



**MBI READY TO
REPLACE HICN:
IS YOUR
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THE MEDICARE SYSTEM IS SET TO UNDERGO A DRASTIC CHANGE. STARTING IN THE SPRING OF 2018, ALL MEDICARE BENEFICIARIES WILL BE TRANSITIONING TO A NEW IDENTIFICATION SYSTEM. AS PART OF THE MEDICARE ACCESS AND CHIP REAUTHORIZATION ACT OF 2015 (MACRA), THIS TRANSITION IS DESIGNED TO PROTECT MILLIONS OF MEDICARE BENEFICIARIES.

Through MACRA, beneficiaries will now be assigned a new Medicare Beneficiary Identifier (MBI) that will replace the problematic SSN-based HICN with a more unique and secure identifier. This new number will help to prevent medical identity theft, better protect private healthcare and financial information, and safeguard federal healthcare benefits and service payments.

Expected to impact claims, reporting and payments for millions of individuals, this conversion will require significant changes to current healthcare systems. Is your organization prepared?

THE DISCONTINUANCE OF HICN

For years, the Health Insurance Claim Number (HICN) has functioned as the backbone of the Medicare payer system. This Social Security number-based system has long served to identify Medicare beneficiaries for claims, reporting and payments. Unfortunately, the reliance on social security numbers has opened the program up to a number of potential risks including medical identity theft and fraud. While certainly an important step forward in combatting potential program fraud and identity theft, the movement to MBIs will significantly impact healthcare providers. Currently, there are more than 150 million Medicare

beneficiaries using the HICN system.¹ This includes current beneficiaries, deceased beneficiaries and archived beneficiaries. Thanks to MACRA, these individuals will need to be transitioned to the new MBI system by January 2020.

Starting in April of 2018, new Medicare cards with MBI numbers will be mailed out to all current Medicare users. Any new enrollees after this point will also be automatically set up with an MBI. April 2018 will also mark the beginning of the transitional grace period where both HICNs and MBIs may be used within the Medicare system. Currently, the full transition is scheduled to be completed by January 2020. The Center for Medicare and Medicaid Services (CMS) will be responsible for monitoring the use of HICN and MBI during the transitional period to determine the progress of implementation.

TRANSITIONAL CONCERNS AND IMPLEMENTATION STRATEGIES

The long transitional period and monumental scale of the HICN conversion project presents a number of challenges to the healthcare field. From implementation coordination and claims management to reporting and data analysis, health organizations must develop a strategic plan in order to successfully manage the change.

There are currently 60 million active Medicare beneficiaries and 90 million deceased or archived beneficiaries.² Under MACRA, each of these 150 million records will need to be converted from an HICN to an MBI. Further complicating the matters, payers and providers will not be sent the updated identifier—in order to further protect against potential fraud. Instead, they will need to rely on the individual beneficiaries to bring in their updated cards. Without access to the cards, filing claims may be increasingly difficult as organizations juggle both MBIs and HICNs. There is concern that this may result in denials or delays in payment during the transitional period.

In addition, while Medicare beneficiaries are expected to receive their updated MBI cards between April 2018 and December 2019, the CMS has yet to provide clear directions on how



the new cards will be rolled out. As a result, healthcare payers must be prepared to accept both MBIs and HICNs for processing and reporting throughout the entire rolling implementation period. CMS, as well, will accept both MBIs and HICNs for both incoming and outgoing data report. However, it is critical that systems are put into place to ensure data congruence. Organizations should develop a “crosswalk” to capture data for both numbers while avoiding duplicates. New software and infrastructures may be necessary to accept dual processing of both HICNs and MBIs during the transitional period. Organizations utilizing data warehousing should ensure they are prepared to handle the movement from HICNs to MBIs in order to avoid incorrect identification and duplicate data. Risk adjustment analytics should be utilized to identify the specific interventions that are most efficient in closing any potential data gaps.

The discontinuance of HICNs is also anticipated to impact the claims process. Starting in 2020, some claims processors will be unable to process any claims that do not have an updated MBI. As a result, claims departments need to develop a proactive strategy focused on fully transitioning all claims to the new identifiers. Controls should be set in advance to ensure there is no “hiccup” in the data flow and that accuracy is assured. In addition, organizations must be prepared to address a potential increased volume of transactions.

The MBI transitional grace period is expected to have a significant impact on company operations. The extensive movement from HICNs to MBIs will drive an increase in customer service calls and result in an increasingly busy enrollment season. In order to be proactive and support a positive customer experience, organizations need to develop a comprehensive communication strategy that includes consumers and providers. It is critical that both parties are aware of the implementation timeline and potential changes. Hotlines and support resources may be necessary to answer questions and assist beneficiaries.

Companies may also want to assess vendor readiness to ensure they are prepared to address the transition. Is there a plan in place to accommodate MBIs? How will plan

operations be affected? It is important that systems and processes are proactively updated to ensure seamless coordination throughout the rolling implementation.

Organizations looking to stay ahead should focus on bringing in additional staff to assist with this increased workload. Interim support solutions are great options for companies in need of an immediate response. Due to the workload influx that is all too common within the health field, specialized and tenured professionals are available to assist on a contract basis. The key in finding impactful interim hires is to partner with a talent provider who staffs a broad landscape of contract professionals—from entry level all the way to executives and subject matter experts. Partnering with a boutique firm that has access to a database of health professionals will provide organizations with highly skilled interim professionals ready to jump right in and get started.

In addition, health organizations should develop a communication strategy with their own staffs to promote internal corporate awareness. The transition will require a number of changes including updating charts to reflect the MBI, archiving HICNs and adapting electronic medical records. In addition, the rolling implementation will require coordination across multiple years and affect business segments and processes that are currently data dependent on the HICN. Communicating a clear plan of action and ensuring all necessary individuals are well informed will help ensure a smooth transition.

The key to success during HICN discontinuance is preparation. In order to weather the transition to MBIs, organizations need to prepare themselves. By developing forward-thinking strategies and bringing on additional staff to assist with an increased workload, healthcare companies will be able to navigate these critical changes to the Medicare payer system. ▲

1-2 Social Security Number Removal Initiative Open Door Forum (2016). Center for Medicare & Medicaid Services. <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/COBA-Trading-Partners/Downloads/Social-Security-Number-Removal-Initiative-SSNRI-Open-Door-Forum.pdf>.

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To further discuss this topic, don't hesitate to contact Abbe or Kim.



Cognisight, LLC is a leading health care solutions provider, specializing in risk adjustment services for Medicare Advantage plans, Issuers on and off the Health Insurance Exchange, PACE programs, and Medicaid Managed Care plans. Our mission is simple: capture the most accurate and complete information to help ensure our clients have the best information to care for their members. As risk adjustment experts, we enable our clients to improve the quality of health care they deliver while maximizing efficiency and assuring accurate revenue. Our continuum of comprehensive risk adjustment services include Analytics, Chart Reviews, Risk Verification, RADV Support, Initial Validation Audits, Health Assessments, and Provider & Coder Training.

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