A Gap in the Code Sets

Why ABCcodes are Needed to Support Administrative and Financial Transactions Related to Alternative Medicine, Nursing and Other Non-Physician Interventions

1. **<u>What is the purpose of Alternative Link's testimony?</u>**

   - Alternative Link seeks designation of the ABCcodes as an additional national administrative code set under HIPAA.
   - Alternative Link offers answers to likely concerns of the NCVHS:
     - Has Alternative Link followed the directives of the DSMOs?
     - Does a gap exist in coding?
     - Why does a gap exist?
     - How should the gap be filled?
     - How much overlap exists between ABCcodes and existing standard code sets?
     - What guidelines are in place for use of the codes?
     - What experience did Alternative Link have with the DSMOs?
     - How could the DSMO process be improved?
     - What else should the DSMOs and NCVHS understand?

2. **<u>Has Alternative Link followed the directives of the Designated Standards Maintenance Organizations (DSMOs) specified in Change Request Numbers 137 (dated 1/31/01) and 493 (dated 9/20/01)?</u>**

   - Yes, Alternative Link has followed the directives of the DSMOs specified in Change Request Numbers 137 (dated 1/31/01) and 493 (dated 9/20/01). In the following sections, Alternative Link reviews past actions and summarizes more recent actions not yet reported to the DSMOs.

     The DSMOs gave Alternative Link four (4) directives.

     1. Indicate why HCPCS, CPT and NDC are not meeting business needs.
     2. Approach HCPCS coding authorities to see if ABCcodes could be incorporated into HCPCS.

3. Approach CPT coding authorities to see if ABCcodes could be incorporated into CPT.

4. Demonstrate health plan [and other user] support for "these categories" (i.e., alternative medicine, nursing and other non-physician interventions).

- ***Directives #1, 2 and 3.*** In relation to DSMO Directives #1, 2 and 3, Alternative Link has communicated to the DSMOs both verbally and in writing why existing HCPCS and CPT codes and coding systems are not meeting all of the healthcare industry's critical business needs. Alternative Link notes below why existing NDCs and the NDC coding system are not meeting these same business needs.

  HCPCS. To summarize, HCPCS[1] "contains codes for medical equipment and supplies; prosthetics and orthotics; injectable drugs; transportation services; and other services not found in CPT."[2] HCFA/CMS does not develop procedure codes. This fact was supported verbally on 09/07/01 and in writing on 03/13/02 by C. Kaye Riley, HCPCS Coordinator.[3] [4]

  CPT. "CPT: Physicians' Current Procedural Terminology is used by physicians and other healthcare professionals to code their services for administrative transactions. The CPT panel is comprised of 15 *physicians*, 10 nominated by the AMA and one each nominated by Blue Cross/Blue Shield of America (BCBSA), the HIAA, HCFA[5] and AHA. Meetings are not open to the public."[6]

  On 3/19/02--following written directives of the DSMOs and verbal directives from HIPAA experts Stanley Nachimson of HCFA/CMS and Maria Ward, Chair of the DSMOs--Alternative Link approached Michael Beebe, Director, CPT Editorial and Information Services of the AMA, in the interest of collaborating with the AMA.[7] In this interaction, Alternative Link found the AMA/CPT to be outwardly supportive but factually unresponsive to concerns and direct questions posed via telephone and followed up in writing.

[1] Health Care Financing Administration Procedure Coding System.
[2] Federal Register, Vol. 63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25283.
[3] Please refer to Change Request Number 493 Detail, dated 9/20/01, under the section entitled, "Asking named code set developers for codes to support alternative medicine and nursing."
[4] Please refer to an email, dated 03/13/02 from C. Kaye Riley (HCFA/CMS) to Melinna Giannini (President of Alternative Link), with the subject line, "Re: ABCcodes.
[5] CMS.
[6] Federal Register, Vol. 63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25280.
[7] At the fall 2001 and winter 2002 meetings of the X12N committee, Alternative Link had reported to DSMO membership that Alternative Link had previously experienced difficulty in securing AMA collaboration and cooperation. These difficulties are noted in a summary entitled, "American Medical Association Licensing Agreement Issues Pertaining to ABCcodes," dated 04/02/02. The document is available upon request.

In an email communication, dated 03/20/02--copied to the HIPAA experts –the Director expressed support for a collaborative relationship but did not answer five direct questions posed by Alternative Link in a telephone conversation on 03/19/02.

These questions were as follows:

1. How can we [the AMA and Alternative Link] jointly ensure code review is timely, so that coding is quickly available for health services research, tracking and payment of services currently being rendered, and actuarial analyses by payers and others?

2. How can we efficiently categorize, assess and incorporate the 4000 service and supply codes Alternative Link has already researched and validated?

3. How can we address the variability in state licensing requirements and scope of practice laws that affect non-physician interventions? (In developing the ABCcodes, Alternative Link captured code and practitioner specific data on this variability. Allopathic care does not face such state-by-state variability and, consequently, the CPT application process does not account for interventions that have state endorsement but may or may not have national acceptance. If the answer is to this challenge is to use Category II or III codes, how could we do so without prompting insurers to deny claims because the interventions are coded as measurement tools or as investigational or experimental care?)

4. How can we ensure that the code review process does not subject non-physician practitioners and coding to allopathic physician biases when the CPT® Editorial Panel is made up solely of physicians and the coding application instructions include wording such as, "The inclusion of…(Category I)…codes is generally based upon the procedure being consistent with contemporary medical practice and being performed by many physicians in clinical practice in multiple locations."

