								!																	September 15, 2014
Committees review public comments on proposed edit set and DSR operations based and develop recommendations for consideration by full task force.								!	!																October 25, 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
<a href="#">2nd Set of Rules (CLICK TO VIEW):</a> Rules and Edit Committee review and analyze edits with IT support from analytics vendor with recommendations for public comment.										!!															October 1, 2014
Write implementation Manual												!!													December 31, 2014
2nd Set of Rules: Draft edit set published for public comment. <i>Deadline 1/1/15</i>											!!	!!													November 1, 2014
Task force reviews 1st draft of final report.												!!													November 18, 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
Bishop Project Conclusion 12/31/14												---													December 31, 2014
Final report to the Colorado Health Foundation												---													December 20, 2014
Task force approves final report.												---													December 17, 2014
Final report submitted to legislature and HCPF.												---													Dec 31, 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
2nd Set of Rules: Final edit set approved by TF.														!											January 31, 2015
2nd Set of Rules: Public Comment reponses published.															!										February 1, 2015
<a href="#">3rd Set of Rules (CLICK TO VIEW):</a> Rules and Edit Committee review and analyze edits with IT support from analytics vendor with recommendations for public comment.																!									February 1, 2015
3rd Set of Rules: Draft edit set published for public comment. <i>Deadline 5/1/14</i>																	!	!							March 1, 2014

Activity	2014												2015												Deadline/Status
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
3rd Set of Rules: Final edit set approved by TF.																	!!								May 31, 2015
3rd Set of Rules: Public Comment reponses published.																	!!	!!							June 1, 2015
<a href="#">4th Set of Rules (CLICK TO VIEW):</a> Rules and Edit Committee review and analyze edits with IT support from analytics vendor with recommendations for public comment.																		!							June 1, 2015
4th Set of Rules: Draft edit set published for public comment. <i>Deadline 9/1/15</i>																			!	!					July 1, 2015





## [Draft] MCCTF GLOSSARY OF TERMS - 6/9/14

Term	Definition
<b>Act</b>	As used in this report, the Medical Clean Claims Transparency and Uniformity Act (Colorado HB-10-1332).
<b>Add - Database Action</b>	An edit that is “added” to the standardized set by the Task Force meets the guidelines specified in the MCCTF payment rule for the corresponding edit-type and is a new edit.
<b>Base Set</b>	The standardized edits and rules established pursuant to the act that consist of rules and edits drawn from national industry sources listed in the act (e.g., the National Corrective Coding Initiative and Medicare physician fee schedule).
<b>Claim Edits</b>	Adjustments by payers to the procedure codes physicians use to describe and bill for services that are part of the process payers use to determine whether a particular claim for payment should be paid and at what level. (See definition of <b>edit</b> below.)
<b>Complete Set</b>	The base set of standardized edits and rules and edits and rules for health services involved in a medical claim that are not encompassed by the national industry sources established pursuant to the act.
<b>Current Procedural Terminology (CPT®) code set</b>	A set of codes, descriptions, and guidelines intended to describe procedures and services performed by physicians and other health care professionals. CPT® is a registered trademark of the American Medical Association. Copyright 2012 American Medical Association. All rights reserved
<b>Data Analytics</b>	The process the task force will use to do data runs on and analyses of the universe of edits that companies and organizations are willing to share with the task in order to select the edits that will constitute the final recommended set.
<b>Data Dictionary</b>	Defines the different columns/variables requested by the Task Force for each edit type. Primarily intended for use by the “suppliers” to help clarify guidance in MCCTF payment rules.
<b>Data Sustaining Repository</b>	The place (not necessarily a physical location) where the standardized set is “housed,” updated and maintained and electronic access to the standardized set, including downloading capability.
<b>Data Sustaining Repository Committee (DSR Committee)</b>	Subcommittee of the task force; responsible for examining how the standardized set will be maintained and sustained.
<b>Edit</b>	§25-37-102(4), C.R.S., defines an edit as “a practice or procedure, consistent with the standardized set of payment rules and claim edits developed pursuant to section 27-3-106 that results in - (a) payment for some, but not all of the codes; (b) payment for a different code; (c) a reduced payment as a result of services provided to a patient that are claimed under more than one code on the same date of service; (d) modified payment related to a permissible and legitimate modifier used with a procedure code as specified in section 25-37-106(2); or (e) a reduced payment based on multiple units of the same code billed for a single date of service.”
<b>Edit Committee</b>	Subcommittee of the task force; responsible for identifying definitions and edits for the base set
<b>Federation of Medicine</b>	The term “Federation” is used by the AMA to describe the state, county and specialty medical societies (e.g., American Academy of Pediatrics, American College of Radiology, American College of Surgeons) represented in the AMA House of Delegates that work together to advance the agenda of physicians and their patients. The Federation of Medicine includes 122 national specialty societies and 50 state medical societies

