837 Health Care Claim – Coordination of Benefits (COB) 1.1

Implementation and Management

PURPOSE

The COB Best Practice has been included in all the 837 Oregon Companion Guides (OCG). This document provides high-level information and recommendations on how this practice could be rolled out to the Oregon covered entities and established as a standard process.

This document contains the following sections:

CONTENTS

COB BEST PRACTICE (EXTRACT FROM 837 OCG)

The Technical Report type 3 (TR3) provides extensive documentation, describes a couple of COB transaction models, and provides many examples, but does not require any particular approach. This practice has been written with a view to standardizing and simplifying this COB process among Oregon based covered entities while remaining fully compliant with the TR3.

The following is reproduced from the OCG section relevant to the practice.

3.5.1 Submitting COB Claims

Some patients have insurance coverage with more than one health plan/payer. In these situations, the provider may submit multiple claims for the same service. An electronic claim is submitted sequentially to all health plans responsible for a patient's coverage.

The claim is first submitted to the primary payer responsible for coverage. The primary payer adjudicates the claim and responds to the provider with an Electronic Remittance Advice-835 (ERA) and/or Explanation of Payment (EOP) voucher. The provider then submits the claim to the secondary payer responsible for coverage, including the primary payer's adjudication information about the claim. The secondary payer requires the primary payer's adjudication information to correctly adjudicate the claim. Tertiary and subsequent payers have the same requirement as a secondary payer.

Occasionally some patient may have multiple coverage with the same Health Plan. In this case only one electronic claim should be submitted. The health plan will adjudicate the claim for both the primary and secondary coverage when the health plan determines that both subscribers are covered by them.

837 OCG References

The practice is included in the following OCGs:

837P	005010X222	Health Care Claim: Professional	section 3.5.1
837I	005010X223	Health Care Claim: Institutional	section 3.5.1
837D	005010X224	Health Care Claim: Dental	section 3.5.1

EFFECTIVE SCHEDULE

As noted below, many covered entities will confront challenges with the implementation of COB. **It is recommended that the COB requirement be effective no later than October 1. 2014** - 12 to 24 months following the effective date of October 1, 2012 for the 837 transaction OCGs.

IMPLEMENTATION AND ROLLOUT

Establishing standard COB processing will take a coordinated effort across the industry. During workgroup discussions the practice received support from the payer and provider communities, which augurs well for a successful implementation. Both trading entities will benefit significantly from such an implementation – reducing cost, improving accuracy, and eliminating many common business issues related to COB processing.

The keys to a successful rollout will be to overcome the challenges among practitioners, educate and support the community, and assist covered entities with implementation as necessary. An implementation plan should be developed to help manage and coordinate the rollout (implementation date: October 1, 2012). Given the multiple entities involved in implementing the practice, such a plan is highly recommended.

Vendors such as Clearinghouses, Billing Agents, Practice Management software suppliers, etc. involved in this effort will also be of primary importance to its successful implementation.

Challenges

There are several challenges associated with automating the COB process and fulfilling the practice requirement that will need to be overcome or addressed.

- Practice Management software limitations
  Some systems do not support COB or are prone to errors when handling COBs. Systems may not be able to handle the required level of detail (claim level vs. service level). This can be an issue particularly with the smaller provider operations
- Vendor system issues
  The system may not have been upgraded and may not have COB processing capability
- Technical Knowledge
  Many smaller covered entities may lack the technical knowledge or resources to implement the practice.
- IT Constraints
  In some larger organizations, setting the appropriate priority to adopt this practice may be a hurdle.
- Financial
  Lack of financial investment in the EDI infrastructure or appropriate vendor relationships could be a barrier. Paper oriented providers may resent even the marginal cost of implementing this practice. Communication of longer-term benefits should be a key part of the overall message.
- Compliance and data errors
  Many covered entities are not very thorough in their implementations and it takes longer than necessary to operationalize a new features.
- Clearinghouse limitations
  Some Clearinghouses and Billing vendors may not be able to support COBs or unwilling to make the investment in upgrading their service to do so. This is a low probability situation.

Education and Communication

Education and communication with entities covered by this practice is key to getting the rollout to a good start. Many payers already encourage providers to submit COB transactions electronically. This section describes the resources and approach that could be used to create a robust educational program.