5. How can we ensure Alternative Link's intellectual property is protected when the code application requires us to prospectively "assign to the AMA all rights including copyrights" when the ABCcodes are already copyright protected?

The CPT Director's email stated that AMA was interested in cooperating with Alternative Link, but since it did not address the direct questions the Director verbally had agreed to answer in writing, a collaborative relationship was not established.[8] On 3/20/02, Alternative Link made a second attempt to establish a collaborative relationship by sending the Director an email and letter to reiterate Alternative Link's need for written answers to the direct questions. Alternative Link received no response. On 04/02/02, Alternative Link left a voicemail message for the Director to ask if any communications were forthcoming and to reiterate Alternative Link's desire to collaborate. Alternative Link remains open to a collaborative relationship with the AMA.

[8] A copy of this and subsequent communications is available upon request.

NDC. National Drug Codes "are used in reporting prescription drugs in pharmacy transactions and some claims by healthcare professionals."[9] NDCs do not address procedures and therefore will not support procedures delivered by non-conventional and non-physician practitioners. NDCs cannot be used effectively for botanicals, nutritional supplements and homeopathic remedies because many of these are delivered in bulk form and most are regulated as food substances and not drugs. Therefore, NDCs cannot accommodate supplies associated with non-conventional and non-physician care. Further, NDCs are no longer required in X12N claims transactions because NDCs are not widely used by the health insurance industry on claims transactions between healthcare practitioners and insurance payers. For these reasons, NDCs will not support HIPAA code set objectives related to alternative medicine, nursing and other non-physician interventions.

- ***Directive #4***. In relation to DSMO Directive #4, Alternative Link has already demonstrated "support for health plans supporting/paying for these categories."[10] Alternative Link's demonstration of this support was confirmed when the DSMOs wrote that the only outstanding item in relation to their four directives was the request that Alternative Link once again approach CPT, as described above.[11] A copy of the DSMOs' communication is available upon request.

  To demonstrate this and other industry support, Alternative Link submitted letters from industry thought- and practice-leaders, including the following:

  - American Bar Association's Committee on Complementary and Alternative Medicine
  - American Massage Therapy Association
  - American Nurses Association
  - American Preventive Medical Association
  - Association of Bodywork & Massage Professionals
  - Midwives Alliance of North America
  - State Associations of Acupuncture and Chiropractic

  Additional evidence of the demand for ABCcodes and the ABCcoding system's value to health plans can be found in "Comments on Proposed Rule, Health Insurance Reform Standards for Electronic Transactions (Refer to File Code HCFA-0149-P" prepared by Alternative Link and submitted to HCFA/CMS on 06/30/98. This document is available upon request.

  Further, government interest in the ABCcodes and coding system is demonstrated by the inclusion of the ABCcodes in the National Library of Medicine's Unified Medical Language System.

[9] Federal Register, Vol. 63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25281.
[10] Please refer to the Detail for Change Request Number 493, dated 9/20/01.
[11] Please refer to the Detail for Change Request Number 493, dated 9/20/01.

Finally, growing market interest in the ABCcodes and ABCcoding system is demonstrated by Alternative Link's pilot programs and/or working relationships with the following organizations:

- An HMO/PPO/IDN/TPA that Serves Boeing, Cessna, Leer, Raytheon and Other Large, Medium and Small Employers (Preferred Health Systems)
- A National PPO Network (American Healthcare Alliance)
- Two National Clearinghouses (Mitchell Medical and NaviMedix)
- Two Medical Publishers (Delmar/Thomson Learning and Relative Value Studies, Inc.)
- Several Industry-Leading Consulting Firms (e.g., PricewaterhouseCoopers)
- Numerous Integrative Medicine Centers and Academic Research Institutions (e.g., University of North Carolina)

To ensure the ABCcodes would provide ongoing value in accordance with the objectives of HIPAA, Alternative Link has been active in the following Standard Development Organizations (SDOs) and standard-influencing organizations:

- American National Standards Institute/Accredited Standards Committee (ANSI X12N)
- Health Level 7 (HL7)
- Data Interchange Standard Association (DISA)
- Computer-based Patient Record Institute (CPRI)
- American Health Information Management Association (AHIMA)
- American Holistic Health Association (AHHA)

Supplemental information supporting this section and the value of the code set is provided in a document entitled, "Testimony to the National Committee on Vital and Health Statistics by the American Nurses Association and Alternative Link Regarding the ABCcodes for Alternative Medicine and Nursing," dated 02/06/02, prepared for testimony that was originally scheduled for 02/06/02. This document is available upon request.

To fully understand the value of ABCcodes and the limitations of using existing standard code sets, the Committee is encouraged to review three directly related publications available from Alternative Link, upon request:

- The CAM and Nursing Coding Manual, ©2001, Alternative Link and Delmar/Thomson Learning

- The State Legal Guide to Complementary and Alternative Medicine and Nursing, ©2001, Alternative Link and Delmar/Thomson Learning

- Relative Values for CAM and Nursing, © 2001, Relative Value Studies, Inc.

These publications show that the code set 1) contains heretofore unavailable and gravely needed information, 2) is widely distributed, 3) is affordable, and 4) is ready to be implemented on a national basis.

- To summarize, the above notes and referenced documents demonstrate that Alternative Link has:

  1. Indicated why HCPCS, CPT and NDC are not meeting business needs.

  2. Approached HCPCS coding authorities to see if ABCcodes could be incorporated into HCPCS.

  3. Approached CPT coding authorities to see if ABCcodes could be incorporated into CPT.

  4. Shown health plan support for "these categories" (i.e., provided evidence of widespread industry support for ABCcodes to facilitate transactions and capture data related to alternative medicine, nursing and other non-physician interventions).

