CAQH Online Eligibility and Benefits Inquiry Operating Rules Initiative

March 2005

CAQH
COUNCIL FOR AFFORDABLE QUALITY HEALTHCARE

a catalyst for positive change

Today's Agenda

- CAQH
- Improving Access to Eligibility and Benefits Information
- Committee on Operating Rules for Information Exchange (CORE)
  - Work Groups
  - Timeline
  - Participation
  - Next steps

An Introduction to CAQH

The Council for Affordable Quality Healthcare (CAQH) is a not-for-profit alliance of health plans and networks that promotes collaborative initiatives to:

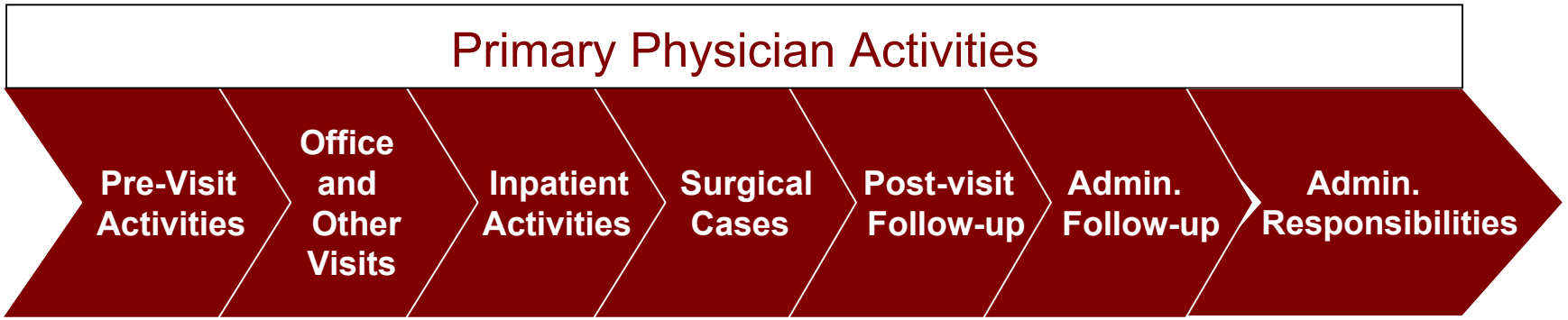
- Make healthcare more affordable
- Share knowledge to improve quality of care
- Make administration easier for physicians and their patients

Areas of Focus

CAQH designs and implements achievable, concrete initiatives to make administration easier for physicians and consumers

- Universal Credentialing DataSource
- Simplified Prescribing
- Standard Billing Terminology
- Online Eligibility and Benefits Inquiry

Physician Activities That Interact with Payers are Primarily Administrative in Nature, with Some Clinical Interaction



- Patient inquiry
- Appt scheduling
- Scheduling verification
- Financial review of pending appts.
- Encounter form/ medical record preparation

- Registration & referral mgmt.
- Admin & medical record preparation
- Patient visit
- Ancillary testing
- Charge capture
- Prescriptions

- Scheduling & referral mgmt.
- Admin & medical record preparation
- Inpatient care
- Ancillary testing
- Charge capture

- Scheduling & referral mgmt.
- Admin & medical record preparation
- Surgical care
- Post care
- Follow-up care

- Visit orders & instructions
- Education materials
- Prescriptions
- Ancillary tests
- Referrals
- Follow-up visits

- Utilization review
- Claims/bill generation
- Billing
- Payment processing
- Claims follow-up

- Personnel management
- Financial management
- Managed care
- Information systems
- Facilities management
- Medical staff affairs

Focus On Eligibility and Benefits

- HIPAA does not offer relief for the current eligibility problems
  - Data scope is limited; elements needed by providers are not mandated
  - Does not standardize data definitions, so translation is difficult
  - Offers no business requirements, e.g. timely response
- Individual plan web sites are not the solution for providers
  - Providers do not want to toggle between numerous websites that each offer varying, limited information in inconsistent formats
- Vendors cannot offer a provider-friendly solution since they depend upon health plan information that is not available
  - Data interpretations vary from plan to plan and can not be accurately translated by vendors
  - Data elements available from plans vary and are very limited, requiring providers to still call the health plans
  - Access is not available for all plans and/or plan products
  - Vendors maintain multiple interfaces, yet have minimal provider uptake

Online Eligibility and Benefits Inquiry: Vision

Give providers access to information before or at the time of service...