<b>Healthcare Common Procedure Coding System (HCPCS)</b>	Provide standardized coding when health care is delivered. HCPCS was developed in 1983 by the Health Care Financing Administration (now the CMS) to standardize the coding systems used to process Medicare claims on a national basis. The HCPCS is structured in 2 levels. Each of the 2 HCPCS levels is its own unique coding system. Level I is the AMA CPT® code set, which makes up the majority of the HCPCS. Most of the procedures and services performed by physicians and other qualified health care professionals are reported with CPT® codes. Level II national codes are assigned, updated, and maintained by CMS. These codes describe services and supplies not found in the CPT® code set, for example, durable medical equipment, medical/surgical supplies, drugs.
<b>ICD-9/ICD-10</b>	ICD means International Statistical Classifications of Diseases. ICD codes are alphanumeric designations given to every diagnosis, description of symptoms and cause of death attributed to human beings. ICD-9 is the classification that has been in place since 1977. ICD-10 is the newest classification of diseases that is in the process of being implemented by all payers and providers
<b>Modifiers</b>	These are used in addition to a CPT® code to add more information on the claim. They state special circumstances that may affect the amount the physician will be reimbursed. For example, a modifier may indicate unusual circumstances that made a procedure more complicated and may warrant additional payment or that led to a procedure being discontinued, which may not warrant full payment. A modifier is appended to a five digit CPT® code and "...provides the means to report or indicate that a service or procedure that has been performed has been altered by some specific circumstance but not changed in its definition or code." (American Medical Association, "Appendix A", CPT® (Current Procedural Terminology) Professional Edition, 2013. P 595.)
<b>National Medical Specialty Society</b>	National medical organizations that are assigned as advisors to, or are represented on, AMA, CPT, and AMA Health Care Professionals Advisory Committee (HCPAC) that includes organizations representing limited license practitioners and other allied health professionals.
<b>National Correct Coding Initiative (NCCI)</b>	A system used to promote consistency in claims coding and to control improper coding leading to inappropriate Medicare claims payments for professional health care services.
<b>Out of Scope Edits</b>	Edits that are not within the task force's purview because they are addressed as part of other edit types already included in the standardized set; are part of a different stage in the claims processing system; are used by the payer to internally administer applications of variations in payment or benefits based on either the provider's or member's contract; or are Medicare or Medicaid-specific.
<b>Payment Rule</b>	Indicates how codes should be reported and which codes are eligible for a pricing adjustment. Payment rules are a statement of how a submitted procedure code, procedure code combination should be processed when an edit has been triggered. The task force agreed that its legislative mandate is to elucidate and standardize coding rules—including payment rules, but that specific amounts for pricing adjustments to specific codes are out of scope. The task force may, however, describe those coding scenarios that are unique and may be eligible for differentiated pricing.
<b>Payment Rules Committee (i.e. 'Rules Committee')</b>	Subcommittee of the task force that is responsible for developing payment (but not pricing) rule recommendations.
<b>PEND</b>	Database action - Assignment of a temporary status to an edit awaiting additional review to determine final inclusion in or exclusion from the Colorado edit set.