3. <u>Does a gap exist in coding?</u>

- Yes, a gap exists. This is evident because adding ABCcodes as a HIPAA-named code set would accomplish each of the ten (10) guiding principles for standards noted in the Federal Register.[12]

  If the existing standard code sets were sufficient, the ABCcode set would provide no incremental benefit in relation to these principles.

  However, ABCcodes would add considerable incremental value.

  ABCcodes will:

  - Improve the efficiency and effectiveness of the healthcare system by leading to cost reductions for and improvements in benefits from electronic healthcare transactions.[13]

    The named code sets do not deliver all of the efficiency and effectiveness needed by the healthcare system. ABCcodes supplement these code sets to improve the way the industry transacts business in relation to alternative medicine, nursing and other non-physician interventions.

    For example, while CPT theoretically could develop numeric codes for these interventions, CPT is missing a critical design and data element that is essential for supporting regulatory compliance, provider contracting, utilization management, claims management, actuarial analyses and outcomes research.

[12] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules.
[13] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.

That is, if CPT codes were developed for alternative medicine, nursing and other non-physician interventions using existing CPT numeric structures, the CPT codes would not generate the functionality and value that the industry needs.[14] [15] The needed design and data element—an alphanumeric modifier that identifies practitioner type to reflect state-specific licensing/terminology—is included in ABCcodes. This modifier is paired with a state field on a standard claim form or transaction to ensure the claim is within the provider's legal scope of practice. It offers the added value of supporting outcomes research by practitioner type without compromising HIPAA privacy standards.

Thus, incremental code set efficiency and effectiveness are assured by ABCcodes because these codes not only fit into CPT data fields and work with existing healthcare information systems, but also provide unique claim edit/scrub functionality required to assure compliance with state scope of practice laws. This unique functionality has been broadly tested and is urgently needed by the industry 1) to ensure compliance with HIPAA fraud and abuse regulations and 2) to support meaningful actuarial analyses in support of benefit plan design and cost-effective, evidence-based and integrative healthcare.

- Meet the needs of the health data standards user community, particularly healthcare providers, health plans and healthcare clearinghouses.[16]

  Alternative Link's ABCcodes meet the needs of the health data standards user community, particularly healthcare providers, health plans and healthcare clearinghouses. Alternative Link received verification from healthcare providers, health plans and clearinghouses that the ABCcodes deliver missing information; add significant value in managing access, quality and cost; and would be readily adopted if named a code set under HIPAA.

  Further, Alternative Link has compiled market data and trade journal articles that point to the need for the functionality delivered by ABCcodes.

  Evidence of this support is available upon request.

- Be consistent and uniform with other HIPAA standards—their data element definitions and codes and their privacy and security requirements—and, secondarily, with other private and public health data standards.[17]

[14] See "Comments on Proposed Rule, Health Insurance Reform Standards for Electronic Transactions (Refer to File Code HCFA-0149-P)," prepared by Alternative Link, 06/30/98.
[15] See an email from C. Kaye Riley to Melinna Giannini, dated 03/13/02, with subject line, "Re: ABCcodes." This document is available upon request.
[16] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.

[17] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.

ABCcodes were designed for this specific purpose. Alternative Link has been involved with healthcare standard-setting organizations since the Company's inception. These organizations include:

- American Health Information Management Association (AHIMA)
- American Holistic Health Association (AHHA)
- American National Standards Institute/Accredited Standards Committee (ANSI X12N)
- Computer-based Patient Record Institute (CPRI)
- Data Interchange Standard Association (DISA)
- Health Level 7 (HL7)

The design, functionality and use of ABCcodes supports the goals of these organizations. Evidence of consistency and uniformity with industry standards is available upon request.

- Have low additional development and implementation costs relative to the benefits of using the standard.[18]

  ABCcodes have low additional development and implementation costs relative to the benefits of their use as a standard. ABCcodes have the same number of data elements as CPT/HCPCS codes, fit into CPT/HCPCS data fields, and can be easily downloaded into existing healthcare information systems. However, ABCcodes support even greater functionality than CPT/HCPCS codes.

  Because of this, the benefits of using ABCcodes as a standard code set far exceed development and implementation costs. The ABCcodes require virtually no alterations to healthcare stakeholders' software applications, healthcare information systems, or standard operating procedures. Yet, ABCcodes allow healthcare stakeholders to address the care delivered by alternative medicine, nursing and other non-physician providers in a manner that supports state law—a capability heretofore unattainable.

  NCVHS may wish to note that the population of alternative medicine, nursing and other non-physician practitioners is more than triple the population of allopathic physicians. Public demand for complementary and alternative medicine (not including nursing and other non-physician interventions) is significantly higher than public demand for primary care delivered by allopathic physicians, and the demand for CAM is growing more quickly than that of allopathic care.

  Further, by using ABCcodes in combination with standard code sets, healthcare stakeholders will begin to capture evidence of the relative safety, efficacy and cost-effectiveness of non-conventional, conventional and integrative healthcare.

[18] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.

Thus the benefits of integrating non-conventional and non-physician interventions into mainstream healthcare, using ABCcodes, are significant.

Evidence of this is available upon request.

