

**NHIN and Electronic Submission of Medical Documentation (esMD) to CMS**

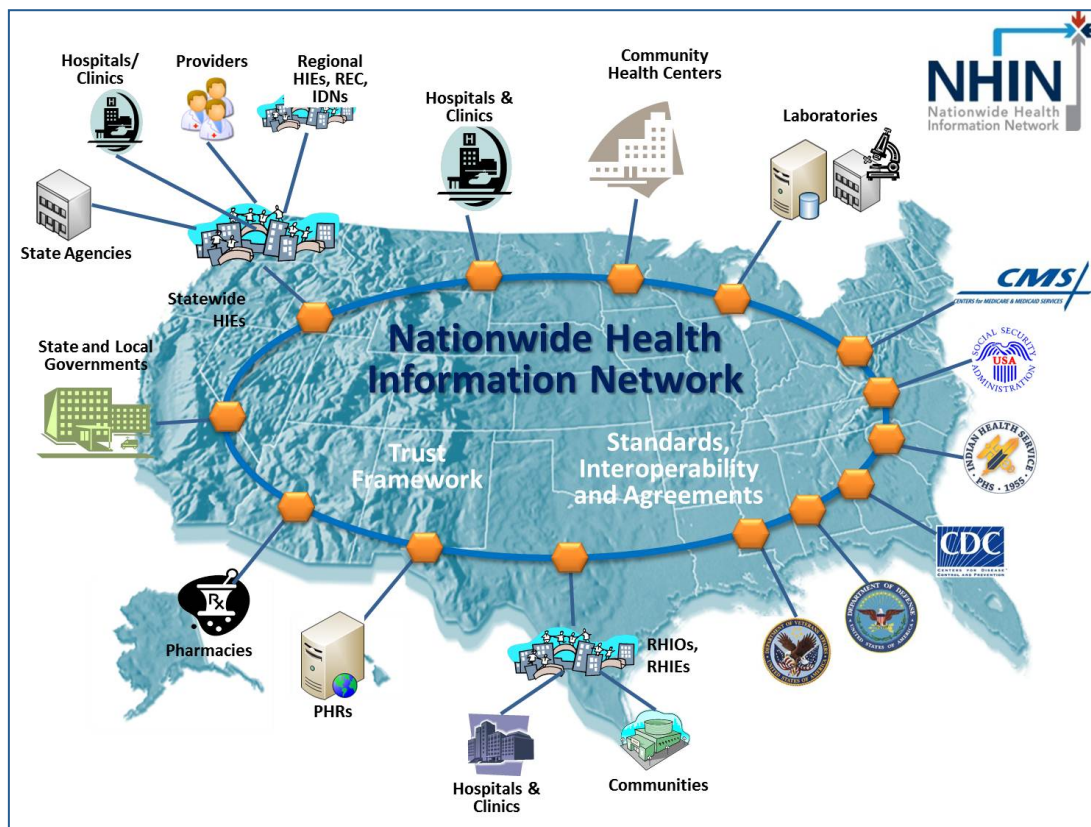
*The Impact on HIE Sustainability by Utilization of the NHIN for Administrative Transactions*

A White Paper by Chris Smith and Seonho Kim - ApeniMED

**Introduction:**

As Health Information Exchanges (HIEs) build infrastructure, connect stakeholders together, and become functional, there is an emphasis on HIE sustainability models and use-cases that directly impact these specific providers and stakeholders. One such use-case is the utilization of NHIN, or the Nationwide Health Information Network, to allow HIEs to directly connect to the Centers for Medicare and Medicaid Services (CMS) to electronically submit medical documentation (esMD) requested by CMS Review Contractors.

In September 2011, CMS unveiled a pilot project, Electronic Submission of Medical Documentation (esMD), under which providers will be able to reply to CMS Review Contractors' requests for medical documentation through secure, electronic responses employing NHIN standards.



### **What is NHIN?**

The Nationwide Health Information Network (NHIN, or NwHIN), is defined as “a set of standards, services and policies that enable secure health information exchange over the Internet.”<sup>1</sup> NHIN has developed into two core offerings: NHIN Exchange and the Direct Project (NHIN Direct). Both NHIN Exchange and the Direct Project offer use-cases for interoperability and the exchange of clinical and administrative data. NHIN Exchange and the Direct Project, however, have significant differences, including automation and users.

### **What is the difference between NHIN Exchange and The Direct Project?**

NHIN Exchange is an enterprise-to-enterprise connectivity model, allowing HIEs, State Agencies, Federal Agencies, and large stakeholders (Regional Health Information Organizations, Integrated Delivery Networks, etc) to connect to other enterprise stakeholders, typically in an automated model.

