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OFFICE OF
INSURANCE COMMISSIONER

December 1, 2011

To the members of the Washington State Legislature:

It is my pleasure to submit the third progress report on the implementation of Second Substitute Senate Bill 5346 (2009) – Health Care Uniform Administrative Procedures Development. This report has been prepared by the Work Smart Institute on behalf of OneHealthPort and the Washington Healthcare Forum, the entities I appointed in 2009 to lead the work on the 16 initiatives required by the bill.

This year's report discusses the progress made in 2011, with an emphasis on what has been done to promote payer and provider adoption of solutions created pursuant to 2SSB 5346 – the Provider Data Source and Best Practice Recommendations (BPRs) for eligibility and benefits information, pre-authorization, and claims coding. These solutions reduce administrative hassles and expenses, but also require changes to administrative systems and business processes. They will be the Work Smart Institute's top priority for 2012.

This report also refers to three important federal initiatives that overlap with the state administrative simplification initiatives in 2SSB 5346:

- Implementation of a new version (5010) of the federally-mandated HIPAA transaction standards
- Adoption by the U.S. Department of Health and Human Services of national Operating Rules for Eligibility, Claims Status, Electronic Fund Transfer, and Electronic Remittance Advice transactions
- Implementation of a state Health Information Exchange (HIE) financed in part by funding from the American Recovery and Reinvestment Act (ARRA).

These federal initiatives are taking place at the same time as health care payers, providers, and the state work on the implementation of insurance market reforms, the health insurance exchange, and several other provisions of the federal Affordable Care Act. It is clear that 2012 will be a very busy year as we continue our efforts to expand access to health care, improve health insurance markets, and reduce health care administrative burdens and expenses.

I hope that you find this report informative and useful. If you have any questions, please feel free to contact me at (360) 725-7100.

Sincerely,

Mike Kreidler
Insurance Commissioner

Third Progress Report on the Implementation of SSB 5346

Submitted by:

A program of the Washington Healthcare Forum
Operated by OneHealthPort

December 1, 2011

Third Progress Report on the Implementation of SSB 5346 (2009)
December 1, 2011

I. Introduction

This is the third progress report on the implementation of SSB 5346 (48.165 RCW http://apps.leg.wa.gov/RCW/default.aspx?cite=48.165 and 70.14.155 RCW http://apps.leg.wa.gov/RCW/default.aspx?cite=70.14.155) submitted to the Washington State Legislature by the WorkSMART Institute and Insurance Commissioner Mike Kreidler. WorkSMART is acting on behalf of the SSB 5346 Lead Organizations designated by Commissioner Kreidler: the Washington Healthcare Forum and OneHealthPort. This progress report is designed as a companion document to the progress reports dated December 1, 2009 and December 1, 2010. As such, this report will not repeat the background information on SSB 5346, health care administration, the lead organizations or the work accomplished in 2009 and 2010. This report will focus on the progress made implementing SSB 5346 from December 1, 2010 thru November 30, 2011.

One of key responsibilities assigned to WorkSMART and the OIC under SSB 5346 is transparent accountability. The OIC and WorkSMART have interpreted this to mean the following;

- No secrets – all matters pertaining to the implementation of SSB 5346 are open to all interested parties.
- Public Reporting – on a regular basis WorkSMART shares deliverables, progress, challenges and opportunities with the OIC, the Insurance Commissioner's Executive Oversight Group (EOG), the Legislature, and Stakeholders.
- Simplified Access – make it as easy as possible for interested parties to find information about the implementation of SSB 5346.

To bring these principles to life, in 2011 WorkSMART enhanced its website and reorganized the SSB 5346 information. Because of the complexity and detail inherent in administrative simplification, the enhanced website includes a number of dynamic tables. These dynamic tables are the best way to display the progress in implementing the initiatives required by SSB 5346. Therefore, rather than simply provide multiple pages of detailed static documents this report will reference the WorkSMART website with embedded links that provide the Legislature with direct access to the dynamic SSB 5346 materials.