- Be supported by an ANSI-accredited standards developing organization or other private or public organization that will ensure continuity and efficient updating of the standard over time.[19]

  ABCcodes are supported by an ANSI-accredited standards developing organization, as well as other private and public organizations. This fact will ensure continuity and efficient updating of the code set over time.

  ABCcodes were voted into ANSI X12N 004022 and are included in the implementation guides for ANSI X12N 004050.

  Additional ABCcodes may be requested by anyone and are systematically developed in coordination with academic institutions, centers of excellence and specialty associations representing alternative medicine, nursing and other non-physician practitioners.

  Updating of ABCcodes is assured by a publicly available coding application and a fully developed coding process described in Alternative Link's publications and website (www.alternativelink.com). The coding process is inclusive and supports over a dozen licensed non-conventional and/or non-physician care providers.

  Evidence of appropriate organizational support and a copy of the coding process are available upon request.

- Have timely development, testing, implementation and updating procedures to achieve administrative simplification benefits faster.[20]

  As noted above, the development, testing, implementation and updating procedures for ABCcodes have been verified by the National Library of Medicine, Unified Medical Language System.

  Further, users have installed and are using the ABCcode database.

  Thus, the code set is fully functional and market-ready, and it will rapidly deliver administrative simplification benefits.

[19] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.
[20] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.

Evidence of this is available upon request.

- Be technologically independent of the computer platforms and transmission protocols used in electronic health transactions, except when they are explicitly part of the standard.[21]

  ABCcodes are published in a coding manual and are technologically independent of the computer platforms and transmission protocols used in electronic health transactions. The codes can be used electronically or on standard paper claim forms.

  Evidence of this is available upon request.

- Be precise and unambiguous, but as simple as possible.[22]

  ABCcodes are precise. For example, CPT offers 4 codes that describe chiropractic manipulation, based on body regions only. In comparison, ABCcodes offers 5 additional codes that describe chiropractic manipulation, based on body regions and types of tissue, as well as 16 codes that describe joint adjustments, 3 that describe strapping techniques, and 17 that address mobility treatments.

  ABCcodes are unambiguous. Each alpha symbol has a specific meaning and each meaning is echoed in the procedure description. For example, CCAAJ refers to soft tissue manipulation (AJ, in fourth and fifth positions, representing the specifics of the intervention), Chiropractic manipulation (A, in the third position, representing the general type of intervention), Chiropractic services (C, in the second position, representing the care subcategory), Practice specialties (C in the first position, representing the care category).

  The expanded definition for CCAAJ is "The application of force by hand or device to soft tissue structure to restore normal anatomical and/or physiological structure and function."[23]

  ABCcodes are simple. They include five alphabetic characters that identify the service or supply. ABCcodes are modified by two alphanumeric characters that serve to identify the practitioner type. CCAAJ indicates a chiropractic intervention. The modifier "1A" indicates the service was delivered by a licensed chiropractor. The 5-character alpha, 2-character modifier, when paired with the state code on a claim form, can be read by a claim edit/scrub application to determine whether that intervention is legal in the noted state when delivered by a particular practitioner type. For example, if the code was "CCAAJ-1A" and the state was "MI" for Michigan, the claim would be denied because chiropractors in Michigan may only work on the spine. However, if the same code was used in New Mexico, the claim would pass because chiropractors are considered primary care practitioners in New Mexico and may use "all natural agencies to assist in the healing act."

[21] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.

[22] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.
[23] The CAM and Nursing Coding Manual, (Delmar/Thomson Publishing, 2001), 69.

Further evidence of code set precision, lack of ambiguity and simplicity is available upon request.

- Keep data collection and paperwork burdens as low as feasible.[24]

  The ABCcodes keeps data collection and paperwork burdens as low as feasible—and significantly lower than the burden still associated with current code set standards.

  The ABCcodes are sufficiently granular to avoid the need for generic CPT codes that must be supplemented by written documentation. For example, without ABCcodes, claims adjusters (reviewing claims with generic CPT codes) must intervene in an otherwise automated processes to identify the intervention, establish acceptance of the intervention as valid medical practice, and research the legality of the delivery of the coded intervention by that practitioner type in that state. If the adjuster fails to do this, the insurance organization risks processing fraudulent claims and may incur substantial fines and, potentially, criminal indictment.

  ABCcodes allow for automated performance of these critical claim review and verification steps.

  Further, expanded definitions associated with ABCcodes greatly reduce the need for written documentation.

  Finally, automated data warehousing, querying and analytical capabilities associated with ABCcodes reduce the need for manual data collection and paper record review to perform actuarial analyses needed for benefit plan design and development of cost-effective, evidence-based and integrative healthcare.

  Further evidence of the data collection and paperwork reduction associated with ABCcodes is available upon request.

- Incorporate flexibility to adapt more easily to changes in the healthcare infrastructure (such as new services, organizations and provider types) and information technology.[25]

  ABCcodes are flexible and accommodate changes in the healthcare infrastructure, especially the emergence of new services and provider types. In fact, the ABCcode application and development process captures data on emerging technologies, practitioners and delivery systems far more quickly than the processes associated with existing standard code sets (CPT/HCPCS).

[24] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.
[25] Federal Register/Vol.63, No. 88/Thursday, May 7, 1998/Proposed Rules, 25274.

ABCcodes may be proposed by individuals, academic and health services research institutions and centers of excellence just as new interventions are discovered.

Further, ongoing review of state law ensures practitioner-identifying modifiers are added as states grant licensure to new categories of healthcare practitioners.

If new healthcare organizations emerge, relevant codes can be assigned on an as needed basis.