The Direct Project, launched in March 2010 by the Office of the National Coordinator for Health Information Technology (ONC), specifies ***a secure, scalable, standards-based way for participants to send authenticated, encrypted health information directly to known, trusted recipients over the Internet.*** The Direct Project expands and complements existing NHIN Exchange standards and service descriptions to address the key Stage 1 requirements for “meaningful use” under the Medicare and Medicaid Electronic Health Record Incentive Programs and to provide an easy “on-ramp” to nationwide exchange for a wide set of providers and organizations. Currently, the Direct Project is a more manual process, allowing individual providers to securely message (e.g., referrals, clinical document attachments, etc.) other providers and individual users.

NHIN Exchange participation requires execution of an agreement on data use and policies by HIEs and NHIN Exchange members to support the enterprise-to-enterprise trust fabric known as DURSA, or the Data Use and Reciprocal Support Agreement. DURSA is “a legal agreement created to promote and establish trust among the Participants”<sup>2</sup>. Currently, NHIN Exchange also requires the support of a Federal Agency for complete ONC on-boarding.

The Direct Project currently does not require execution of the DURSA. However, a provider who wants to use Direct Project services needs to go through an on-boarding authorization/certification process and sign a business agreement with a health information service provider (HISP).

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[http://healthit.hhs.gov/portal/server.pt/community/healthit\\_hhs\\_gov\\_\\_nationwide\\_health\\_information\\_network/1142](http://healthit.hhs.gov/portal/server.pt/community/healthit_hhs_gov__nationwide_health_information_network/1142)

<sup>2</sup> <http://jira.siframework.org/wiki/display/OBTI/DURSA+Overview>

### **How NHIN Exchange and The Direct Project Are Implemented**

NHIN Exchange and the Direct Project can work independently or in concert. For example, providers within an HIE could use the Direct Project to message each other, send clinical documents, send referrals, and even send messages with secure attachments to the HIE itself. The HIE would then facilitate the exchange of these messages/attachments with other HIEs, State Agencies, or Federal Agencies via NHIN Exchange.

HIEs and large stakeholders will need an NHIN Exchange Gateway (or Platform) implementation of NHIN Exchange core service specifications to connect to other enterprise stakeholders (State Agencies, Federal Agencies, State HIEs, etc). CONNECT<sup>3</sup> is the group that updates and releases the approved code for NHIN Exchange by the Office of the National Coordinator for Health Information Technology (ONC). This provides a standards-based code-set for NHIN Exchange Gateways and thus ensures NHIN Exchange Gateway-to-NHIN Exchange Gateway compatibility and interoperability. As a result, enterprises that adopt 'CONNECT-compliant' NHIN Exchange Gateways or Platforms can ensure interoperability with most State Agencies, Federal Agencies, HIEs, and other stakeholders.

CMS has adopted NHIN Exchange and an open source CONNECT Gateway as a supported connectivity methodology. The NHIN Exchange use-case CMS currently supports is the Electronic Submission of Medical Documentation (esMD) pilot.<sup>4</sup>

### **How NHIN Exchange Provides Connectivity to CMS for the esMD Use-Case**

CMS receives approximately 4.8 million claims per day, and the CMS Office of Financial Management estimates that improper payments totaling more than \$35.4 billion dollars in Medicare and more than \$22.5 billion in Medicaid are made each year. CMS has stated that most improper payments can only be detected by a human comparing a claim to supporting medical documentation. Currently, there are over 1 million requests for supporting medical documentation per year for review and CMS expects that number to grow significantly in the coming years as CMS Review Contractors increase their efforts to find and prevent improper payments.

Section 302 of the Tax Relief and Health Care Act of 2006 made permanent a recovery audit program to detect and correct past Medicare Fee-for-Service improper payments made to Medicare providers. The law required CMS to expand the program to all 50 states

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<sup>3</sup> <http://www.connectopensource.org>

