



State of Connecticut

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Testimony of State Representative Dan carter To the Insurance Committee

In support of HB 5387, AN ACT CONCERNING HEALTH INSURANCE CLAIM FORMS AND THE DEVELOPMENT OF A UNIFORM TREATMENT AUTHORIZATION FORM FOR MENTAL HEALTH SERVICES.

March 9, 2012

Good afternoon Senator Crisco, Representative Megna, and members of the Insurance Committee. I appreciate you providing the opportunity for a public hearing on House Bill 5387, An Act Eliminating the Inclusion of a Physician's Personally Identifiable Information from Health Insurance Claim Forms, which I am here to support.

Identity theft affects thousands of Connecticut residents each year. During the 2008-2010 legislative sessions, the General Assembly made great strides in the fight against identity theft they when they passed several acts concerning identity theft or safeguarding Social Security numbers (SSNs). Legislation broadened the definition of identity theft, increased criminal penalties for certain activities related to identity theft, expanded opportunities for victims to sue for damages, and created an account to pay for enforcing certain privacy protection laws and reimbursing victims. Unfortunately, we still see headlines every day where citizens have their identities stolen and lives ruined.

Health Care Providers are some of our constituents who are at the most risk of identity theft. Not only does their prominence in the community make them likely targets, but criminal's can easily use a provider's professional identity for fraudulent billing or fraudulent prescribing. Currently, health care providers who file non-Medicaid and non-Medicare claim forms are required to include their Social Security Number or Employee Identification Number to receive reimbursement. This requirement exposes healthcare providers to an unnecessary risk of identity theft.

While no one disagrees that identity theft is an important issue, there was opposing testimony presented during the public hearing on this same concept on February 17th, 2011. The representative from the Insurance Commission also inferred this is a federal issue, which contradicts a legal opinion received by OLR when this bill was considered in the 2008 session. I will address some of these issues in detail.

The National Provider Identification number was created as a unique health identifier for health care providers because existing identifiers did not meet the needs for national standards required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The goal was to create a single provider number designed to be used by other Federal and State agencies, as well as private health plans on standard . Unfortunately, Health Plans in Connecticut have been resistant to the concept for private health plans because they may not want to adjust their computer systems.

The Connecticut Association of Health Plans testified that CMS requires a taxpayer ID to ensure accurate reporting to the IRS. Individual providers are assigned only one unique NPI number which is required to be updated if there are any changes within 30 days. If deactivated, the NPI number can not be used for any other purpose. CMS already removed the requirement for a SSN or TIN in Box 25 of the claim form for Medicare claims because the tax information is provided to the National Provider Registry and they crosswalk the data for tax purposes at the end of the year. The reason the TIN number was not chosen as a provider number in the first place was to avoid the "statewide dissemination and use of the TIN or SSN in the HIPAA transactions under conditions that would not be protected under the privacy act."

Anthem Blue cross and Blue Shield submitted testimony that there would be unintended consequences because providers are assigned an individual NPI and another tax ID number is required to properly bill to a group. Groups are already allowed to apply for additional NPI numbers (in a different format than an individual NPI) that can be used for subparts of the practice. The group NPI number is routinely included on the standard claim form. With both numbers on the form, the Insurance Company will have no problem reimbursing the correct group.

Removing the requirement for a SSN or TIN on claim forms is in line with the intent of federal NPI requirements and not be an undue burden on private insurance companies. The Federal Register cites testimony regarding the rule where costs were addressed. The costs were determined to be short term costs of conversion. Any major plan that processes the standard 1500 claim form should be able to address the issue fairly easily. In fact, all the information to crosswalk information for the 1500 Claim form is publicly available online from the National Uniform Claims Committee (supported by the American Medical Society) at www.nucc.org. The long term implementation of the plan should actually result in cost savings.

HB 5387 is thoughtful and will help protect healthcare providers from having personal their personal information unnecessarily disseminated. This legislation has the support of the Connecticut State Medical Society and the Fairfield County Medical Society. Most importantly, this legislation could ultimately save healthcare costs.

Thank you for your consideration of HB 5387- AA Eliminating the Inclusion of a Physician's Personally Identifiable Information From Health Insurance Claim Forms.

Best regards,

Dan Carter