<b>Pricing Rule</b>	As used in this report, refers to a rule that specifies the amount for pricing adjustments to coding. Pricing rules are out of scope. Reported codes subject to a specific payment rule would be adjusted by a payer pricing rule that would apply a payment adjustment amount to a contracted rate. For example, reported codes eligible for the bilateral adjustment would be subject to a payer pricing rule.
<b>Professional Functions and Entities</b>	Refers to rule making about the standardized set once it is established, including decisions about which edits and rules are in, out or modified over time.
<b>Proprietary or Payer-Specific Edits</b>	Edits that are specific to an Insurance company; there are millions of proprietary edits.
<b>Recognized Source</b>	Recognized Source: In order for an edit to be included into the standardized set, it must be attributed to a national source as recognized by the Task Force. To see the full list of recognized sources please visit <a href="http://www.hb101332taskforce.org/images/mcctfrecognizedsource.pdf">www.hb101332taskforce.org/images/mcctfrecognizedsource.pdf</a>
<b>Reject - Database Action</b>	An edit is “rejected” from the standardized set by the Task Force when it does not meet the guidelines specified in the MCCTF payment rule for the corresponding edit-type. An edit that has been “rejected” will be sent back to the supplier with an explanation as to why the edit was rejected from the standardized set.
<b>Replace - Database Action</b>	An existing edit can be “replaced” by another edit that better addressed the guidelines specified in the MCCTF payment rule.
<b>Resource-Based Relative Value Scale (RBRVS)</b>	A schema used to determine how much money medical providers should be paid.
<b>RFI (Request for information)</b>	The task force issued (and received responses to) a request for information about potential strategies for, and the cost to design and develop, an online data repository. The purpose of the RFI, which was released May 3, 2012, was to invite input, better understand potential strategies and costs associated with the design and development of an online data repository, and solicit innovative solutions. It explained that the information gathered from the RFI would help to inform request for proposals (RFP).
<b>RFP (Request for proposals)</b>	The task force issued a request for proposals (RFP) in 2013 for [a] data analytics contractor[s] that would compile the edits that companies and organizations would like to see in the standardized set and, at the direction of the task force, analyze the edits to arrive at a recommended standardized set.
<b>Rule Bundles</b>	The task force released a number of payment rules (see <i>payment rule</i> in glossary) for a period of public review/comment. These rules were systematically organized into four separate releases – each ‘grouping’ of rules that were released is referred to as a ‘bundle’ (bundle 1, bundle 2 bundle 3 and bundle 4).
<b>Source</b>	Refers to the list of publically available national industry sources found in §(2)(b)(I--VII),C.R.S., of HB10--1332 only-(I) the NCCI; (II) CMS directives, manuals and transmittals; (III) the CMS national clinical laboratory fee schedule; (V) the HCPCS coding system and directives; (VI) the CPT coding guidelines and conventions; and (VII) national medical specialty society coding guidelines.
<b>Standardized Set</b>	The standardized set of claim edits and payment rules recommended by the task force that all payers having contracts in Colorado must use to edit claims as of the dates outlined in the act.
<b>Supplier</b>	The Task Force considers a “supplier” to be anyone who submits edits to be considered for inclusion in the standardized set.
<b>Task Force (MCCTF)</b>	The task force created by the Medical Clean Claims Transparency and Uniformity Act, HB 10-1332.

<b>Technical Functions and Entities</b>	Refers to rule distribution, display and access to the standardized set after it has been established.
<b>Unrecognized Source</b>	Unrecognized Source: Any source that is not specifically identified at <a href="#">B25</a> will be considered an “unrecognized source” by the Task Force, and will be rejected from the standardized set.
<b>Voluntary National Initiative</b>	A national collaborative effort that was overseen by the federal Department of Health and Human Services (HHS) consisting of a diverse group of stakeholders for the purpose of reaching consensus on a complete or partial set of standardized edits. The national initiative no longer exists

**NOTE: The governor signed this measure on 5/29/2014.**



SENATE BILL 14-159

BY SENATOR(S) Aguilar, Kefalas, Guzman, Heath, Hodge, Jones, Newell, Nicholson, Schwartz, Tochtrop, Todd, Ulibarri, Carroll; also REPRESENTATIVE(S) Primavera, Fields, Ginal, Hullinghorst, Kagan, Mitsch Bush, Pabon, Rosenthal, Schafer, Tyler, Young.