Following the Introduction and Executive Summary, this report is organized by key subject matter sections including:

- Solutions
- Provider Data Service
- Federal Administrative Simplification Efforts
- Payer Adoption
- Provider Adoption
- Outreach
- Going Forward

II. Executive Summary

This is the third progress report on the implementation of SSB 5346 submitted to the Washington State Legislature by the WorkSMART Institute and Insurance Commissioner Mike Kreidler. WorkSMART is acting on behalf of the SSB 5346 Lead Organizations designated by Commissioner Kreidler: the Washington Healthcare Forum and OneHealthPort.

Solutions - SSB 5346 calls for the development and adoption of a number of "solutions" designed to simplify health care administration. It is the responsibility of the Lead Organizations, with oversight from the Office of the Insurance Commissioner (OIC), to develop, implement and gain adoption of this solution set. To develop solutions for the transactions, web sites and policies, WorkSMART has adopted the Best Practice Recommendation (BPR) model described in the first progress report.

- All the SSB 5346 BPRs are online at http://www.onehealthport.com/worksmart/bproverview.php.
- The Medical Management and Retroactive Denial of Eligibility Reports are at http://www.onehealthport.com/admin_simp/admin_simp_overview.php
- Provider Data Service information is at http://www.onehealthport.com/services/providersource_live.php.

Provider Data Service - The Provider Data Service (PDS) is the solution implemented by OneHealthPort for Section 6 of SSB 5346 (RCW 48.165.035). As described in the first progress report OneHealthPort contracted with Medversant to deliver the PDS to Washington state practitioners, payers and hospitals. The initial rollout of the PDS occurred in late 2010. Progress over the last year has been uneven but is now trending in a positive direction. As of the end of October 2011, there are almost 7,000 provider records entered in the PDS with over 1,000 attested and complete. OneHealthPort expects the adoption and attestation rate will continue to increase. However, it may take one full three-year health plan credentialing cycle to fully populate the system with provider data.

Federal Administrative Simplification Reform - The Federal Affordable Care Act contains provisions related to administrative simplification. The Council on Affordable Quality Health Care (CAQH) and its CORE program has been designated to lead the development of some of these provisions in a framework similar to the "Lead Organization" model embedded in SSB 5346. WorkSMART has purchased a membership in CORE and is formally engaged with its work. WorkSMART staff and stakeholders from Washington state payer and provider organizations have become active participants in the CAQH CORE process for developing operating rules for administrative transactions. The OIC has also been engaged in the national effort – testifying and submitting comments on a number of occasions and working with staff for the National Committee on Vital and Health Statistics (NCVHS) and CAQH CORE.

Payer Adoption - WorkSMART has experimented with different approaches to measuring and reporting on payer adoption of the SSB 5346 BPRs. The simple summary matrix deployed in 2010 was not an effective tool. There is an irreducible level of complexity in this area and oversimplification can distort

rather than clarify the message. To remedy this concern WorkSMART developed an improved payer adoption matrix based on dynamic tables. This allows WorkSMART participating payers to communicate detailed information and yet still provide a concise display. The current payer adoption matrix can be accessed at: http://www.onehealthport.com/worksmart/wsadoptionmatrix.php.

Overall the results of this improved approach are positive. While adoption by payers is not universal, most payers have adopted most of the BPRs in a timely manner, at a reasonable level of completeness and at less cost to the state than deploying a regulatory model. WorkSMART will continue to work with the OIC and stakeholders to monitor, report on, and increase the level of payer adoption of the SSB 5346 BPRs.

Provider Adoption - SSB 5346 calls on both payers and providers to adopt the processes, guidelines, and standards developed pursuant to the bill and to change how they do their work. Provider adoption is harder to track than payer adoption for a number of reasons. However, it is vital to find some way to measure provider adoption. Only when both providers and payers make changes will health care administration be simplified. In this context, WorkSMART has developed an initial approach to measuring provider adoption that can be found at: http://www.onehealthport.com/worksmart/reporting.php.