If new information technology emerges, the codes can be readily incorporated since they consist of machine-readable alphabetic and numeric characters.

Because of its alphabetic structure, the ABCcoding system can accommodate over 11 million new services and supplies.

Further evidence of ABCcoding flexibility and adaptability is available upon request.

- To summarize, then, the gap in code set standards exists because current code sets (CPT, HCPCS, NDC, CDT) do not sufficiently describe alternative medicine, nursing and other non-physician interventions delivered by licensed healthcare professionals. Further, current code sets cannot incorporate the imbedded intelligence needed to facilitate claims edits/scrubs required for non-conventional and non-physician claims. Finally, CPT, HCPCS and NDC application processes are not designed to accommodate developments in alternative medicine, nursing and other non-physician practices. Thus, current code sets are inadequate to serve the industry's needs.

  Without the detailed and structured coding offered by ABCcodes, the industry is forced to:

  1. Manually adjudicate claims—even if those claims are submitted electronically.

  2. Overlook interventions performed by non-conventional and non-physician practitioners;

  3. Use relatively "generic" codes that do not adequately describe their interventions; and

  4. Refer to inaccurate codes that are only gross approximations of services or supplies.

  - The first circumstance—intervening manually to adjudicate claims—undermines the very purpose of standardized transactions and code sets and may compromise patient privacy.

  - The second circumstance—overlooking non-physician practitioners—comprises the intent of HIPAA. It a) disenfranchises non-conventional and non-physician practitioners from the benefits of administrative simplification, b) creates patient privacy challenges by placing patient data outside the protections afforded to electronic information, and c) compromises efficiencies that could be achieved if the healthcare system could capture

services from this category of practitioners as part of its efforts to generate cost-effective, evidence-based and integrative healthcare.

- The third circumstance—use of relatively generic codes—results in a loss of information needed to efficiently and effectively manage care, claims and outcomes. The point of codes and code sets is to describe interventions in a manner that supports administrative simplification, claims payment and public health. Generic codes lump different interventions into a relatively useless pool of data and therefore do not accomplish this.

- The fourth circumstance—use of inaccurate codes that describe only remotely related interventions—results in erroneous data that undermines the reliability of healthcare information, compromises actuarial analyses and—perhaps worse—promulgates fraud and abuse (i.e., illegal use of codes).[26]

- Just as some 8,000 CPT codes are needed to adequately describe the interventions performed by allopathic physicians, thousands of ABCcodes are needed to adequately describe the interventions performed by dozens of categories of alternative medicine, nursing and other non-physician practitioners. Allopathic physicians receive broad and specialized training in their fields, which are reflected in CPT codes. Licensed alternative medicine, nursing and other non-physician practitioners also receive broad and specialized training in their fields. This non-physician training is reflected in ABCcodes, but is not reflected in CPT codes.

- ABCcodes currently address some 4,000 non-conventional and non-physician services and supplies delivered by over a dozen practitioner types. The developers of ABCcodes already have relationships with thought- and practice-leaders representing other categories of non-conventional and non-physician practitioners and have begun categorizing their patterns of care for the purposes of expanding the ABCcodes to address their needs. Thus ABCcodes describe interventions that CPT codes do not describe, serve practitioners that CPT codes do not serve and support developments that CPT codes cannot yet support.

4. <u>Why does the gap exist?</u>

- Of all the code set standards, CPT is the closest to ABCcodes. That notwithstanding, CPT does not adequately serve market needs related to alternative medicine, nursing and other non-physician interventions. This fact appears to be a result of two things: 1) the AMA's focus on allopathic physician care and 2) CPT code design.

[26] Note, for example, coding guidance offered in "ACA's Official Chiropractice Coding Solutions 2001," (ACA Press, 2001).

The AMA focuses on physician membership and allopathic medicine. Alternative Link believes this is evident in the AMA's patterns of litigation[27] as well as their corporate communications.[28]

The AMA's CPT code design and application process do not lend themselves to timely or effective development of non-conventional and non-physician codes. First, as noted above, the CPT codes themselves are structurally incapable of including coded "intelligence" required by the industry to manage care, claims and outcomes associated with non-conventional and non-physician interventions. Second, the CPT application process supports submission of one to several codes at a time and the market needs thousands of codes to support current healthcare insurance benefit plans and transactions. The few non-conventional and non-physician codes that have been developed under CPT are so "generic" that they do not adequately describe the interventions they are purported to code. These codes are therefore ineffective in achieving the goals of HIPAA, let alone of industry stakeholders. This fact is evident in the benefit plan "carve outs" that healthcare insurance organizations have had to use for non-conventional and non-physician benefits. That is, insurers have had to put caps on numbers of non-conventional and non-physician visits and dollars spent for visits because the insurers cannot tell what is being delivered and whether the delivered services or supplies have any meaningful outcomes.

All of this suggests that considerable strategic repositioning would be required by the AMA and considerable reengineering would be required of its CPT coding process to accommodate healthcare industry needs related to alternative medicine, nursing and other non-physician interventions.

This situation creates a public health challenge on several levels.

First, codes document care. The absence of a comprehensive code set for non-conventional and non-physician services forces caregivers to deliver care without reliable evidence of what works and what does not.

Second, perceiving allopathic physician biases against non-conventional and non-physician care, patients seldom tell their physicians about non-allopathic healthcare interventions the patients are receiving. When physicians are unaware of non-conventional and non-physician interventions, physicians may make less appropriate care decisions. Care decisions made without full knowledge of patient circumstances can compromise the quality of care patients receive and can affect public health.

[27] Note, for example, the lawsuit between the American Chiropractic Association and the American Medical Association, implying restraint of trade by the latter against the former.

[28] See http:/www.ama-assn.org/ama/pub/category/1855.html for the AMA's core purpose, core values, envisioned future, and key objectives and strategy. Also, note that articles published from the perspective of physician practitioners dominate the AMA's journal (JAMA).

Despite these circumstances, public spending suggests that demand for complementary and alternative medicine (not including nursing and other non-physician interventions) is increasing at a compounded annual growth rate of 38%. This means the gap in code sets is becoming more significant and dangerous with time.

5. How should the gap be filled in a way that would support administrative simplification and public health?

- For the reasons noted above, a separate code set is needed for alternative medicine, nursing and other non-physician interventions. Alternative Link believes the ABCcodes should be named the standard code set for non-conventional and non-physician interventions. The ABCcodes provide functionality that is necessary to support the objectives of HIPAA.

6. How much overlap exists between ABCcodes and existing standard code sets?

- In 1998, Alternative Link licensed a crosswalk to AMA's CPT codes to allow healthcare stakeholders to capture data on both ABCcodes and CPT codes used by alternative medicine, nursing and other non-physician practitioners. Subsequently, in response to AMA pressure, Alternative Link discontinued the crosswalk, retired most billable ABCcodes linked to CPT codes and added non-billable reference codes for X-rays, minor surgeries and diagnostic tests, that direct coders to use CPT codes. These reference codes are needed to allow for appropriate claims edits/scrubs, as described above.

  As of 02/28/00, the overlap with AMA's CPT codes was less than 10%. Alternative Link believes this overlap is even lower today, since additional codes have been developed by Alternative Link in areas not addressed by CPT.

7. What guidelines are in place for use of the codes?

- The ABCcodes are support by guidelines endorsed by ANSI X12N. ANSI X12N 004022 assigned a code to inform healthcare information systems that ABCcodes will follow. ANSI X12N 004050 included an implementation guide that describes how to use ABCcodes.

- Further, three publications include complete guidelines on development, use, valuation and obsolescence of ABCcodes and related information.

  These include:
  - CAM and Nursing Coding Manual published in 2001 by Delmar/Thomson Learning
  - State Legal Guide to CAM and Nursing published in 2001 by Delmar/Thomson Learning
  - Relative Values for CAM and Nursing published in 2001 by Relative Value Studies Incorporated.

- Finally, the Alternative Link website includes guidelines on the design, development, use, obsolescence and valuation of ABCcodes and related information.

8. <u>What experience did Alternative Link have with the Designated Standards Maintenance Organizations?</u>

- Alternative Link found the DSMOs to be difficult to educate about 1) the unique aspects of coding for alternative medicine, nursing and other non-physician services and 2) allopathic physician biases of the AMA that could compromise public health and, potentially, represent restraint of trade.

  For example, the DSMOs had difficulty understanding that the ABCcodes could fulfill federal mandates under HIPAA and also ensure industry compliance with state laws--and that this was essential to effective functioning of the healthcare system and to public health.

  Further, the DSMOs repeatedly asked Alternative Link to approach the AMA, despite Alternative Link's repeated communications that, in past encounters initiated by Alternative Link in the interest of collaborating, the AMA had exhibited uncooperative and even predatory behavior.

  Finally, despite Alternative Link's repeated offers over the last year to attend meetings and be "officially heard" about these matters, the NUCC and NUBC did not schedule time to hear Alternative Link's testimony. (Interestingly, NUCC is permanently chaired by the AMA.)

  Without allowing for this testimony, a member of the DSMOs suggested in a public forum that Alternative Link had been somehow inappropriate in its interactions with the DSMOs and code set authorities. That forum—a national HIPAA conference—included dozens of Alternative Link's prospective customers. The public statement by the DSMO member resulted in the loss of a viable lead with a leading insurance organization that was already offering a healthcare insurance benefit related to alternative medicine, nursing and other non-physician interventions—and that had expressed interest in the functionality provided by the ABCcodes.

9. <u>How could the DSMO process be improved?</u>

- The DSMO process appears to be designed for organizations with "deep pockets."

  Smaller organizations, such as Alternative Link, are hard-pressed to mobilize resources toward educating DSMO membership about the benefits of HIPAA related solutions.

  Addressing a similar challenge faced by organizations developing technologies for the public good, the Food and Drug Administration set up a "Division of Small Manufacturers Assistance." This division provides guidance and resources to help smaller organizations comply with federal mandates.

A comparable support mechanism under the DHHS would ensure public health is better served by ensuring that organizations with the best solutions—not just the most money—are able to navigate the DSMO review process and, if worthy, be named as standards.

10. <u>What else should the DSMOs and NCVHS understand?</u>

- Alternative Link remains willing to cooperate and collaborate with other code set authorities and asks only that DSMO and NCVHS leadership work with these authorities to preempt any predatory behavior.

- Alternative Link is providing the following editorial (written for an international healthcare technology journal that targets chief information, technology and operating officers at provider and payer organizations) to help committee members understand the unique value of the ABCcodes and the importance of naming this code set a standard.

Improving Clinical and Financial Outcomes in Healthcare

Background

A new set of alphanumeric codes for nursing and alternative medicine and three global trends are improving healthcare accessibility, quality and cost management worldwide.

- Alternative Billing Codes, known as ABCcodes, offer healthcare leaders one of the most powerful tools available to manage healthcare access, quality and costs. ABCcodes reflect three trends in healthcare leadership behavior that generate improvements in the health of populations: 1) use of non-conventional and integrative medical practices, 2) use of electronic standards, and 3) reliance on evidence-based medicine.

- ABCcodes are 5-characters in length and consist of letters that represent thousands of services and supplies used for nursing and non-conventional medicine—also known as complementary and alternative medicine (CAM). These codes are supplemented by 2-digit identifiers, called *code modifiers*, that describe the practitioners involved in a particular intervention. For example, ABCcode "AEBAD-1E" represents 15 minutes of holistic nutrition provided by a naturopathic physician. The codes and code modifiers are useful in understanding, evaluating and guiding the financing and delivery of CAM interventions. ABCcoding can be expanded to identify practices and products delivered by more than 1,200 different types of healthcare practitioners. The code set offers more than 11.8 million code combinations—enough to describe current and emerging modes of care for centuries to come.

- Demand for CAM interventions is increasing worldwide. CAM services and supplies represented by ABCcodes include acupuncture and Oriental medicine; Ayurveda; botanical medicine; chiropractic, clinical nutrition; conventional and holistic nursing; holistic medicine; homeopathy; indigenous medical traditions; massage and other manual medicine therapies; mind/body medicine; mental healthcare; midwifery; naturopathy; dietary supplements and nutrition; osteopathy; and physical, occupational and vocational therapy. Related CAM supplies include herbal medicine, dietary supplements, homeopathic remedies, and other products.

- ABCcodes promote evidence-based medicine to ensure that patients receive the most promising healthcare available. Evidence-based medicine optimizes patient health, reduces costs, and allows healthcare systems to better manage constrained resources. The codes help integrate clinical, operational and administrative processes both within and across organizations. This increases system-wide efficiency; improves clinical, operational and financial decision-making by providing timely insight into the delivery of healthcare services; and results in more favorable outcomes.

- ABCcodes fit into the healthcare information systems used by governments, insurance companies, healthcare delivery organizations and healthcare practitioners. Warehoused within those information systems, ABCcodes can be mined and analyzed to achieve a variety of desirable endpoints. Among these are 1) understanding how CAM is currently used, 2) determining how non-conventional medicine compares in cost-effectiveness to conventional medicine, and 3) developing integrative and evidence-based approaches to improving outcomes.

- Using ABCcodes, practitioners and administrators gain valuable insight on managing resources and improving efficiency. ABCcodes help compile information on each clinical encounter; convert that information into a patient medical record, bill or insurance claim; and automate financial transactions (such as insurance claims processing and payment).

ABCcodes and CAM interventions provide new ways for healthcare financing and delivery systems to meet patient demand, improve care and save money.

- The majority of the world's population uses CAM as the primary form of healthcare. Demand for CAM is well entrenched in many countries and is rapidly growing in countries that used to rely largely on western medicine. In India, an estimated one-third of the population uses homeopathic medicine, another third uses Ayurvedic medicine and the final third uses western or integrative medicine.[29] In the United States, where western medicine has predominated healthcare for over 100 years, CAM is growing at a compounded annual rate of 38%. In fact, demand for CAM is so great in the US that, in 1997, about 63% more visits were made to CAM practitioners than to primary care physicians (PCPs).[30]

[29] David Riley, MD, in correspondence dated January 3, 2002.
[30] Eisenberg, DM, Et al. "Trends in Alternative Medicine Use in the United States, 1990-1997." JAMA 1998: 280: 1569-1575.

- Adoption of uniform code sets varies worldwide. Most countries and organizations code diseases and healthcare conditions using International Classification of Disease codes (ICD-9/-10). With this approach, healthcare leaders can track costs on a per disease/condition basis. Although codes are available for conventional and non-conventional healthcare products and services, some healthcare leaders have not yet begun to use these codes to link clinical interventions to ICD codes.[31] Without linking ICD diagnoses codes to interventions, and then linking interventions to payments, healthcare outcomes cannot be traced back to the services and supplies from which they resulted. Healthcare leaders who rely only on ICD coding cannot determine what drives or prevents healthcare inefficiencies. In contrast, leaders in countries and organizations that adopt uniform codes not only for diagnoses, but also for services and supplies, can more easily control the financing and delivery of healthcare. Clearly, ABCcodes provide a way to better control the outcomes of CAM interventions and manage healthcare access, quality and cost.

Reliance on ABCcodes and other electronic standards allows healthcare payers, hospitals, clinics and practitioners to save money, to improve clinical decision-making, and to generate more favorable outcomes of care.

- Whether for manual or electronic processes, uniformity of standards is essential to healthcare system and organizational efficiency. Chief information and technology officers and their internal customers need ABCcodes to streamline data entry, to determine the costs of different approaches to medicine, and to identify those practices that result in the most favorable outcomes.

  These codes, used in conjunction with ICD diagnostic codes, provide a way for governments, healthcare insurance companies, provider organizations and practitioners to control escalating healthcare costs and effectively address growing demand for integrative medicine.

- Accompanied by RVUs (relative value units), ABCcodes also allow for legal and appropriate pricing of healthcare services and supplies. By attaching a value indicator or RVU to each ABCcode, healthcare leaders can establish and monitor pricing by diagnosis, service and supply. RVUs establish rational comparative values for CAM interventions. RVUs can be multiplied by euros, yen, pounds, dollars or other international currencies to create a legal and rational price for any CAM intervention in the region where the intervention is provided. That is, the price of any ABCcoded service or supply can be set by multiplying the RVU by a conversion factor (CF) that represents a currency amount (e.g., a CF of $5US).