Audience

The audience for education and communication include covered entities (in boldface) and other industry players involved in enabling 837 EDI transactions such as:

- ✓ **Health Care Plans (payers)**
- ✓ **Health Care Providers (providers)**
- ✓ **Clearinghouses**
- ✓ Atypical Providers
- ✓ Provider Billing Agents
- ✓ Practice Management Software Vendors
- ✓ Industry Associations and Organizations (OMA, WEDI, CORE etc.)

Resources

The primary resources that could help leverage OHLC efforts in getting covered entities on board are those represented on the council – particularly providers and clearinghouses. COB

automation is beneficial financially to both groups – providers reduce cost while clearinghouses and billing vendors can provide a revenue generating service to their clients. Most payers already support full COB processing and can comply with the practice today.

OHLC could use a coordinated effort to communicate a common message via their member companies and leverage their resources such as:

- ✓ Provider newsletters
- ✓ Provider directed websites
- ✓ EDI newsletters and publications
- ✓ Websites and portals – payers, clearinghouses, and government organizations (OHA)
- ✓ One Health Port

EDI Workgroup members could present the COB at provider forums and appropriate Oregon industry gatherings or conferences. Payer could present the message via their provider representatives who are connected with large number of covered entities.

Implementation Support

While implementation will be the responsibility of the covered entities, certain strategies could help boost adoption of the practice

SME Advisory Panel

A group of subject matter experts (SME) from the EDI Workgroup membership has been established who could advise covered entities on the implementation of the practice at their sites. Such sharing of knowledge and experience would be helpful to all practice adoptees. The SMEs could also leverage other EDI Workgroup members when particular expertise is required.

See *Appendix A – Subject Matter Expert (SME) Advisory Panel* for details on the SME panel.

Outreach

Payers and Clearinghouses could identify specific contact individuals in their organizations who understand the COB practice and can advise and mentor, if not directly assist, covered entities attempting to implement the necessary functionality.

Outreach programs may also leverage resources described in the Education and Communication section above to reach the target audience and communicate implementation resources available within the Oregon EDI community.

Audit and Test

Providers or their software vendors should conduct extensive testing and audit the results by confirming that the COB process provides the same results universally. Whether a COB claim is conducted manually (paper and phone) or via 837/835 transactions, the results should be identical. Payers should be encouraged to put together an approach so that their organizations can help other covered entities test their transaction and audit their results.

Audit and testing recommendations or standards could be developed and agreed to by the EDI Workgroup during the implementation phase so everyone is taking a similar approach.

Monitoring

The EDI Workgroup or the designated SME subgroup could monitor implementation progress and ensure the covered entities are able to get the support and advice they need to perform a successful implementation of the COB practice.

Progress reports could be reported to the EC to keep the visibility high and exert some peer pressure to get this practice implemented. The subgroup could also identify challenges and issues and suggest resolutions to the covered entities or the appropriate group – EDI Workgroup or the Executive Committee

ISSUE MANAGEMENT

Issues, concerns, and questions will certainly arise as covered entities implement the COB practice. These issues are best left to the EDI Workgroup to address through the SME panel recommended in the previous section. Issues can be tracked and shared with the EC as part of a quarterly progress report (see Monitoring section above) or some such vehicle to communicate pertinent information.

Most EDI Co-Chairs are well experienced in the management of technical issues and could devise a typical Issue Management system to perform the following key actions:

- Capture and Document
- Prioritize
- Investigate and Analyze
- Escalate (if necessary)
- Resolve
- Report (periodically)
- Monitor industry developments potentially affecting COB practice in Oregon.
- Refine COB practice (as necessary to improve compliance and reduce costs)

Issues that cannot be resolved by the EDI Workgroup will be escalated to the EC to assist with resolution.

Once the COB practice becomes required under DCBS rules then the enforcement and governance standards established by the appropriate entity (such as OHA, OHPR, DCBS) will apply.

APPENDIX A – SUBJECT MATTER EXPERT (SME) ADVISORY PANEL

SME Panel - Role

The EDI Workgroup has assembled a team of subject matter experts (SME), from the EDI Workgroup membership, who are available to advise covered entities, or answer questions on the implementation aspects of the 270/271 OCG. Such sharing of knowledge and experience will be helpful to all participating members. The SMEs could leverage other knowledgeable members (who are not on the list) when particular expertise is required, that they may not possess. This is entirely a volunteer effort in the spirit of helping the community with similar or common challenges.