Outreach - With the completion of solution development, the primary challenge now confronting WorkSMART is driving adoption. The core of this effort is outreach. The provider community is large and diverse. They are focused on a patient care mission and face a number of financial, operational and regulatory challenges. SSB 5346 is not top of mind for most provider organizations. Therefore, the first task of any outreach effort is to raise awareness. No one can adopt solutions they are not even aware of. Once awareness is raised, it becomes critical to make adoption as easy as possible. This largely involves education and training of some form. These two priorities – raising awareness and delivering education and training comprised the bulk of the SSB 5346 outreach effort over the past year.

Going Forward – In the future the work of the Admin Simp program will be tightly focused in three areas that meet the following criteria: (1) they are of high interest to plans, providers and the public sector; (2) promising solutions are already available; (3) they are required by SSB 5346; and (4) they allow for measurement of results. These focus areas are:

- Driving increased use of health plan web sites by providers. Emphasis will be on the web sites providing information regarding eligibility and benefits, pre-authorization requirements, and claim status inquiries.
- Accelerating adoption of system-to-system exchange. Emphasis will be on the adoption of the Health Information Exchange (HIE) Hub and exchange of standard business transactions.
- Improving the quality of provider credentialing and directory data. Emphasis will be on the adoption of the Provider Data Service in support of both credentialing and broader provider directory services.

In addition there is an increasing need to align the federal and state Admin Simp reform efforts in order to reduce the compliance burden faced by all parties. The emphasis will be on informing

payers and providers of pending requirements, facilitating collaborative implementation where desired (e.g., 5010) and in select cases intervening to promote alignment between federal reforms and Washington State efforts.

In support of this important work the Washington Healthcare Forum generously agreed to extend its financial support of OneHealthPort's and WorkSMART's efforts. As of this writing the Forum and OneHealthPort are engaged with the OIC to amend and extend the Memorandum of Understanding that controls the Lead Organizations' work under SSB 5346. The Forum, OneHealthPort and the OIC look forward to continuing this unique public-private partnership to simplify health care administration in Washington State and are pleased to address any questions the Legislature may have.

III. Solutions

SSB 5346 calls for development and adoption of a number of "solutions" designed to simplify health care administration. It is the responsibility of the Lead Organizations, with oversight from the Office of the Insurance Commissioner (OIC), to develop, implement and gain adoption of this solution set. To develop solutions for the transactions, web sites and policies, WorkSMART has adopted the Best Practice Recommendation (BPR) model described in pages 10-12 of the first progress report. http://www.insurance.wa.gov/legislative/reports/AdminSimplification1.pdf

A BPR is a better way to get things done that is pragmatic and works for everyone. To address the other solutions called for in the bill WorkSMART has deployed the Provider Data Service and compiled reports on Medical Management and Retroactive Denial of Eligibility.

All the BPRs developed pursuant to SSB 5346 are online at
http://www.onehealthport.com/worksmart/bproverview.php.
The Medical Management and Retroactive Denial of Eligibility Reports are at
http://www.onehealthport.com/admin_simp/admin_simp_overview.php and
Information on the Provider Data Service is available at:
http://www.onehealthport.com/services/providersource_live.php.

In addition to the initiatives under SSB 5346 documented on the OneHealthPort and OIC websites, , there are several other important administrative simplification initiatives at the national and state levels that are demanding the attention of WorkSMART, the OIC, health care payers and providers, and other stakeholders:

- **ASC X12 enhancements** – ASC X12 is an organization named by HHS to maintain the standards for the basic HIPAA administrative transactions including eligibility, claims, claims status, etc. The current HIPAA transaction standards are the 4010 version; as of January 1, 2012, all insurers and providers have to modify their systems to be consistent with a newer version developed by ASC X12 – the 5010 version. CMS enacted this requirement in 2009 as part of the process to adopt the International Classification of Diseases, version 10 (ICD 10) in the United States in

2013. This change in the transaction standards has added complexity to the SSB 5346 BPRs that relate to ASC X12 transactions. WorkSMART has had to develop and report on both a 4010 version and a 5010 version. In addition, there are X12 transactions beyond the scope of SSB 5346 for which WorkSMART has also developed BPRs. Health care payers and providers have needed to implement many changes to their systems to meet the new 5010 standards. In addition ASC X12 has already published a proposal for a new version 6020 of the HIPAA transactions.

