

Electronic Data Interchange

An Information Brief
January 2014

Background

The Maryland Health Care Commission (MHCC) annually assesses electronic data interchange (EDI) activity among State-regulated payors (payors) with annual premiums of \$1M or more, as well as certain specialty payors, Medicare, Medicaid, and Managed Care Organizations (MCOs).¹ EDI is the electronic exchange of standardized transactions between organizations. Adoption of EDI among payors and health care providers has the potential to generate operational efficiencies and reduce administrative costs; actual savings generated may vary by organization based on efficiencies in workflow.

The health care industry has used EDI for more than 30 years. The Administrative Simplification provision of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) identified standards for the electronic transport of health care claims and other health care transactions.^{2,3} The MHCC began to collect and analyze EDI activity in 1998. EDI activity among all payors in Maryland has increased nearly 42.8 percent, from about 48 percent in 1998 to roughly 90.8 percent in 2012. This is attributed to provider adoption of technology and payor policies regarding electronic claim submissions.

2012 EDI Activity

2012 EDI data was collected from approximately 48 payors, which includes 39 private payors, Medicare, Medicaid, and seven MCOs. Data collected includes census level information on administrative health care transactions for roughly eight transaction types.⁴ This information brief provides an overview of EDI activity in Maryland for government payors and the six largest private payors: Aetna, Inc. (Aetna), CareFirst BlueCross BlueShield (CareFirst), CIGNA Healthcare Mid-Atlantic, Inc. (CIGNA), Coventry Health Care of Delaware, Inc. (Coventry), Kaiser Permanente Insurance Company (Kaiser), and UnitedHealthcare of the Mid-Atlantic, Inc. (UnitedHealthcare).

EDI activity continued to increase slightly in 2012 from 89.8 percent in 2011 to roughly 90.8 percent. All provider types (practitioner, hospital, and dental) reported increased EDI activity, with dental providers reporting the greatest increase at approximately 1.8 percent since 2011. Dental EDI activity among payors is less than half of the overall EDI rate. This is primarily due to payor business rules that require hard copy attachments to be submitted with claims. The following table identifies the volume of claims submitted electronically in 2011 and 2012.

¹ Health-General Article, §4-302.1, Annotated Code of Maryland and COMAR 10.25.09

² 45 CFR Parts 160, 162, and 164

³ Other administrative transactions are identified by transaction codes and include: health plan eligibility (270/271), health claim status (276/277), referral certification and authorization (278), health plan premium payments (820), enrollment/disenrollment in a health plan (834), and claims payment and remittance advice (835)

⁴ Ibid

Maryland EDI Activity Overview

Claim Type	Private Payors EDI %			Government Payors EDI %			Total EDI %		
	2011	2012	Variance	2011	2012	Variance	2011	2012	Variance
Practitioner	84.8	86.3	1.5	96.8	97.4	0.6	90.4	91.4	1
Hospital	85.7	86.7	1	98.2	98.0	-0.2	91.3	91.9	0.6
Dental	30.6	34.1	3.5	100	100	0.0	77.9	79.7	1.8
Total	83	84.8	1.8	97.2	97.6	0.4	89.8	90.8	1

Payors Supporting Other Administrative Transactions

Health care providers can submit non-claim transactions, or other administrative transactions, to payors through web-based portals or batch transactions. Web-based portals are not as cost efficient as batch-transactions, as web-based portals require providers to re-enter data and utilize different portals for each payor. Batch-transactions enable providers to submit transactions directly to payors through their practice management system. The following table identifies by payor and transaction type supported by the payor. Over the past year, CareFirst increased their system capability to support one additional web-based and batch-based transaction type. All other payors supported the same technology between 2011 and 2012.

Six Largest Private Payors Support of Other Administrative Transactions Web-Based (W) vs. Batch (B)

Payer	270/271		276/277		278		820		834		835	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
	W B	W B	W B	W B	W B	W B	W B	W B	W B	W B	W B	W B
Aetna	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CareFirst	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓
CIGNA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Coventry	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kaiser		✓		✓							✓	✓
UnitedHealthcare	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Total	5	3	5	3	4	1	0	4	1	5	1	6

Remarks

EDI activity among government payors leads private payors by more than 10 percent. This is largely attributed to the lack of variation in government insurance programs. Ongoing changes in the private insurance market impact EDI as providers rely on paper to eliminate most challenges caused by submitting electronic health care transactions. Overall, the share of EDI among private payors is laudable and is not expected to keep pace with government payors.