

Electronic Data Interchange – 2019 Activity

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Background

Health care electronic data interchange (EDI) gained attention in 1991 when the Secretary of Health and Human Services (HHS) formed the Workgroup for Electronic Data Interchange (WEDI). The Secretary at that time, Louis Sullivan, M.D., tasked WEDI with identifying opportunities to address the inefficiencies in health care.¹ A report that outlined the steps necessary to make EDI a routine business practice was released by WEDI in July 1992.² WEDI informed policies at the national level to overcome barriers to widespread use of EDI. The Health Insurance Portability and Accountability Act of 1996 (HIPAA)³, Title II required HHS to establish national standards for electronic health care transactions, among other things.⁴ EDI creates efficiencies in provider workflows and automates processes that prior to its use were completed manually.

Health care embraced EDI almost 20 years after computer systems were able to exchange standardized data.⁵ In the late 1960s, the U.S. Transportation Industry developed an electronic standard to address computer message format challenges among companies that move people and products.⁶ EDI is used at varying levels in most industries⁷ and solves the multitude of problems inherent in manual communications.⁸ HIPAA requires payers, providers, and health care clearinghouses (referred to as electronic health networks or EHNs) to exchange electronic transactions in a standard format.⁹

Overview

Approximately 20 payers submitted an EDI Progress Report for the 2019 calendar year. This brief highlights findings from Medicare and Medicaid and the five largest private payers: Aetna, Inc. (Aetna), CareFirst BlueCross BlueShield (CareFirst), Cigna Healthcare Mid-Atlantic, Inc. (Cigna), Kaiser Permanente Insurance Company (Kaiser), and UnitedHealthcare of the Mid-Atlantic, Inc. (United). The share of electronic claims continues to remain stable as compared to prior years. EDI activity among government payers exceeds private payers, which is attributed to requirements that providers submit claims electronically unless they meet an exception criterion. More work is needed among dental payers to implement processes to reduce paper claim submission.

COMAR 10.25.09, *Requirements for Payers to Designate Electronic Health Networks*, requires payers operating in Maryland with an annual premium volume of one million dollars or more to report census-level information on health care transactions to the Maryland Health Care Commission (MHCC).¹⁰ *COMAR 10.25.07, Certification of Electronic Health Networks and Medical Care Electronic Claims Clearinghouses*, requires government and private payers that accept electronic health care transactions originating in Maryland to accept transactions only from an MHCC-certified EHNs. Approximately 32 EHNs have obtained MHCC certification.¹¹

Claim Transactions

Payer	Payor Category (N=20)			
	Percent EDI			
	2017	2018	2019	Average
Private	95.6	95.5	95.9	95.7
Government	98.8	98.7	98.9	98.8
Dental (Private and Government)	74.9	77.5	80.3	77.6
Combined Share	96.3	96.3	96.7	96.4

Medical (n=7)				
Payer	Percent EDI			
	2017	2018	2019	Average
Private (Top 5)	95.5	95.6	96.0	95.7
<i>Aetna</i>	93.9	94.5	93.7	94.0
<i>CareFirst</i>	96.2	96.6	97.0	96.6
<i>Cigna</i>	95.9	96.3	97.4	96.5
<i>Kaiser</i>	78.9	89.1	86.5	84.8
<i>UnitedHealthcare</i>	95.4	92.2	93.9	93.8
Government	98.8	98.7	98.9	98.8
Combined Share	97.5	97.5	97.7	97.6

Dental (n=6)				
Payer	Percent EDI			
	2017	2018	2019	Average
Private (Top 5)	71.6	74.8	77.6	74.7
<i>Aetna</i>	69.0	71.6	72.0	70.9
<i>CareFirst</i>	76.1	81.2	83.7	80.3
<i>Cigna</i>	71.2	73.5	77.1	73.9
<i>Delta Dental</i>	70.0	72.5	75.8	72.8
<i>United Concordia</i>	69.2	72.7	77.3	73.1
Government (Medicaid)	88.5	88.9	91.6	89.7
Combined Share	74.9	77.5	80.3	77.6

Other Administrative Transactions

Nearly all practice management systems (systems) support claim transactions, some systems rely on a claims clearinghouse to convert non-standard transactions into the standard format.¹² Other administrative transactions (OATs) include payment and remittance advice; claim status; eligibility; enrollment and disenrollment; referrals and authorizations; coordination of benefits; and premium payments. Batch submission allows providers to submit multiple OATs at one time, a web-based portal is used for manual entry. All private payers support one or both methods for submitting OATs.

Accepts Web-Based and Batch Transactions												
Payer	Health Plan Eligibility Inquiry (270)		Health Plan Eligibility Response (271)		Health Claim Status Inquiry (276)		Health Claim Status Response (277)		Referral Certification and Authorization (278)		Enrollment/Disenrollment in a Health Plan (834)	
	Web	Batch	Web	Batch	Web	Batch	Web	Batch	Web	Batch	Web	Batch
Aetna	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CareFirst	✓		✓		✓		✓				✓	✓
Cigna	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kaiser		✓		✓		✓		✓	✓	✓		✓
UnitedHealthcare	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓

For More Information

Contact Justine Springer, MHCC Program Manager at Justine.springer@maryland.gov or visit MHCC's website at www.mhcc.maryland.gov/mhcc/pages/hit/hit_edi/hit_edi.aspx.

References

¹ Information about the Workgroup for Electronic Data Interchange is available at: www.wedi.org/about-us/.

² Report is available to WEDI members at: www.wedi.org/.

³ Public Law 104-191 available at: www.govinfo.gov/content/pkg/PLAW-104publ191/pdf/PLAW-104publ191.pdf.

⁴ An overview of HIPAA's Transaction and Code Set Rule is available at: www.eligible.com/community/hipaa-title-ii/.

⁵ EDI History blog available at: <https://blog.logicbroker.com/blog/2013/08/19/edi-history>.

⁶ Electronic Data Interchange or EDI in Transportation: Breaking Down What it is and How It Works available at: www.cerasis.com/edi-in-transportation/.

⁷ EDI Basics available at: www.edibasics.com/edi-by-industry/.

⁸ What is EDI and Why Is It Important available at: www.finaleinventory.com/ecommerce-best-practices/what-is-edi-and-why-is-it-important.

⁹ See n. 3, *Supra*.

¹⁰ See Maryland COMAR at: www.dsd.state.md.us/comar/SubtitleSearch.aspx?search=10.25.09*.

¹¹ A listing of MHCC-certified EHNs is available at https://mhcc.maryland.gov/mhcc/Pages/hit/hit_ehn/hit_ehn_application_process.aspx.

¹² HIPAA regulations, definition of a health care clearinghouse available at: www.bricker.com/industries-practices/hipaa-health-information-technology/insights-resources/resource/hipaa-regulations-general-provisions-definitions-health-care-clearinghouse-%C2%A7-160103-251.