



Payer Type Subcommittee

FACT SHEET: Source of Payment Typology

Background

The development of a standard source of payment classification system is a high priority for public health and research. Administrative healthcare databases are used for a wide variety of public health activities, such as: monitoring of healthcare access across payer categories, Medicaid disease management, and healthcare policy studies. An existing system of payer categories for administrative claims data are found in the X12N Subscriber section; these are currently neither mutually exclusive nor comprehensive, in part because they were not created for research or policy purposes. Regardless of the eventual X12N status, some States and researchers have indicated that they would welcome an additional standardized source of payment typology that would enable them to compare data by payment category to data from other States (as well as to national benchmarks), to other data collection initiatives, and across different types of providers. The typology, developed by the Payer Type Subcommittee of the Public Health Data Standards Consortium (PHDSC) incorporates typical state specific requirements.

Source of Payment Typology

The Source of Payment Typology is designed as an external code set and will be maintained by PHDSC after approval by the appropriate standard setting bodies, including X12N and the NUBC. This classification system for payer type augments the internal code set maintained by ANSI ASC X12. This new standard external code set should be entered in the segment (SBR09) in the ASC 837 standard claim reporting forms and the UB-04 claim forms. States and other entities may draw upon these codes in their specifications to providers; providers would indicate the category of entity paying for the care billed in the healthcare claim (ASC 837, UB-04). The maintenance of this typology will be the responsibility of the PHDSC (as the deemed data standards maintenance organization) and will be referenced in the Health Care Service Data Reporting Guide 5010.

The standard Source of Payment Typology is not the same as the anticipated HIPAA Health Plan Identifier which references individual payers, and which is likely to be an assigned number without inherent logic. It is likely that the HIPAA Plan Identifier could not be used to categorize by type of payer; thus the need for an additional payer codes in the standards.

Modeled loosely after the ICD typology for classifying medical conditions, the typology identifies broad Payer categories with related subcategories that are more specific. This format provides States with increased flexibility, as they can add more specific codes as needed and roll these up into an aggregate broader category for comparative analyses across payers and locations. Currently, the State of Georgia is pilot testing a version of the typology in its hospital data reporting system, and California and Massachusetts are investigating use of the typology in their hospital data reporting systems.

The most current version of the typology code can be found at <http://www.phdsc.org/about/committees/payer.htm>. Changes to the Source of Payment Typology are made in October and/or April. Any interested industry representative can make recommendations for additions or modifications to the typology by completing the feedback form that is available at: <http://www.phdsc.org/about/feedback.asp?cf=pt>. These recommendations will be directed to the Payer Type Subcommittee for review and will be voted on by members of the Subcommittee for possible inclusion in the Source of Payment Typology.

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