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December 15, 2022

National Committee on Vital and Health Statistics
Subcommittee on Standards
3311 Toledo Road
Hyattsville, MD 20782-2002

Submitted electronically: NCVHSmal@cdc.gov

Re: RFC on X12 and CAQH CORE Proposals

Dear Sir or Madam:

The Coalition of State Rheumatology Organizations (CSRO) is comprised of over 40 state and regional professional rheumatology societies whose mission is to advocate for excellence in the field of rheumatology, ensuring access to the highest quality of care for the management of rheumatologic and musculoskeletal disease. Our coalition serves the practicing rheumatologist. Today, we write in response to your Request for Comment (RFC) on Proposals for Updates to X12 Transactions and New and Updated CORE Operating Rules.

Updated X12 Transaction Standards

Rheumatology practices are deeply concerned that moving to the updated X12 transaction standards will prompt an increase in health plans use of virtual credit card (VCC) payments for health care claims. When plans make payment via VCC, practices incur additional costs in the form of processing fees. These processing fees can be considerable, particularly for rheumatology practices that may be submitting claims for high-cost medication therapies. Worse yet, some of these VCC fees are going back to the plans, as some of them have established their own banking institutions (e.g., Optum Bank, a subsidiary of Optum/United Health Group).

We understand that practices 1) are not required to accept VCC payments, 2) can “opt-out” of VCC payments, and 3) can request that plans make payments through EFT via the ACH network or paper check. However, plans are increasingly using VCC and making it administratively challenging for practices to opt-out and receive payments via EFT or paper check. Indeed, some practices tell us they must opt-out of VCC payments on a recurring basis, and in extreme situations, on a claim-by-claim basis. The process for opting-out is not simple; practice staff must call the plan, wait on an extended hold, and work with a plan representative to change the payment to EFT or paper check. This diverts practice staff away from patient care activities, not to mention significantly delays reimbursement to practices that are already facing financial shortfalls due to high inflation. Indeed, for those offices that opt-out of VCC, some practices report that an EFT or paper check is delayed – in some cases, for more than a month – causing significant cash flow issues.

While X12 has simply “[a]dded the ability to report remittance information related to card payments (p-card, debit card, and credit card) to facilitate auto-posting,” we are concerned that plans will increase their use of VCC payments with the new standards, making it even more administratively challenging for already strained physician offices. This is particularly true for plans that have a financial incentive to use VCC because they receive the processing fees. The lack of guardrails to prevent

practices from having to repeatedly opt-out of VCC and request their payments through EFT or paper check goes against the letter and spirit of the HIPAA Administrative Simplification rules.

We urge NCVHS to consider these concerns during the upcoming deliberations, and as part of any recommendation to adopt the new X12, that NCVHS would include a recommendation that CMS/HHS provide clear instructions that plans 1) are prohibited from forcing physician practices to accept VCC payments, and 2) that plans can only make VCC payments to practices that have affirmatively “opted-in” (meaning that plans are disallowed from using opt-out mechanisms). Further, we recommend that NCVHS urge CMS/HHS to make changes to its March 22, 2022 [guidance](#) consistent with the recommendations provided by WEDI in its July 26, 2022 [letter](#) (registration required) on this matter.

Thank you for considering the feedback of practicing rheumatologists. Should you have any questions, please contact me at gfeldman@csro.info.

Sincerely,



Gary R. Feldman, MD, FACR
President



Madelaine A. Feldman, MD, FACR
Past President and Vice President, Advocacy & Government Affairs