Source of Payment Typology Development Background

The Public Data Health Data Standards Consortium (PHDSC) Payer Type subcommittee created a payer type standard to allow for consistent reporting of payer data for health care services. The development of a standard source of payment classification system is a high priority for public health and research because administrative healthcare databases are used for a wide variety of public health activities, such as: monitoring of healthcare access across payer categories, Medicaid disease management, and healthcare policy studies.

There is currently no national standard for reporting and classifying source of payment data. Existing ASC X12N 837 categories in the subscriber section are currently neither mutually exclusive nor comprehensive. The lack of payer detail and consistency in current reporting standards limits the ability to accurately compare source of payment data from various data sets and across different types of providers, analysis critical to policymakers and researchers examining effects of payment policy.

The Source of Payment Typology is designed as an external code set and will be maintained by PHDSC after approval by the appropriate standard setting bodies, including X12N and the NUBC. This classification system for payer type augments the internal code set maintained by ANSI ASC X12.

Modeled loosely after the ICD typology for classifying medical conditions, the typology identifies broad Payer categories with related subcategories that are more specific. This format provides States with increased flexibility, as they can add more specific codes as needed and roll these up into an aggregate broader category for comparative analyses across payers and locations.

The Payer Type subcommittee has instituted a process of maintaining the Source of Payment Typology by convening Bi-Annual conference calls. These calls are held in October and April of each year and are open to the public and all interested parties. The following two conference call minutes reflect the first Bi-Annual maintenance of the typology.

Minutes of Meeting
Public Health Data Standards Consortium
Payer Type Subcommittee Conference Call
October 19, 2006

The Payer Type Subcommittee convened by conference call at 2:00 on Thursday, October 19th, 2006.

Participants on the call who identified themselves were:

Cindy Anaya, Department of Veterans Affairs
Roxanne Andrews, Agency for Healthcare Research and Quality

Amy Bernstein, CDC/National Center for Health Statistics
Bruce M. Burns, D.C. Texas Health Care Information Collection
David Cooke, Georgia Hospital Association
Ginger Cox, California Office of Statewide Health Planning
Bob Davis, Consultant for NCHS and NAHDO
Marjorie Greenberg, CDC/National Center for Health Statistics
Wanda Govan-Jenkins, CDC/National Center for Health Statistics
Regina Haley, Lockheed Martin Government Services
Kenneth L. Kuebler, Hospital Industry Data Institute
Judy Parlato, Mass. Division of Health Care Finance & Policy
Charles Wentzel, Pennsylvania Health Care Cost Containment Council
Denise Love, NAHDO
Linda Sovine, West VA Health Care Authority

Materials for the meeting were distributed via the PAYERTYPE listserve, and included an agenda, and suggestions for modifications to the Payer Typology submitted on behalf of the Department of Veterans' Affairs, the Pennsylvania Health Care Cost Containment Council, and the Department of Defense.

Amy Bernstein began the meeting at 2:00 p.m. EST.

Participants on the call introduced themselves, and Amy Bernstein asked them to send her an email with their name and affiliation. She then described the purpose of the call, which is the first of two bi-annual conference calls mandated by the Payer Type Subcommittee charter to solicit input from the community on proposed modifications to the Payer Typology. Proposed modifications discussed during this call will be voted on by members of the Payer Type workgroup following the call. To be a member of the Payer Type workgroup, one must be a member of the PHDSC organization.

It was reported that there were issues with the ANSI X12 data maintenance. It was necessary to create a table with a fully enumerated code along with the associated code description as well as correcting an error in the maximum number of characters a payer code. The corrected number is 6. The next X12 Architecture meeting is in January when they will review the revised proposal and make a final decision.

There was a question during the call about the use of a period "." to separate the different hierarchical levels in each code. There was also another question about why the first level had 2 characters and the remaining levels had only one character. It was decided that to satisfy the ANSI X12 concerns to fully enumerate the codes that any delimiters would be implied. It was also decided that the first level would only have one level. If additional high levels where necessary in the future an alpha character would be used. This would be possible since this is already an alpha numeric field. For example, Medicare PPO would be coded as 112, not as 01.1.2. All codes will be left-justified and each level will be only one digit.