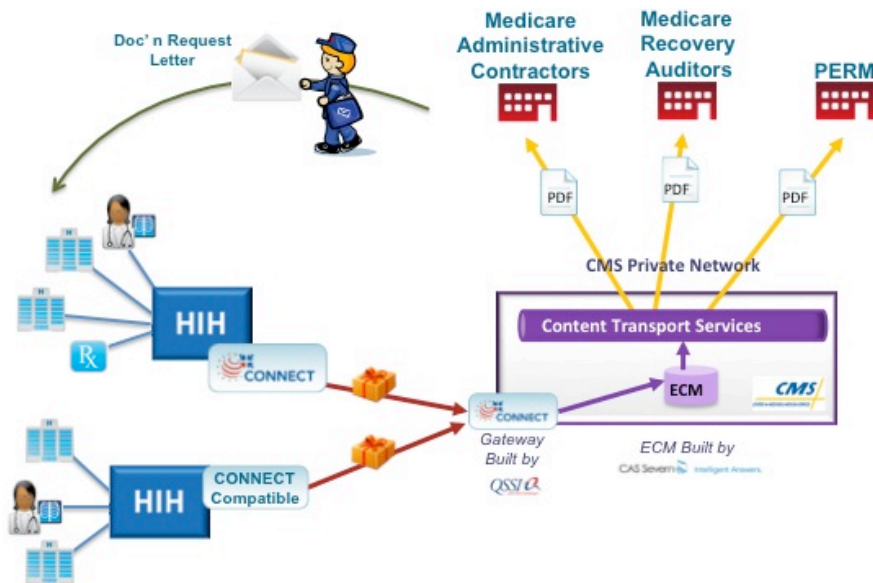
<sup>4</sup> <https://www.cms.gov/esMD>

by no later than 2010. Recovery Auditors can audit any Medicare provider to detect and correct past improper payments. According to CMS, Recovery Auditors review claims on a post-payment basis, use the same Medicare policies as Medicare Administrative Contractors, and are not allowed to review claims paid prior to October 1, 2007.

The CMS Recovery Auditor program can have a significant impact on any Medicare provider who is required to submit supporting medical documentation to the recovery auditors upon request. Currently, most supporting medical documentation is submitted in paper format. Prior to the esMD pilot providers had three choices when responding to supporting documentation requests: mail paper, mail a CD or DVD containing a PDF or TIFF file, or transmit a fax.

A Medicare provider will receive a request for supporting documentation from the recovery auditor through the U.S. Mail, and then will have to submit supporting medical documentation to the recovery auditor in support of the audit. If the Medicare provider is using an electronic billing system and electronic health record system, the provider will have to print the supporting documentation and mail it to the Recovery Auditor. The Recovery Auditor receives the supporting documentation in paper format and then scans the supporting medical documentation for further processing and review.

The esMD pilot gives providers an additional option for responding to these requests for medical documentation: electronic transmission through a CMS gateway to the review contractor that requested it. CMS has stated that, for now, Medicare recovery auditors will continue to pay a per-page reimbursement to certain Medicare providers for supporting medical documentation, whether *the supporting medical documentation arrives in paper or in electronic format*.



As seen in the above diagram from CMS, providers who wish to use this new mechanism will have to establish a business agreement with a health information handler (HIH)<sup>5</sup> that will securely submit medical documentation on behalf of the Medicare provider.

If a Medicare provider is already participating in an HIE that does not currently use the esMD standard, the provider can request that the HIE adopt the esMD standard and become an esMD HIH. If a Medicare provider is not currently participating in an HIE, the provider can contact one of the HIHs listed on the CMS website ([www.cms.hhs.gov/esMD](http://www.cms.hhs.gov/esMD)) to determine if esMD services are available at a reasonable price.

The impact of moving from paper-based workflows to the submission of electronic supporting documentation to CMS using NHIN will be significant. Supporting medical documentation for a single audit request may include more than one hundred pages. Additionally, the time to submit the supporting medical documentation and successfully resolve the Recovery Auditor audit process may be lengthy, and likely will be significantly shortened by using an electronic process over NHIN Exchange.

<sup>5</sup> Regional Health Information Organizations (RHIOs), Health Information Exchanges (HIEs), Release of Information (ROI) vendors, claim clearing houses or any other entities that move health information over secure CONNECT compatible gateways on behalf of healthcare providers.

**esMD Impact on HIEs and Sustainability:**

As many HIEs seek practical use-cases to support provider/HIE stakeholder workflows and business processes, there is a tremendous opportunity for HIEs to join the esMD pilot . HIEs can now offer electronic Recovery Auditor transmissions through CMS for HIE members who are Medicare providers.

Benefits of the esMD pilot for HIEs and HIE members and stakeholders include:

- Faster resolution of Recovery Audit Program audits as a result of submission of supporting medical documentation in an electronic workflow and process
- An electronic workflow for HIE members (Medicare providers) who have or are implementing an EHR and/or electronic billing system
- An administrative transaction use-case for HIEs and HIE stakeholders that encourages participation with the HIE while solving business processes and paper workflows
- A revenue model with a revenue split opportunity on the esMD service provided by the HIE (the per page reimbursement from the Medicare Recovery Auditor)
- The ability for the HIE to add additional CMS transactions and services as they become available (on the CMS roadmap)

**Three Options to Participate in the esMD and the CMS NHIN Exchange Project:**

1. HIEs can implement their own NHIN Exchange (CONNECT-compliant) Gateway or Platform with connectivity to CMS (and thus become an HIH)
2. HIEs can work with a vendor (or hire an HIH vendor) to implement a NHIN Exchange (CONNECT-compliant) Gateway or Platform with connectivity to CMS
3. HIEs or Medicare providers can buy an esMD service from an existing HIH and use an existing NHIN Exchange (CONNECT-compliant) Gateway or Platform

*ApeniMED is a supporter and participant in the esMD project, as well as a known NHIN Exchange and Direct Project vendor and implementation specialist.*