CONCERNING IMPLEMENTATION OF STANDARDIZED RULES FOR USE IN PROCESSING MEDICAL CLAIMS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 25-37-106, **amend** (2) (b) introductory portion, (2) (c) (II), (2) (d) (III), and (2) (d) (V); **repeal** (2) (c) (I), (2) (d) (I), and (2) (d) (II); and **add** (2) (d) (IV.5) and (8) as follows:

**25-37-106. Clean claims - development of standardized payment rules and code edits - task force to develop - legislative recommendations - short title - applicability.** (2) (b) ~~Within two years after the task force is established~~ BY DECEMBER 31, 2014, the task force shall develop a ~~base~~ COMPLETE set of UNIFORM, standardized payment rules and claim edits to be used by payers and health care providers in the processing of medical claims that can be implemented into computerized medical claims processing systems. The ~~base~~ COMPLETE set of rules and

---

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

edits shall MUST be identified through existing national industry sources that are represented by the following:

~~(c) (I) As the base set of rules and edits developed pursuant to paragraph (b) of this subsection (2) may not address every type of health care service involved in a medical claim, the task force shall work to develop a complete set of uniform, standardized payment rules and claim edits to cover all types of professional services. In working to develop a complete set of rules and edits, the task force shall request to participate in the national initiative or work with national experts to identify any rules and edits that are not encompassed by the national industry sources identified in paragraph (b) of this subsection (2) or that potentially conflict with each other. Additionally, the task force shall consider the CMS medically unlikely edits and commercial claims editing systems that source their edits to national industry sources on a code and code edit pair level in order to create a complete set of payment rules and claim edits.~~

(II) In developing a complete set of uniform, standardized payment rules and claim edits, the task force shall consider standardizing the following types of edits, without limitation:

- (A) ~~Unbundle~~ PROCEDURE TO PROCEDURE;
- (B) ~~Mutually exclusive~~ ADD-ON;
- (C) Multiple procedure reduction;
- (D) Age;
- (E) Gender;
- (F) ~~Maximum~~ Frequency; ~~per day~~;
- (G) Global ~~surgery days~~ PROCEDURE DAYS/PACKAGE;
- (H) Place of service;
- (I) ~~Type of service~~ NEW PATIENT;
- (J) Assistant at surgery;

- (K) ~~Co-surgeon~~ CO-SURGERY;
- (L) ~~Team surgeons~~ SURGERY;
- (M) ~~Total~~, Professional ~~or~~ AND technical ~~splits~~ COMPONENT;
- (N) Bilateral procedures;
- (O) Anesthesia; ~~services~~; and
- (P) The effect of CPT and HCPCS modifiers on ~~these~~ edits; as applicable.
- (Q) GLOBAL MATERNITY;
- (R) LABORATORY REBUNDLING;
- (S) MULTIPLE ENDOSCOPY REDUCTION;
- (T) MULTIPLE E/MS ON THE SAME DAY;
- (U) PROCEDURE TO MODIFIER VALIDATION;
- (V) REBUNDLED; AND
- (W) BUNDLED.

~~(d) (I) The task force shall submit a report and recommendations concerning the set of uniform, standardized payment rules and claim edits to the executive director of the department of health care policy and financing and the health and human services committees of the senate and house of representatives, or their successor committees, by November 30, 2012, and shall present its report and recommendations to a joint meeting of the said health and human services committees by January 31, 2013.~~

~~(II) If, at the time the task force submits its report, the national initiative has reached consensus on a complete or partial set of standardized payment rules and claim edits that the task force determines to be in the best interests of Colorado, the task force shall recommend that standardized set of payment rules and claim edits for use by all payers doing business in~~

~~Colorado, which shall be implemented by payers as follows:~~

~~(A) Payers that are commercial health plans shall implement the standardized set of payment rules and claim edits within their claims processing systems according to a schedule outlined under the national initiative or by January 1, 2014, whichever occurs first; and~~

~~(B) Payers that are domestic, nonprofit health plans shall implement the standardized set of payment rules and claim edits within their claims processing systems by January 1, 2015.~~

~~(III) If, at the time the task force submits its report, the national initiative work group has not reached consensus on a complete or partial set of standardized payment rules and claim edits:~~

~~(A) The base set of standardized payment rules and claim edits developed pursuant to paragraph (b) of this subsection (2) shall become the standards used in Colorado by payers and health care providers; and~~

