

Background

Family physicians, who deliver primary care to the majority of Americans, are spending an increasing amount of professional and staff resources on time-intensive, unnecessary administrative tasks that add no value to the health care system. If simplified, the cost of the administration in our health care system could be reduced annually by almost \$300 billion.^{i, ii} Administrative simplification is imperative.

Advocacy

Electronic Health Records

AAFP believes that by leveraging the capabilities of health information systems, family physicians will be able to provide safer, higher-quality, and more efficient care. To actualize the power of EHRs, the industry must adhere to interoperable and compatible data exchanges, such as the Continuity of Care Record. Further, EHRs must be made more affordable, possibly through grants from the government, incentives from health plans, or restructured payments to support health-IT use. [The Center for Health IT at the AAFP](#) has been a leader in increasing the awareness and adoption of EHRs.

Eligibility verification and benefits

AAFP supports the [CAQH Committee on Operating Rules for Information Exchange \(CORE\)](#), which continues to develop operating rules for patient eligibility and data verification (such as the amount the patient owes at the time of service, patient identification, response time (20 seconds), and lifetime maximum). CORE Phase III will focus on improving the electronic delivery of additional administrative transactions, such as prior authorization and remittance advice.

Health identification card standards

AAFP endorses the adoption of standardized patient health insurance identification cards containing the Workgroup on Electronic Data Interchange (WEDI) compliant, machine-readable information via the Medical Group Management Association's, or MGMA's, [Project SwipeIT](#).

Credentialing

AAFP has endorsed the [CAQH Universal Provider Datasource \(UPD\)](#) as a national standard in the credentialing process for physicians and other health care professionals. Since there is not a national standard, each state may make its own decision on what it allows: a proprietary credentialing application, the CAQH process, or a choice between the two. AAFP will continue to promote the concept of a single, national standard credentialing application using the CAQH Universal Provider Datasource.

Real time claims adjudication

AAFP has reiterated to health plans the importance of family physicians' being able to electronically file claims and to know how much to collect from a patient at the point of care. This is accomplished through real time claims adjudication. The entire electronic process should take less than 30 seconds: (1) A physician bills a complete claim at the time of service via a practice management software system (PMS) to a claims clearinghouse; (2) clearinghouse transmits the claim to payer; (3) payer adjudicates the claim and responds with an electronic acknowledgement of the processed claim; (4) clearinghouse transmits adjudication back to PMS; and (5) PMS displays results to office staff.

Infrastructure and processes to support this on the sides of the physician and payer are necessary. For instance, physician practices must be able to code and file a patient's claim at the point of care.

Health care contracting

Transparency in contracting between health plans and physicians has been lacking. AAFP supports more transparency and fairness in contracting, including the inclusion of fee schedules, list of health plans (or subsidiaries) that may be included under the contract, and an annual cost-of-living or inflation adjustment to the physician fee schedule.

Electronic Payments and Statements

Physician enrollment in public and private payers' electronic funds transfers (EFTs)/payments and electronic remittance advice (ERA) statement programs supports administrative simplification. Additional benefits include an increase in cash flow, a record of the payment, auto-posting of payments (if accounts receivable/practice management software system is compatible), and decreased practice expenses around payment postings.

Prior Authorizations

The use of decision support tools at the practice level could eliminate much of the need to require prior authorizations for medically indicated care or services, e.g. high-technology imaging, prescription drugs, etc.

e-Prescribing

AAFP believes that e-prescribing functionality should: be included in every EHR; be supported by all pharmacies; include prescriptions for controlled substances; and include the development of a certification process for e-prescribing systems that would be overseen by the Certification Commission for Healthcare Information Technology, or CCHIT. For physicians who do not invest in an EHR, e-prescribing still offers efficiencies and enhances patient safety and quality care activities. These stand-alone e-prescribing systems must support interoperability standards and support a path to a fully electronic office.

Registries

AAFP supports the use of registries to provide chronic care/disease management and/or population management in the family physician's practice that serves as the patient's medical home. Ideally, registries will be imbedded in the functionality of an EHR.

For AAFP policies see <http://www.aafp.org/policies>.

ⁱ Heffler S, Smith S, Keehan S, Clemens, MK, Won G, Zezza M. Health spending projections for 2002-2012. Health Affairs Web Exclusives, Feb. 7, 2003. <http://content.healthaffairs.org/webexclusives/index.dtl?year=2003>.

ⁱⁱ Woolhandler S, Himmelstein DU. The deteriorating administrative efficiency of the U.S. health care system.