- **Federal Reform Efforts** – The Federal Affordable Care Act requires the Secretary of the Department of Health and Humans Services (HHS) to adopt new administrative simplification requirements, based on input from payers and providers and recommendations from the National Committee on Vital and Health Statistics (NCVHS). HHS has designated the Council on Affordable Quality Health Care (CAQH) and its CORE program to develop recommendations for NCVHS consideration, using a framework similar to the 'Lead Organization" model embedded in SSB 5346. These new federal requirements overlap to some degree with the requirements of SSB 5346.
- **Health Information Exchange (HIE)** – OneHealthPort also serves as the Lead Organization under SSB 5501 and is partnered with the Health Care Authority to deploy a statewide HIE financed in part by funding from the American Recovery and Reinvestment Act (ARRA). Among the transactions targeted by the HIE are administrative transactions. The state HIE will hopefully serve as a means to deploy the SSB 5346 BPRs related to HIPAA transaction sets.

The cumulative result of the these factors is a blurring of the lines between the Administrative Simplification initiatives developed pursuant to SSB 5346 and the broader range of Administrative Simplification initiatives being undertaken due to other federal, state, or private sector initiatives. While payers are aware of and concerned with compliance under SSB 5346, fewer providers are aware of which administrative simplification solutions arise from SSB 5346 vs. other sources. In general, both groups are simply trying to comply with overall requirements, reduce cost and improve efficiency. From the perspective of WorkSMART and the OIC the distinction of where the solutions arise is more meaningful as both parties have specific responsibilities under SSB 5346. However, both parties also have to work with, communicate with and motivate providers and payers to adopt the broader solutions and change the way they carry out administrative activities.

The solution that WorkSMART and the OIC have adopted to address their SSB 5346 responsibilities and the broader needs of the market is to adopt a "SSB 5346 Plus" approach to driving adoption and simplifying administration. All SSB 5346 solutions have been developed, implemented and their adoption is being promoted. However, WorkSMART is also developing the expanded set of solutions described above and in its outreach effort these solutions are blended with the SSB 5346 solutions in order to raise provider awareness and accelerate adoption.

IV. Provider Data Service

The Provider Data Service (PDS) is the solution implemented by the Lead Organization, OneHealthPort, for Section 6 of SSB 5346 (RCW 48.165.035) which calls for: *"…a uniform electronic process for collecting and transmitting the necessary provider-supplied data to support credentialing, admitting privileges, and other related processes*…" As described in the first progress report OneHealthPort contracted with Medversant to deliver the PDS to Washington state practitioners, payers and hospitals. http://www.insurance.wa.gov/legislative/reports/AdminSimplification1.pdf
The initial rollout of the PDS occurred in late 2010. Progress over the last year has been uneven but is now trending in a positive direction:

- Like many new applications the Medversant program had a variety of bugs. In addition, the original application was more suited for an enterprise setting than a community setting. Over time the major bugs have been fixed and the application is now well-designed to meet community needs. OneHealthPort is working closely with the user community and Medversant to continually enhance the application and improve flow and functionality.
- There are tens of thousands of licensed providers in the state and most were unaware of the PDS. It has taken time to raise awareness and gain adoption. OneHealthPort is conducting intensive outreach efforts independently and in conjunction with payers and provider associations. OneHealthPort has also prepared a variety of training aids to assist providers in using the PDS.
- As an electronic solution the PDS requires a different workflow than the traditional paper Washington Practitioner Application (WPA). Providers, particularly the practitioners, have been slow to change work flow. This results in records that are entered but not complete because the record lacks the final attestation by the practitioner.
- Commercial payers have largely adopted the PDS; the status of individual payers can be found at http://www.onehealthport.com/worksmart/wsadoptionmatrix.php. However, it takes time to move from the initial adoption of the PDS as one option for providers to submit their information to payers requiring the use of the PDS by providers. Slow but steady progress continues to be made in this regard.
- Public payers have not yet adopted the PDS due to a variety of concerns. OneHealthPort is hopeful that this will change in 2012. Medicaid has requested funding both as part of the 2011-2013 budget and in a proposal submitted to HHS in May 2011. The Department of Labor and Industries hopes the PDS can be a source of provider credentialing data as it establishes a provider network for the workers compensation program, as required by SB 5801 (2011).
- It is unclear how large provider groups who have been delegated by payers to perform credentialing activities fit under the SSB 5346 requirements. OneHealthPort is working to streamline the data entry process for the large delegated groups in order to encourage adoption.