- Providers will send an on-line inquiry and know:
  - Which health plan covers the patient *
  - Whether the service to be rendered is a covered benefit (including copays, coinsurance levels and base deductible levels as defined in member contract)
  - What amount the patient owes for the service**
  - What amount the health plan will pay for authorized services**

Note: No guarantees would be provided.

*Only HIPAA mandated data element; other elements are part of HIPAA, but not mandated

** These components are critically important to providers, but are not proposed for Phase I.

Online Eligibility and Benefits Inquiry: Vision

… Using any system for any patient or health plan

- As with credit card transactions, the provider will be able to submit these inquiries and receive a real-time response*:
  - From a single point of entry
  - Using an electronic system of their choice
- For any patient
- For any participating health plan

*CAQH initiative will initially support batch and real-time.

Industry Operating Rules Are The Key

- What are operating rules?
  - Agreed upon business rules for utilizing and processing transactions
  - Encourages the marketplace to achieve a desired outcome – interoperable network governing specific electronic transactions
- Key components
  - Rights and responsibilities of all parties
  - Transmission standards and formats
  - Response timing standards
  - Liabilities
  - Exception processing
  - Error resolution
  - Security
- CAQH to serve as facilitator of cross-industry operating rules development

Industry Support

Stakeholders agreed that the initiative will offer substantial market benefits

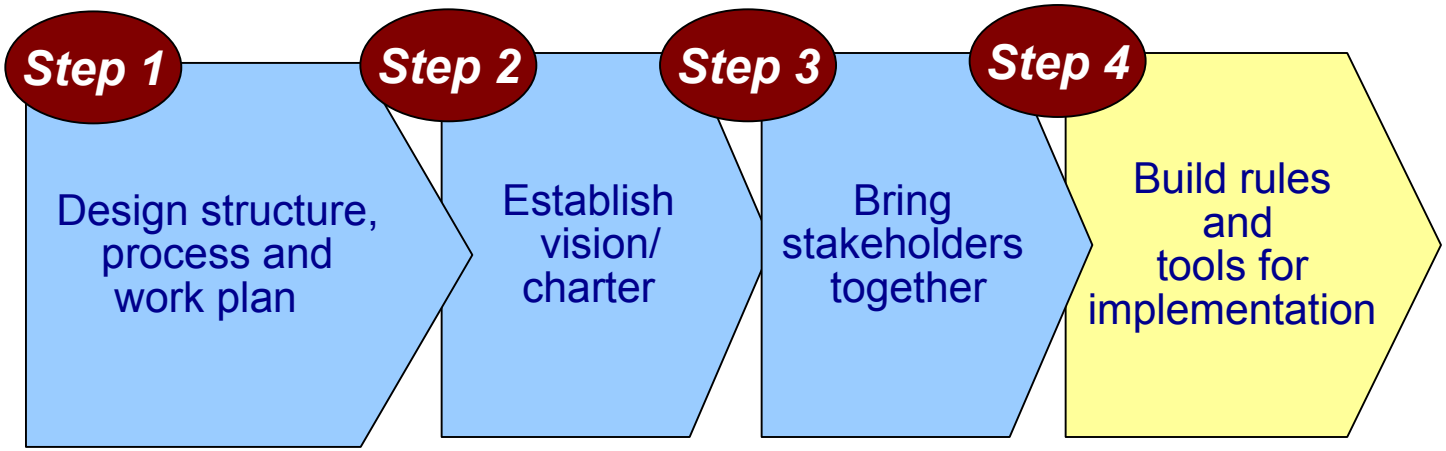
- Providers
  - Reduce bad debt and staff time devoted to eligibility and benefits
  - Have access to all-payer solutions with accurate, timely, and standardized data
  - Need information from later phases to avoid phone calls
- Vendors/Clearinghouses
  - HIPAA is starting point, but more is needed –offers an industry-sponsored solution rather than state-specific regulations or plan-specific solutions
  - Allows for expansion and improvement of current service offerings
  - Does not support one vendor solution over another and does not create a new product offering
  - Would no longer need to manage multiple interfaces
  - Would benefit from increased provider adoption

What is CORE?

