



Workgroup for  
Electronic Data Interchange

June 14, 2002

The Honorable Tommy Thompson  
Secretary of Health and Human Services  
440D Hubert Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Thompson:

The Board of Directors of the Workgroup for Electronic Data Interchange (WEDI) recommends a different regulatory approach to implementing Administrative Simplification standards requirements. After a careful and in-depth analysis of ongoing problems and concerns involved with development and publishing of these standards, WEDI believes that continued haphazard promulgation of regulations will only enhance risk of implementation failure and loss of returns to substantial government and industry investments that are underway. WEDI has formed a task force comprising a broad array of healthcare industry stakeholders examining alternatives to ensure successful implementation. WEDI's preliminary considerations, which have been reviewed and approved by the WEDI Board of Directors, and were presented to the HHS Regulatory Reform Committee at a hearing in Denver, CO, on May 15, 2002, include the following:

- ***Create a consistent and predictable regulatory process.*** An example of such a process is the annual maintenance procedures that are undertaken to amend Medicare provisions and schedules.
- ***Exclude minor regulatory maintenance processes from Federal Regulation.*** For example, when ANSI X12N and other consensus based standards organizations have agreed to maintenance changes in standards based on industry business requirements, allow these changes to become effective 180 days after publication of revised implementation guides and an accompanying notice in the Federal Register. This will result in a significant savings of time, cost and improved efficiency.
- ***Identify and designate a high-level HHS political appointee with the responsibility and authority to assure that Administrative Simplification regulations and other related healthcare regulations are processed in a timely***

*fashion.* This official should be knowledgeable about and sensitive to the issues and concerns of the entire healthcare industry. A corollary consideration is that the Office of Management and Budget (OMB) understand the adverse financial and efficiency considerations affecting public and private healthcare stakeholders resulting from continuing delays in publishing the *Administrative Simplification* regulations.

- ***Organize and convene an Industry/Government Task Force*** to identify and review options to improve the HIPAA implementation process, and report back to the Secretary within 60 days of initiation. This initiative will help to foster a commitment to compliance on the part of the healthcare industry and federal government, and to ensure that the regulations being considered make good business sense to affected parties.
- ***Utilize WEDI's Strategic National Implementation Process (SNIP), SNIP's Regional Affiliates and WEDI's intellectual property resources to inform and educate regional and local segments of the healthcare industry about the provisions and benefits of Administrative Simplification, and to facilitate those segment's implementation of Administrative Simplification standards requirements.*** Earlier this year, WEDI submitted a grant application through the WEDI Foundation to HHS and CMS in order to obtain funding to educate underserved regional and local healthcare stakeholders on Administrative Simplification implementation. WEDI is well positioned with content, faculty, and its regional stakeholder outreach structure to reach an extensive audience, including minorities, rural areas, and non-traditional audiences such as employees and local governments.

WEDI would appreciate an opportunity to discuss these recommendations with you or your designated representative(s) at the earliest possible time. We believe it is essential and urgent to resolve the issues cited above, and look forward to working cooperatively with the Department to seek and implement workable solutions.

Sincerely yours,

Steven S. Lazarus, PhD.  
Chairman