

Congress of the United States

Washington, DC 20515

April 7, 2014

The Honorable Kathleen Sebelius,
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC. 20201

Dear Secretary Sebelius,

We are writing to you today to make you aware of an effort by the state of Colorado to streamline healthcare processes that will result in significant cost savings. We are encouraged by the potential for significant financial savings associated with the work of Colorado's Clean Claims Task Force. This Task Force was created to establish uniform claim edits that would be adopted and used by all private health insurance payers having contracts with providers in Colorado. This effort is estimated to save \$80 million dollars for Coloradans. If this administrative simplification effort was deployed nationwide it could possibly save billions for American taxpayers. At least one other state, Vermont, has expressed interest in a similar effort, and we believe other states will follow suit.

The scope of the problem being addressed by the Colorado's Task Force cannot be overstated. The Health Billing Management Association (HBMA) testified to Congress in 2011 that "61% of all denied claims are associated with idiosyncratic payer edits" (claim edits unique to the payer). Their testimony pointed out "when written appeals disputing these denials were sent we were successful in 86% of the cases." According to HBMA, this covered 2 million claims in less than one year. When taken in the context of the American Medical Association's estimate that the administrative cost to contest a claim is \$100-\$250, the scope of the problem is a multi-billion dollar loss nationally.

The Colorado Clean Claims Task Force is composed of approximately 25 experts, including national representatives from multiple health plans, software vendors, and providers. They are now 38 months into the 4-year project, are approaching the completion of a uniform claim edit library, and will soon start discussions regarding implementation and ongoing maintenance.

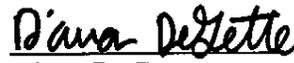
Please review the attached letter from the Colorado Task Force to Mr. Jeff Hinson, Regional Administrator, Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services, in Denver, Colorado. The letter provides more detail on the background and work of the Colorado Task Force. We urge CMS to examine these documents as a part of the Administrative Simplification Section 10109 of the Patient Protection and Affordable Care Act (PPACA), "Consistency of Claim Coding Edits." Additionally, we understand that, per the requirements in the aforementioned section, the National Committee on Vital and Health Statistics (NCVHS) has submitted a report with recommendations on similar simplification efforts. To our knowledge no further action has been taken by the Administration.

As such, we, the undersigned members of the Colorado congressional delegation, respectfully request that HHS collaborate with the Colorado Task Force moving forward regarding a possible expansion of their efforts into other states and request an update on the Administration's plans related to the NCVHS recommendations. We would be pleased to coordinate a meeting with your office and the Colorado Task Force co-chairs to discuss this matter in greater detail. We thank you in advance for your consideration of our request and would like to make ourselves available to speak with you or a member of your staff should you have any further questions.

Sincerely,



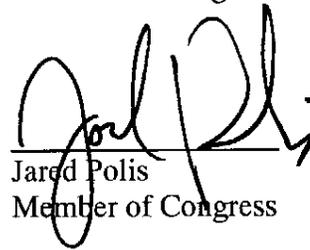
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