Cindy Anaya discussed proposed revisions to the Department of Veterans Affairs codes, which had been distributed to participants prior to the call (attached). She first requested that "VA" be changed to "Department of Veterans Affairs." It was pointed out that the proposed revisions did not include care provided directly to Veterans at VA facilities, and that the typology is designed to cover all payers, including care provided directly by facilities or other providers, even if no claims are generated. After some discussion, the following categories were suggested:

32 Department of Veterans Affairs

321 Veteran Care - Care provided to Veterans

3211 Direct Care - Care Provided in VA Facilities

3212 Indirect Care - Care provided outside VA Faciliti

32121 Fee basis

3219 Other care provided to Veterans

322 Non Veteran - Care provided to Spouse and Children of Veterans

3221 CHAMPVA - Civilian Health and Medical Program for the Department of Veterans Affairs

3222 Spina Bifida Health Care Program (SB)

3223 Children of Women Vietnam Veterans (CWVV)

3229 Other

The group also discussed the possibility of including codes to identify the type of service provided (e.g., pharmacy, nursing home) but decided that the purpose of the typology was to identify what program, provider or insurer paid for care, not what specific services were provided. However, the group could discuss how the typology could account for specific types of payment programs such as pharmacy benefits management programs or other insurance carve-outs, during a later call.

Regina Haley, representing the Department of Defense, also raised the point that the typology may be missing a code for care provided directly by military health care facilities. Based on the discussion the hierarchy for the Department of Defense will change to better reflect the how health services are paid by the Department of Department. The Department of Defense will send the Payer Work Group Co-chairs their new hierarchical structure to be voted on by the subcommittee. (Addendum: proposed changes are attached).

For both VA and DOD, as well as other payer types, "other" can be used to code new lines of business as they emerge and until a new code is assigned.

Charles Wentzel proposed revising the codes 521 and 523, and 522 and 524 because they appear to be redundant. The subcommittee will consider dropping one code from each pair. He also proposed additional gatekeeper PPOs (attached) and raised the possibility of additional codes for the Medicare program. Members have a gatekeeper to refer them within an organization. Five payers are utilizing this line of business already in Pennsylvania.

Ginger Cox raised the issue of whether codes used in the typology that are dropped can be reused at a later date, or if they will be retired and never reused. It was proposed that because this is the first version of the typology and several of the major payers appear to be classified incorrectly (VA and DOD in particular) that codes in this version can be reused, and that after there is agreement that the typology is basically correct we will begin retiring codes rather than reusing them, so that data can be trended. She also suggested that good documentation is needed to denote the beginning and ending dates (when codes are included and retired). She also suggested that categories of managed care have consistent codes—for example, HMO would always be a "1" and PPO would always be a "2".

Changes proposed by Regina Haley for the Department of Defense, submitted October 23, 2006

31	**Department of Defense**
311	**TRICARE (CHAMPUS)**
3111	TRICARE Prime – HMO
3112	TRICARE Extra – PPO
113	TRICARE Standard - Fee For Service
114	TRICARE For Life – Medicare Supplement
115	TRICARE Reserve Select
3116	Uniformed Services Family Health Plan (USFHP) – HMO
3117	Department of Defense - (other)
312	**MILITARY TREATMENT FACILITY**
3121	Enrolled Prime – HMO
3122	Nonenrolled Space Available
3123	TRICARE For Life (TFL)
313	**Dental – Stand Alone**

The meeting adjourned at 3:05 p.m. EST.

Minutes of Meeting
Public Health Data Standards Consortium
Payer Type Subcommittee Conference Call
November 2, 2006

The Payer Type Subcommittee convened by conference call at 2:30 on Thursday, November 2, 2006.

Participants on the call who identified themselves were:

Roxanne Andrews, Agency for Healthcare Research and Quality
Amy Bernstein, CDC/National Center for Health Statistics
Starla Ledbetter, California Office of Statewide Health Planning
Bob Davis, Consultant for NCHS and NAHDO
Wanda Govan-Jenkins, CDC/National Center for Health Statistics
Judy Parlato,Mass. Division of Health Care Finance & Policy
Charles Wentzel, Pennsylvania Health Care Cost Containment Council
Barbara Rudolph, NAHDO
Hetty Khan, CDC/National Center for Health Statistics

The purpose of this call was to vote on changes to the Payer Typology recommended on the October 19th call by the Department of Defense, the Department of Veterans Administration, the Pennsylvania Cost Containment Council, and the Architecture Committee of ANSI X12.

Amy Bernstein began the meeting at 2:30 p.m. EST.

The minutes from the October 19th, 2006 conference call that was open to all parties were approved unanimously.

Voting Items:

- Confirmation of proposed formatting changes (six digits, no delimiters, delete leading zeros from major headings)

  The Payer Type Committee unanimously approved the recommended formatting changes from the Architecture Committee of ANSI X12 for the payer type code to be six characters in length with no delimiters separating the different hierarchical levels and to have no leading zeros in the first hierarchical level.

- The Department of Veterans Affairs modifications

  The Payer Type Committee unanimously approved the changes recommended by the Department of Veterans Affairs category (32x). Below is the code values approved for the Department of Veterans Affairs in the Payer Typology.