~~(B) (A) The task force shall continue working to develop a complete set of uniform, standardized payment rules and claim edits and, by December 31, 2014, shall submit a report TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, AND THE HEALTH, INSURANCE, AND ENVIRONMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES and may recommend implementation of a set of uniform, standardized payment rules and claim edits to be used by payers and health care providers.~~

~~(B) STARTING JANUARY 1, 2015, THROUGH DECEMBER 31, 2015, THE TASK FORCE SHALL MAKE THE SET OF UNIFORM, STANDARDIZED PAYMENT RULES AND CLAIM EDITS AVAILABLE FOR PUBLIC REVIEW AND COMMENT. THE TASK FORCE SHALL CONSIDER ANY PUBLIC COMMENT IT RECEIVES ON THE SET OF UNIFORM, STANDARDIZED PAYMENT RULES AND CLAIM EDITS AND SHALL REVISE THE SET AS NECESSARY BASED ON THE PUBLIC COMMENTS.~~

~~(C) BY JANUARY 31, 2016, THE TASK FORCE SHALL SUBMIT A FINAL REPORT AND RECOMMENDATIONS REGARDING THE COMPLETE SET OF UNIFORM, STANDARDIZED PAYMENT RULES AND CLAIM EDITS TO THE~~

EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, AND THE HEALTH, INSURANCE, AND ENVIRONMENT AND PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEES OF THE HOUSE OF REPRESENTATIVES.

(D) ON AND AFTER JANUARY 1, 2017, THE TASK FORCE OR ITS SUCCESSOR SHALL REVIEW AND UPDATE THE STANDARDIZED SET OF PAYMENT RULES AND CLAIM EDITS AND THE RECOMMENDATIONS SUBMITTED PURSUANT TO THIS PARAGRAPH (d) AT LEAST QUARTERLY AND BY DECEMBER 31, 2017, AND BY EACH DECEMBER 31 THEREAFTER, SHALL SUBMIT AN ANNUAL REPORT TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING OR TO THE AGENCY RESPONSIBLE FOR OVERSEEING THE TASK FORCE OR ITS SUCCESSOR.

(IV.5) DURING THE 2016 CALENDAR YEAR, THE TASK FORCE SHALL ASSIST USERS WITH QUESTIONS REGARDING THE SET OF UNIFORM, STANDARDIZED PAYMENT RULES AND CLAIM EDITS.

(V) (A) BY JANUARY 1, 2017, EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (V), ALL payers shall implement the standardized payment rules and claim edits developed pursuant to subparagraph (III) of this paragraph (d) ~~as follows:~~ IN PROCESSING MEDICAL CLAIMS AND SHALL IMPLEMENT UPDATED STANDARDIZED PAYMENT RULES AND CLAIM EDITS AT LEAST TWICE A YEAR.

~~(A) For payers that are commercial health plans, according to a schedule outlined in the task force recommendations or by January 1, 2016; whichever occurs first; and~~

~~(B) For payers that are domestic, nonprofit health plans, by January 1, 2017~~ UNLESS AUTHORIZED UNDER FEDERAL LAWS OR REGULATIONS, PLANS SUBJECT TO THE FEDERAL "EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974", AS AMENDED, 29 U.S.C. SEC. 1001 ET SEQ., ARE NOT SUBJECT TO THE REQUIREMENTS OF THIS SECTION.

(8) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING SHALL WORK WITH THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN SERVICES TO ENCOURAGE AND FACILITATE THE USE OF THE UNIFORM, STANDARDIZED PAYMENT RULES AND

CLAIM EDITS ADOPTED IN THIS STATE AS THE MODEL FOR USE AND IMPLEMENTATION NATIONALLY.

**SECTION 2. Appropriation.** In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of health care policy and financing, for the fiscal year beginning July 1, 2014, the sum of \$128,688, or so much thereof as may be necessary, for allocation to the task force established pursuant to section 25-37-106 (2), Colorado Revised Statutes, for use in developing a standardized set of payment rules and claim edits related to the implementation of this act.

**SECTION 3. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2014 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

---

Morgan Carroll  
PRESIDENT OF  
THE SENATE

---

Mark Ferrandino  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

---

Cindi L. Markwell  
SECRETARY OF  
THE SENATE

---

Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED \_\_\_\_\_

---

John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO