

# **Direct Data Entry Principles**

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## Direct Data Entry (DDE) Principles

There is a controversy today about the interpretation of the HIPAA Standard Transactions regulations as applied to DDE. The controversy exists because some interpretations might limit the utility of DDE in the future and alternative interpretations would limit the effectiveness of the standards, at least in the near term. This document is meant to provide the view of the NCHICA Transactions, Code Sets, and Identifiers Work Group on these issues.

- ❑ We believe that both DDE and X12 have useful business applications in an efficient healthcare system.
- ❑ We don't believe that the use of DDE provides an incentive or favorable benefit to either the payer or provider as opposed to the use of the X12 format.
  - Different business scenarios require different solutions.
  - DDE in general is an inefficient use of resources, ie: by the time one DDE transactions can be completed thousands can be done electronically.
  - No monetary gain is being offered or realized by either of the parties from the use of DDE.
  - Strict interpretation of the DDE, would require users to manually enter data that would never be used in processing.
- ❑ The regulations regarding DDE should not be so strictly interpreted as to specify that providers must enter or re-enter information that is already available to the plan. We believe that this position is supported by the HHS FAQ dated 7/1/2001:
  - “ 'applicable data content' means that the DDE systems must collect all fields that are required in the HIPAA implementation guide for a particular standard, as well as those situational elements that are needed for processing (unless that data is already available to the health plan's system).”  
<http://aspe.hhs.gov/admsimp/q0230.htm>;
- ❑ We also believe the above FAQ would support our position that data entered during a DDE session can be used to derive values for other information required to complete the DDE session.
- ❑ Also, when entering multiple requests, we believe that DDE systems should be able to reuse data elements the provider has already entered in the DDE session without breaching the regulation.
- ❑ We support the goal of payers supplying the same or more detailed compliant response information via standard X12 transactions as is currently available via DDE but recognize that the timing in the implementation of some of the transactions (notably the 271) may not allow the payers time to provide more information initially than is required for a compliant transaction (e.g. “Yes” or “No”). We recognize that the long-term benefits of a more complete response in a 271 response will facilitate the business of health care. The preservation of the detailed response in a DDE format will provide a short-term solution until the preferred solution is in place (a fully populated 271).
- ❑ Some would argue that payers are required by the regulation to only collect compliant content in their DDE application. This is confirmed in the same HHS FAQ referenced above:
  - “In addition, DDE systems may not collect additional data that are not included in the implementation guide for a particular standard transaction.”
  - However, a payer is not required to limit their DDE compliant data to only the data that the payer is able to transmit in X12 form by October 2003. For environments in which DDE is appropriate, we support the goal of continuing to provide as much compliant data as possible in DDE format. For example, consider a plan that is able to generate a 271 with the general response that the member is covered on a particular day. Suppose that their current DDE system is able to respond with the plan name, the co-pay amount, the effective and termination dates of coverage, etc.
  - In cases such as this, we support having the DDE comply with the data requirements of the HIPAA 271 transaction in a way that preserves as much of the response data as is compliant with the standard in order to facilitate the business need for the transaction.
- ❑ Although we have provided examples using the 271 transaction, the same philosophy should apply to all transactions.

## Conclusion

The NCHICA Transactions, Codes and Identifiers workgroup recognizes there is a controversy today about the interpretation of the HIPAA Standard Transactions regulations as applied to DDE. Our position is DDE and X12 transactions both have their place in the health care business environment. However, if DDE is modified to the extreme position, it will be rendered useless as a business tool. This impact will be contrary to the intent of the HIPAA Administrative Simplification provisions.