Code	Description
32	Department of Veterans Affairs
3211	Direct Care – Care Provided in VA Facilities
3212	Indirect Care Care – Care Provided Outside VA Facilities
32121	Fee Basis
3219	Other
322	**Non Veteran** - Care provided to Spouse and Children of Veterans
3221	CHAMPVA - Civilian Health and Medical Program for the Department of Veterans Affairs
3222	Spina Bifida Health Care Program (SB)
3223	Children of Women Vietnam Veterans (CWVV)
3229	Other

- DOD proposed modifications

The Payer Type Committee unanimously approved the changes recommended by the Department of Defense category (31x). Below is the code values approved for the Department of Defense in the Payer Typology.

Code	Description
31	Department of Defense
311	TRICARE (CHAMPUS)
3111	TRICARE Prime – HMO
3112	TRICARE Extra – PPO
3113	TRICARE Standard - Fee For Service
3114	TRICARE For Life – Medicare Supplement
3115	TRICARE Reserve Select
3116	Uniformed Services Family Health Plan (USFHP) – HMO
3119	Department of Defense - (other)
312	Military Treatment Facility
3121	Enrolled Prime – HMO
3122	Nonenrolled Space Available
3123	TRICARE For Life (TFL)
313	Dental – Stand Alone

It should be noted that the Department of Defense is still in the process of formally approving this typology, but the committee unanimously agreed that this was an improvement over the existing code values and should be approved at this time. If additional modifications are necessary, that could be part of the next cycle of changes to the Payer Typology.

- Commercial ASO proposed modifications

The Payer Type Committee unanimously approved the changes recommended by the Pennsylvania Cost Containment Council for the Private Health Insurance category (52x). After discussion of changes proposed at the October 19th conference call, the following code values were approved for this category to the Payer Typology.

Code	Description
52	Private Health Insurance - Indemnity
521	Commercial Indemnity
522	Self-insured (ERISA) ASO plan
523	Medicare supplemental policy (as second payor)

There was also discussion to restructure the entire Private Health Insurance – Indemnity category (52x). After considerable discussion it was decided to table that request until more industry, especially payer, vetting of the proposal was done. Below is the recommended changes that were tabled for further discussion.

05 PRIVATE HEALTH INSURANCE (other than Blue Cross/Blue Shield)

051 Private Health Insurance - FFS *(SBR09 value - 15)*
0511 Private Health Insurance - FFS - Fully-Insured
0512 Private Health Insurance - FFS - Self-Insured/Administrative Services Only
052 Private Health Insurance - HMO *(SBR09 value - HM)*
0521 Private Health Insurance - HMO - Fully-Insured
0522 Private Health Insurance - HMO - Self-Insured/Administrative Services Only
053 Private Health Insurance - PPO *(SBR09 value - 12)*
0531 Private Health Insurance - PPO - Fully-Insured
0532 Private Health Insurance - PPO - Self-Insured/Administrative Services Only
054 Private Health Insurance - POS *(SBR09 value - 13)*
0541 Private Health Insurance - POS - Fully-Insured
0542 Private Health Insurance - POS - Self-Insured/Administrative Services Only
055 Private Health Insurance - EPO *(SBR09 value - 13)*
0551 Private Health Insurance - EPO - Fully-Insured
0552 Private Health Insurance - EPO - Self-Insured/Administrative Services Only
056 Private Health Insurance - GPPO
0561 Private Health Insurance - GPPO - Fully-Insured
0562 Private Health Insurance - GPPO - Self-Insured/Administrative Services Only
059 Private Health Insurance - Other
0591 Private Health Insurance - Other - Fully-Insured
0592 Private Health Insurance - Other - Self-Insured/Administrative Services Only

- Other Voting Items

The Payer Type Committee unanimously approved the changes to eliminate redundancies and provide internal consistency in the Payer Typology. Below are those changes.

A new code was added under the Managed Care (Private) category (51x) for the Gatekeeper Preferred Provider Organization (PPO). The new code value is 515.

A code value was deleted under the Medicare (Non Managed Care) category (12x) to eliminate a duplicate entry. The 124 code [Medicare Drug Benefit (Part D)] duplicated the 122 code [Medicare Drug Benefit] and has been deleted.

The Other Government (Federal, State, Local not specified) category (38x) has been restructured to be more consistent with the rest of the Payer Typology. Below is the newly restructured code values and associated descriptions.

Code	Description
38	Other Government (Federal, State, Local not specified)
381	Managed Care
3811	Federal, State, Local not specified - HMO
3812	Federal, State, Local not specified - PPO
3813	Federal, State, Local not specified – POS
3819	Federal, State, Local not specified – Other
382	Fee for Service (FFS)
389	Federal, State, Local not specified - Other

- Plan for Completing the User Guide

The National Association of Health Data Organizations (NAHDO) has been contracted through a Personal Services Contract with the National Center for Health Statistics to complete a next draft of the Payer Typology User Guide. A first draft was developed by NCHS staff and will be enhanced as a result of this contract.

The meeting adjourned at 3:25 p.m. EST.