

Re-inventing the ETC

In 2003, 67 counties signed a 28E agreement that allowed the development of the Electronic Transactions Clearinghouse (ETC). The purpose of the ETC was to allow member counties to become compliant with the new HIPAA standards that were to become effective in October 2003.

These standards stated that if a provider presented an electronic invoice or claim to a payer (the county), the county must have a mechanism in place to receive and acknowledge the invoice or claim. The entire process must be done to HIPAA standards. Any county refusing these claims or not meeting HIPAA standards could face fines.

To be a member, each county paid a one time fee of \$2,500 that was used to develop the clearinghouse. In addition, to cover operating expenses, each county was to pay an annual fee based on its proportional share of a three-year average of the combined total of all member counties' actual GAAP general fund expenditures and mental health fund expenditures. This "annual" fee was only collected once in 2003 and has not been assessed since.

So as of October 2003, members of the ETC could state that they were compliant. It was soon discovered that the providers weren't ready to submit claims in the HIPAA format and wouldn't be in position to consider submitting claims until late 2005. For a couple years, it worked well for the providers who had older systems to continue to provide files in the formats that larger counties could read into their system. If neither party complained, then the life was good.

In early 2006, Broadlawns Hospital in Polk County decided to replace its aging accounting system. Because Broadlawns was no longer going to support non-HIPAA formats, counties that dealt with Broadlawns needed to be in a position to begin receiving HIPAA formatted files.

At about the same time, ISAC began to review the ETC as to its overall functionality. While the system potentially worked well as a method to receive and process claims, it lacked the ability to link to counties that already had invested money in a claims adjudication system. We approached the review of the ETC with the intent that we wanted it to operate as if it was a for-profit clearinghouse. What were some of the services and products offered to its clients? What were the relationships with providers and payers? Who paid for the transactions? How do we incorporate providers that don't bill electronically?

To operate as a clearinghouse, two things were clear. First, we need more control over the technical knowledge associated with the ETC and a better understanding of the HIPAA processes itself. Much of this knowledge today resides with a third-party provider. Learning how the ETC operates and the technology associated with it would allow member counties to expand the use of the ETC beyond just moving transactions. Second, it was clear that for-profit clearinghouses were taking

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HIPAA transactions from providers and moving them to be consumed by a payer's existing system. In its current form, the ETC could receive claims, but it forced the counties with a claims processing system in place to work the claim within the ETC. Linking to older (legacy) systems would allow the county or counties to NOT throw out their systems, but to use the ETC to help extend the life cycle of the systems.

ETC Migration and Enhancement Project

After several months of review, the ISAC Board at its October meeting approved the ETC Migration and Enhancement Project. Tactically, the project is made up of two parts: 1) moving the ETC server in-house to ISAC's location; and 2) linking the ETC to legacy systems. The server move and testing were to be completed by November 22nd. The links should be completed and tested by December 19th, with the intent of going live on January 1, 2007.

Moving the ETC in house will allow the ISAC staff and technical support to begin understanding the ETC and the BizTalk technology. BizTalk is the engine for the ETC. It enables entities to automate and optimize business processes by its ability to tie different applications together. A better understanding of this technology will assist our members as we seek to leverage one technology against another.

Initially, the linking capability will assist the growth of the ETC by bringing volume into the system. In the long term the linking capability will assist us by not only linking other legacy systems, but by reporting on the information in the ETC.

Once we complete the migration and enhancements, the next challenge will be to make the ETC more functional for the smaller counties. If we can add the ability for small providers to log in and electronically build and send an invoice, the smaller counties could electronically adjudicate the claim. Once this information is captured, standardized reports could be developed for the required state and federal reporting information.

The 2006 Fall School recap will be
in the January issue of
The Iowa County.

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