The cumulative effect of OneHealthPort's, Medversant's and their community partners' efforts is starting to bear fruit. Awareness is up, the application is functioning well and both partial and complete

provider records have increased. As of the end of October 2011 there are almost 7,000 provider records entered in the PDS with almost 1,000 attested and complete. OneHealthPort expects the adoption and attestation rate will continue to increase. However, it may take a full three-year health plan credentialing cycle to fully populate the system with provider data.

OneHealthPort with the concurrence of the OIC has prioritized the implementation of the PDS for credentialing. As such, use of the system for hospital privileging is moving much slower. OneHealthPort is piloting the use of the system for privileging and is working with stakeholders to develop privileging standards. Over the long term, the use of the PDS to support hospital privileging will expand.

In the long term it is also envisioned that the PDS will support a more global provider directory services function. Ideally, the PDS will facilitate the population and maintenance of provider directories for payers, the Health Information Exchange, Health Systems and others.

V. Federal Administrative Simplification Efforts

The Federal Affordable Care Act established several new federal administrative simplification initiatives. The Secretary of the Department of Health and Humans Services (HHS) is required to adopt Operating Rules for several HIPAA transactions, beginning with the Eligibility and the Claims Status transactions. The Operating Rules have to be developed based on input from payers and providers and recommendations from the National Committee on Vital and Health Statistics (NCVHS). HHS has designated the Council on Affordable Quality Health Care (CAQH) and its CORE program to lead the development of the first Operating Rules, using an approach similar to the "Lead Organization" model embedded in SSB 5346. http://www.caqh.org/about.php http://www.caqh.org/benefits.php

WorkSMART has purchased a membership in CORE and is formally engaged with CAQH. WorkSMART staff and stakeholders from Washington state payer and provider organizations have become active participants in the CAQH process. The OIC has also been actively engaged in the national efforts - testifying and submitting written comments to the NCVHS and working with staff from CMS, the NCVHS, and CAQH CORE. The efforts of WorkSMART, local stakeholders and the OIC are focused in three areas:

1. Keeping Washington state payer and provider organizations informed of administrative simplification developments at the federal level to identify opportunities for input, and to support planning and compliance;
2. Facilitating collaborative implementation of federal reform efforts where desired (e.g., payer and provider implementation of the 5010 version of the X12 HIPAA transactions); and
3. Where needed, intervening to promote alignment between the federal reforms and Washington State efforts.

The third area has been of particular concern. Local stakeholders do not want to redo administrative simplification work that is already complete in Washington State in order to meet federal requirements. The clear majority of the payers, providers, and other entities on the Insurance Commissioner's Executive Oversight Group have expressed a preference to retain the ability of states to innovate above federal minimum requirements. The OIC has been deeply involved in this work and it currently appears

HHS will permit significant state-level discretion to promote additional simplification requirements that build on top of, and are not inconsistent with, HHS regulations.

This timeline for the new federal administrative simplification work extends through 2016. As such it is anticipated that the OIC, WorkSMART and interested local stakeholders will need to continue their involvement at the federal level along the three areas of focus described above.

VI. Payer Adoption

WorkSMART, with guidance from the OIC and the stakeholder community has experimented with different approaches to measuring and reporting on payer adoption of SSB 5346 BPRs. Lessons learned over the past year include the following:

- The simple summary matrix deployed in 2010 was not an effective tool. There is an irreducible level of complexity in this area and oversimplification can distort rather than clarify the message. To remedy this concern WorkSMART developed an improved payer adoption matrix based on dynamic tables. This allows WorkSMART participating payers to communicate all the detailed information and yet still provide a concise display. The current payer adoption matrix can be accessed at: http://www.onehealthport.com/worksmart/wsadoptionmatrix.php.
- Adoption is not merely a "yes" or "no" decision. BPRs like most "standards" contain some amount of optional elements. As such, it is necessary to account for different levels of adoption. WorkSMART has developed a three-tier approach to payer adoption of BPRs:
    - Complete – the highest grade awarded indicating adoption of all elements
    - Acceptable – the payer meets the minimum standard of the BPR
    - Unacceptable – the payer falls below the minimum standard in the BPR

  This tiered model is well aligned with the need to address state, national and regional organization needs. For example, for a BPR related to the eligibility transaction, a national payer could meet the acceptable level by being complaint with the national CORE standard while a local payer could achieve a complete rating by fully implementing the BPR which includes requirements above the CORE standard.

- Payer adoption does not occur instantaneously. There are a variety of system modifications that must be made and some take more time than others. This results in phased adoption. For this reason the payer adoption matrix needs to account for different components of the BPR being implemented over time.
- The payer adoption matrix does more than just report on the status of payer adoption; it is also a place where providers can link to the individual payer web sites and see copies of relevant policies or access specific features. These links also demonstrate that the payer is fulfilling its commitment to adopt. This effort to compile links remains a work in progress and will need to be an on-going effort. Some payers are now fully compliant; with others WorkSMART has to continue to push for fulfillment of the payer's obligations.

- Initially, the WorkSMART adoption matrix relies on self-reporting by payers. Some providers may be skeptical of self-reported findings. However, neither WorkSMART nor any other entity has been funded nor designed to be an enforcement agency. To move beyond self-reporting WorkSMART has developed a provider validation model which works as follows:
    - For most BPRs a structured validation methodology is developed by the work group that drafted the BPR;
    - Providers are recruited to join a validation team for a specific BPR;
    - The provider validation team conducts the validation using the structured validation process and works cooperatively with the payer to share their findings and address concerns; and
    - The final validation score is listed on the adoption matrix.

  This validation process is an important component of the continuous quality improvement cycle called for in SSB 5346 and also adds integrity to the reporting process. WorkSMART has struggled to recruit sufficient numbers of provider validators and continues to seek more volunteers to support this work. In the absence of a provider validation, the payers' self-report will be reported on the matrix.

Overall the results of this improved approach are positive. While adoption by payers is not universal, most payers have adopted most BPRS in a timely manner at a reasonable level of completeness and at less cost to the state than deploying a regulatory mechanism. WorkSMART will continue to work with the OIC and stakeholders to monitor, publically report on, and increase the level of payer adoption of the BPRs that have been created pursuant to SSB 5346.

VII. Provider Adoption

SSB 5346 calls on both payers and providers to adopt the provisions of the bill and change how they do their work. Provider adoption is harder to track than payer adoption for a number of reasons. However, it is vital to find some way to measure provider adoption. Only when both providers and payers make changes will health care administration be simplified. And, in any improvement effort the old axiom – you change what you measure - invariably holds true. In this context, WorkSMART has developed a three-tier approach to measuring provider adoption:

- For the PDS and the HIE HUB, OneHealthPort operates the solutions directly. Therefore, OneHealthPort can track and report precise levels of provider adoption. On the HIE/HIPAA transaction side it is important to note that there are other system-to-system channels providers and payers can use aside from the HIE. This means the measure of HIE adoption will likely understate the full level of provider adoption.
- For web-based solutions offered by payers for the eligibility and prior-authorization BPRs, WorkSMART has recruited a group of payers (Group Health, Molina, Premera and Regence) who have agreed to track and report on provider adoption of the selected web solutions. The measurement effort began in Q1 2011 and continues forward. As with any new process there are methodological issues to resolve. However, early findings suggest there is a

significant opportunity to reduce call volumes and increase web site visits. Exhibit I below shows the initial results of measuring provider adoption of online eligibility and benefits tools (the full exhibit can be found here: http://www.onehealthport.com/worksmart/reporting.php).

- For all other BPRs, no formal effort is being made to measure provider adoption due to the cost and complexity of measurement and the projected lack of return on the effort.