- To calculate regional CFs, decision-makers and analysts can divide the regional cost of a known CAM intervention by its relative value. The result will be an estimated CF for the region, useful in establishing a CF for all ABCcodes. Using this approach, healthcare financing and delivery organizations can create legal and logical fees for each CAM service or supply. Because rates vary by location, the CF for RVUs may vary but the RVU itself remains fixed. As a result, this pricing system for ABCcodes and CAM interventions can be quickly adapted to any region of the world.

[31] For example, Germany, Switzerland and the United Kingdom use diagnoses codes but have not yet fully implemented codes that identify all interventions in all sites of service.

- By providing uniform standards for clinical communication, value determination and financial transactions, ABC codes and RVUs help healthcare decision-makers make better clinical and administrative decisions, help healthcare organizations and systems save money, and help patients gain access to appropriate care.

ABCcodes support evidence-based medicine, which facilitates the natural evolution of healthcare and, ultimately, results in increased health for greater numbers of individuals.

- Ideally, healthcare leaders learn continuously, from the practice of medicine, about which healthcare interventions work best. ABCcodes and RVUs help governments, insurance companies, provider organizations and practitioners alike *warehouse*, *mine* and *analyze* encounter, diagnosis, treatment and cost data using internal information systems or Internet-based application service providers (ASPs). By managing data in this way, these entities can evaluate which interventions generate more favorable outcomes under which circumstances. They can also more effectively manage the financial and clinical resources at their disposal.

ABCcodes provide institutional and national solutions to the challenges of improving healthcare accessibility, quality and cost management.

- Organizations and nations have long needed a global code set to capture data, develop statistics, and guide decisions about non-conventional healthcare interventions. Now, with ABCcodes, healthcare entities around the world can share information on nursing and CAM services and supplies to help improve access, quality and cost management.

  In addition, by relying on the ABCcode developers' scope of practice (SOP) data management capabilities, healthcare leaders can effectively respond to SOP and licensure differences across regions, specialties and interventions.

- Nearly every country and organization stands to gain efficiencies and effectiveness from the use of these codes. For example, in the US, an estimated 30% of the $1.2 trillion US annually spent on healthcare results from clinical and administrative inefficiencies,[32] and $30 billion US of this is thought to be a direct result of healthcare transaction inefficiencies.

- Precedents for e-commerce enabled savings are well established, for example, in the banking industry (with unified message formats and codes to process bank transactions) and in retail (with universal product codes [UPCs] to facilitate supply chain management). Just as banks save on labor costs for tellers and data entry personnel, and retailers save on labor costs for checkout clerks and inventory managers, healthcare organizations that use uniform code sets for e-commerce save labor on data entry personnel, claims processors, case managers and many other positions. Moreover, these organizations are able to provide ever-increasing quality, supported by outcomes data.

[32] http://www.wrgh.org/

- With expertise developed across specialties, geographic and political boundaries, ABCcode developers guide practitioners, organizations and political entities in the ongoing integration of nursing and CAM into mainstream healthcare. Developers work closely with payers, providers and academic organizations to ensure CAM interventions comply with healthcare licensing requirements and help reduce the risk of providing or paying for services and supplies that fall outside a practitioner's training or legal SOP.

- Three readily available publications offer international thought- and practice-leaders a baseline understanding of ABCcodes, RVUs and SOPs:

  - *The CAM and Nursing Coding Manual*
  - *Relative Values for CAM and Nursing*
  - *The State Legal Guide to Complementary and Alternative Medicine and Nursing (United States)*

- One thought- and practice-leader in integrative medicine currently relies on these manuals and has already emerged as an innovator in the academic and clinical application of ABCcodes, RVUs and SOPs. Dr. David Riley is board certified in internal medicine, experienced in a variety of CAM modalities, actively involved in clinical research, and the editor of the largest peer reviewed and indexed medical journal of alternative medicine in the world.[33] He has been the principal investigator on a variety of international research projects, conducted randomized placebo controlled clinical trials, managed outcome studies and data collection networks and participated in a variety of regulatory research projects.

- Dr. Riley pairs ABCcodes with outcome measurement tools to evaluate the most efficient use and mix of western medicine and CAM interventions. This pairing allows for the documentation of details about CAM services and supplies used in treating patients. In turn, this provides him with insight on the care delivered, as well as the resulting economic, health-related quality of life and patient satisfaction outcomes.[34]

- Dr. Riley suggests that healthcare leaders can best make use of the results of his and other CAM outcomes studies and randomized controlled trials when these research initiatives accurately document the services delivered. He thinks this is best done using a globally applicable procedure code set accompanied by relative values and legal data. He believes that the CAM code developers' ABCcodes, RVUs and SOP data will allow healthcare leaders to improve clinical and financial outcomes, and also facilitate benefit plan development and contracting by linking CAM interventions to practitioner licensure and legal scope of practice. With these uniform standards, he foresees cost-effective integration of nursing and alternative medicine into mainstream healthcare.

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[33] Alternative Therapies in Health and Medicine, InnoVision Communications, Encinitas, California.
[34] Riley D, et al Homeopathy and Conventional Medicine: An Outcomes Study Comparing Effectiveness in a Primary Care Setting. JACM, Volume 7(2), 149-159.

For more information on the development and use of ABCcodes, RVUs and defining legal use of CAM via SOPs, please contact:

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