In particular, please note the following statements regarding implementation responsibility:

1. The responsibility for implementing the OCG rests with the covered entity and the SME has no defined role or responsibility to that end, other than as described in the previous paragraph.
2. The SMEs, their employers, or the OHLC EDI Workgroup will not be liable in any way, for any decisions, results, issues, or costs that may be experienced by the implementing entity – whether desirable or otherwise.

SME Advisory Process

If a covered entity has a question relating to the OCG, they may contact any SME panel member listed in the following section, based on the expertise and knowledge of the subject area required to attempt an answer to the query. The panel member will answer questions and provide high-level advice related to their area of expertise (the **Subject** column) to the best of their ability.

As this is a volunteer service, and all panel members have full time jobs, it is requested that initial contact be initiated by email to minimize disruption of the SMEs professional environment.

Send the email to the SME with a copy to 'OHLC.EDIWorkgroup@gmail.com'. This is important so that emails are all recorded and attended to and are not diverted by spam filters that may be active at some organizations.

Questions or issues applicable to a wider audience may be addressed at the EDI Workgroup meetings.

If there are any questions or feedback on this process/service, please feel free to contact the workgroup coordinator listed on the last row of the contact list.

Panel Expertise and Current Assignments

This table lists the available subject areas and the SME. The contact information for the SME is included in the following section.

Subject	Description	Subject Matter Experts
Business experts	Business impact of the OCG on organizations and business processes	Pat Van Dyke Yimei Kao Carol Ito Patricia Krewson
Transaction technical experts	Specific to the transaction as described in the TR3 and the impact of the OCG on its implementation	Del Texley Pam Cottrell
EDI technical experts	General EDI subjects such as trading relationships, areas of responsibility, and associated technical expertise	Kathy Leahy Pat Van Dyke Joseph Gonzales
X12 members	Members of X12 who can respond or seek responses for related questions	Pam Cottrell Pat Van Dyke
WEDI members	Members of WEDI who can respond or seek responses for related questions	Del Texley

Panel Members Contact Information

Name	Organization	Email
Carol Ito	Oregon Medicaid	carol.a.ito@state.or.us
Del Texley	LIPA	dtexley@lipa.net
Joseph Gonzales	Secure EDI	jgonzalez@secureedi.com
Kathy Leahy	LifeWise	Kathy.leahy@premera.com
Pam Cottrell	LifeWise	pam.cottrell@premera.com
Pat Van Dyke	ODS	vandykp@odscompanies.com
Patricia Krewson	Oregon Medicaid	Patricia.Krewson@state.or.us
Yimei Kao	Advantage Dental	yimeik@advantagedental.com
Pat Van Dyke	ODS - **Coordinator**	vandykp@odscompanies.com

APPENDIX B – POTENTIAL MESSAGES AND ARTICLES

These are examples of messages and communications used by payers today. These are provided for illustration and information.

Did you know that you can send the following claims electronically?

<Introductory flash articles for several claim scenarios>

1st article for COB

COB (Coordination of Benefits) when XXXX is secondary

If you bill your claims electronically using the X12 837 format; can submit the primary payers information within the electronic claim. When doing so, be certain to include all of the primary payer's payment and/or non-payment (including any reason for non-payment) information.

2nd and subsequent articles for COB

Coordination of Benefits (COB) When XXXX is Secondary

Did you know you can submit secondary claims to XXXX electronically! Once the primary payer has processed a claim, you can send it electronically to XXXX. For successful submission, you must include the primary payer processing information on the claim. This includes:

- Primary Payer Name
- Primary Payer Member ID for the patient
- Primary Payer Allowed Amount
- Primary Payer Payment Amount
- Primary Payer reason for nonpayment - i.e., non-covered service, applied to deductible, benefit max, etc.
- Primary Payer Adjudication Date for claim is required

XXXXX secondary to Medicare claims are automatically sent to XXXXX by Medicare after Medicare has processed the claim. To prevent duplicate claim submission, please do not bill these claims to XXXXX, if your Medicare Explanation of Benefits statement indicates the claim was forwarded (or crossed over) to the secondary payer.

How to get started? Contact your billing system vendor or billing agent to find out how you can get started billing electronic secondary claims to XXXX today!

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