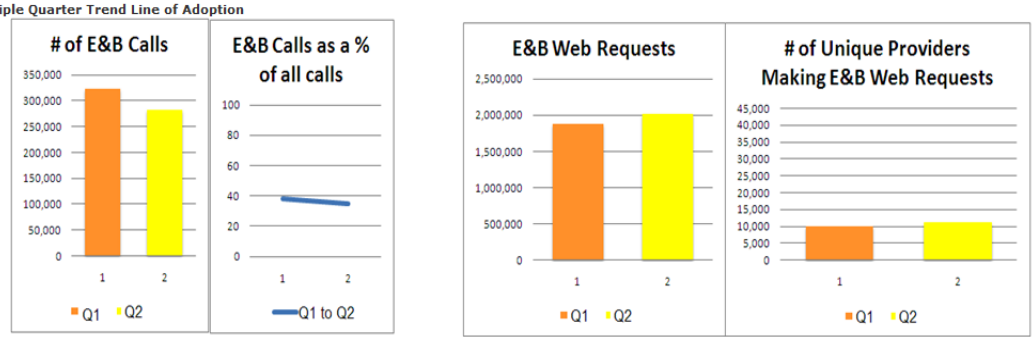
Exhibit I

Initial Findings – Provider Adoption of Select BPRs

Adoption of Eligibility & Benefit Capability

All reporting health plans have adopted the 'BPR - Requesting and Receiving Coverage Information for Eligibility & Benefits'. This reports tracks provider phone calls for Eligibility & Benefits information along with usage of the health plans web site to obtain that information.

- Multiple Quarter Trend Line of Adoption



- Adoption of Eligibility & Benefits Capability - 2nd Quarter 2011

Eligibility and Benefits checking	Call Volume		Web Usage		
	# of E&B calls*1	E&B calls*1 as a % of Total Calls*1	# of E&B requests	# of unique provider organizations making E&B requests	Average # of E&B requests by organization
Total - All Reporting Health Plans	283,209	35%	2,022,857	11,241	180
Group Health:	38,941	57%	669,567	3,610	185
Molina Health Plans:	7,703	9%	382,463	1,054	363
Premera Blue Cross:*2	192,192	39%	693,989	8,405	83
Regence BlueShield:	44,373	26%	276,838	7,916	35
Foot Notes:	*1 - Provider calls		*2 - Includes non-Washington State data		

To put these numbers in context:

- The combined cost to payers and providers of eligibility phone calls is approximately $15/call. This translates to close to a $10M opportunity for improvement just for these payers, just for these two quarters.
- There are approximately 45,000 provider tax IDs in regular use in the state, currently only about 25% of providers are using the more efficient online solutions.

WorkSMART will continue to refine, improve and report on provider adoption. Work is also underway with provider and payer stakeholders to identify and implement targeted intervention strategies to reduce phone calls and increase web visits.

VIII. Outreach

With the completion of solution development, the primary challenge currently confronting WorkSMART is driving adoption. The core of this effort is outreach. The provider community is large and diverse. They are focused on a patient care mission and face a number of financial, operational and regulatory challenges. SSB 5346 is not top of mind for most provider organizations. Therefore, the first task of any outreach effort is to raise awareness. Providers can't adopt solutions they are not even aware of. Once awareness is raised, it becomes critical to make adoption as easy as possible. This largely involves education and training of some form. These two priorities – raising awareness and delivering education and training comprised the bulk of the SSB 5346 outreach effort over the past year. The WorkSMART outreach effort in 2011 featured the following components:

- Focus groups – WorkSMART convened a variety of payer, provider and mixed groups to review outreach tactics and identify the approaches most likely to meet stakeholder needs and address SSB 5346 adoption objectives. These groups provided very helpful input on ideas for forums, training and online services.
- Electronic media – WorkSMART continues to make extensive use of electronic outreach tools including surveys, newsletters, web casts and web site improvements. The advantages of electronic tools are low cost, ease of deployment to the many thousands of provider organizations and the asynchronous nature of the tools (e.g., providers can access it whenever they want). The primary drawback is that the digital airwaves are getting increasingly crowded and it can be difficult to draw the attention of the audience to any specific digital content.
- Face-to-Face engagement – In addition to continuing deployment of electronic media, in 2011 WorkSMART embarked on an aggressive program of face-to-face engagement with provider stakeholders. This face-to-face engagement took three primary forms:
    - A series of half-day seminars held in eight locations around the state. These forums were well received. Satisfaction ratings were 88%.
    - WorkSMART partnered with Associations, payers, the state and other organizations to deliver news regarding SSB 5346 solutions through existing forums and meetings.
    - WorkSMART staff made site visits to several large health care payers and providers to speak with administrative staff about the BPRs.
- Training – WorkSMART developed and deployed additional training collaterals and videos. In collaboration with a number of payers, WorkSMART also deployed a one-stop training request form. Any provider can request training from a specific payer on specific transactions and tools at the provider's facility, simply by submitting this one common form.

WorkSMART is reviewing its 2011 experience with the payer and provider community and working with these key stakeholders to finalize plans for outreach in 2012.

IX. Going Forward

In ten years of Admin Simp work, the Forum, OneHealthPort and its stakeholders have learned a number of important lessons that will be applied to the next phase of work:

- An efficient and effective collaborative process is vital – Getting work done across enterprises in a transparent and inclusive manner requires clarity of purpose, rigorous facilitation, committed participants and relentless follow-up. After years of trial and error OneHealthPort has established a very strong collaborative process. This process is the cornerstone of the Admin Simp work going forward.

- Implementation is very important and very hard – It is easier to develop solutions than to get such solutions implemented in a meaningful way in the market. Cataloging multiple written policies and practices that are not actively deployed in the market does little to simplify administration. Ultimately, it is all about payers and providers making significant changes in the way their work is done.

- Narrow the focus – Market participants are limited in how much change they can process. In order to deliver meaningful results and operate the program efficiently, it is critical to develop a *limited* number of high value solutions and aggressively push adoption.

- Change what you measure – Admin Simp is like many of the other quality improvement activities underway in the health care industry. A key component of all such successful efforts is rigorous measurement. In narrowing the solution focus, emphasis should be placed on the ability to measure results, improve performance and document value.

- It's a long term process – There are not many "quick-wins" left in Admin Simp. Changing work flow, particularly in thousands of small provider organizations requires a longer-term focus, diligent execution and patience.

- It must be a blend – It is no longer viable to concentrate exclusively on federal or state or market interests. To be successful, the program must blend all of these requirements together.

Going forward, the work of the Admin Simp program will be tightly focused in three areas that meet the following criteria: (1) they are of high interest to plans, providers and the public sector; (2) promising solutions are already available; (3) they are required by SSB 5346; and (4) they allow for measurement of results. These focus areas are:

- Driving increased use of health plan web sites by providers. Emphasis will be on the web sites providing information regarding eligibility and benefits, pre-authorization requirements, and claim status inquiries.
- Accelerating adoption of system-to-system exchange. Emphasis will be on the adoption of the Health Information Exchange (HIE) Hub to exchange standard business transactions.

- Improving the quality of provider credentialing and directory data. Emphasis will be on the adoption of the Provider Data Service in support of both credentialing and broader provider directory services.

In addition, there is an increasing need to align the federal and state Admin Simp efforts in order to reduce the compliance burden faced by all parties. This effort will comprise the fourth area of focus for the Admin Simp program going forward. The emphasis will be on informing payers and providers of pending requirements, facilitating collaborative implementation where desired (e.g., 5010), and in select cases intervening to promote alignment between federal reforms and Washington State efforts.

Much of this work will entail communication, training and other tactics designed to gain adoption of the solutions by providers and payers.

In support of this important work the Washington Healthcare Forum has generously agreed to extend its financial support of OneHealthPort's and WorkSMART's efforts. As of this writing the Forum and OneHealthPort are engaged with the OIC to amend and extend the Memorandum of Understanding that controls the Lead Organizations' work under SSB 5346. The Forum, OneHealthPort and the OIC look forward to continuing this unique public-private partnership to simplify health care administration in Washington State and are happy to address any questions the Legislature may have.