Committee on Operating Rules for Information Exchange

- A multi-stakeholder initiative organized and facilitated by CAQH to create, disseminate and maintain Operating Rules and to enable healthcare providers to obtain patient-specific information about the patient's healthcare benefits

CAQH Role: Facilitator



- Physicians
- Hospitals
- Other providers
- Clearinghouses
- Government
- Vendors
- Non-CAQH health plans
- Standard setting organizations
- Medical societies

Initiative Launch

- Orientation Meeting held January 11, 2005
  - More than 125 representatives from 70 organizations
    - Payer community
    - Provider community
    - Technology vendors
    - Standard-setting organizations
    - Banking industry
    - Government agencies (CMS, ONCHIT)
- CORE Membership: More than 40 organizations to date

Functionality to be Addressed

CORE will begin by drafting rules for the following:

- Confirm which health plan covers this patient
- Confirm health benefit plan coverage
- Confirm Service Type (e.g., major medical, long-term care, pharmacy, etc.)
- Provide Co-Pay Amount*
- Provide Base Deductible*
- Provide Co-insurance Level*

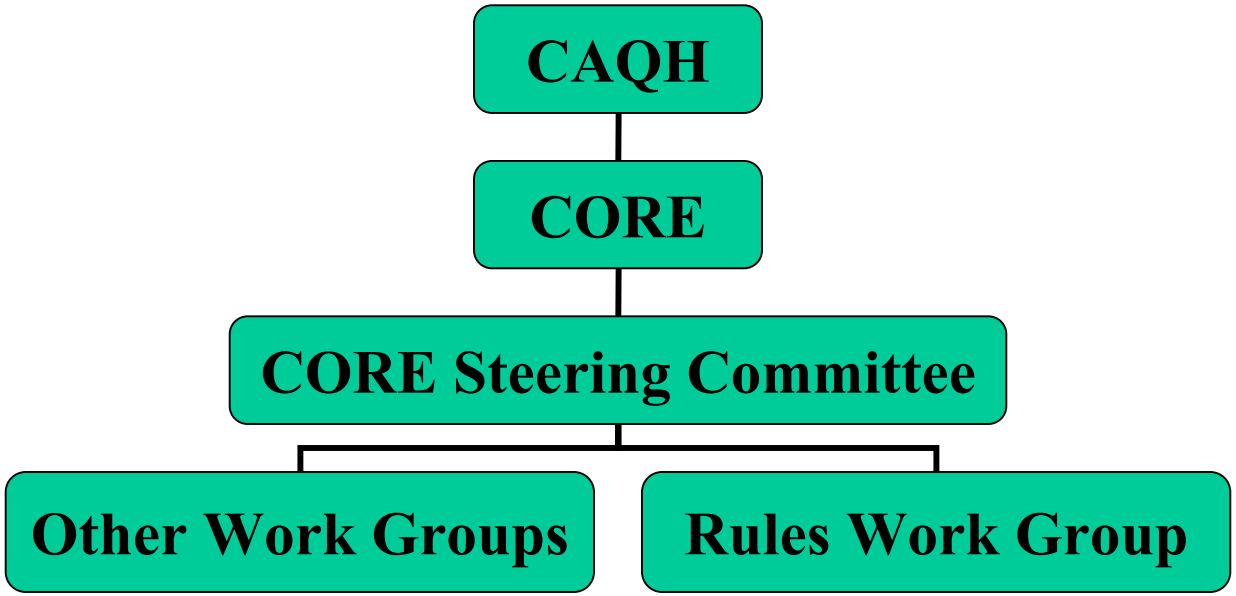
*Not accumulator, but amount defined in contract

Data elements will be based upon HIPAA 270/271 standards. Additional functionalities will be addressed after rules are written for the scope above.

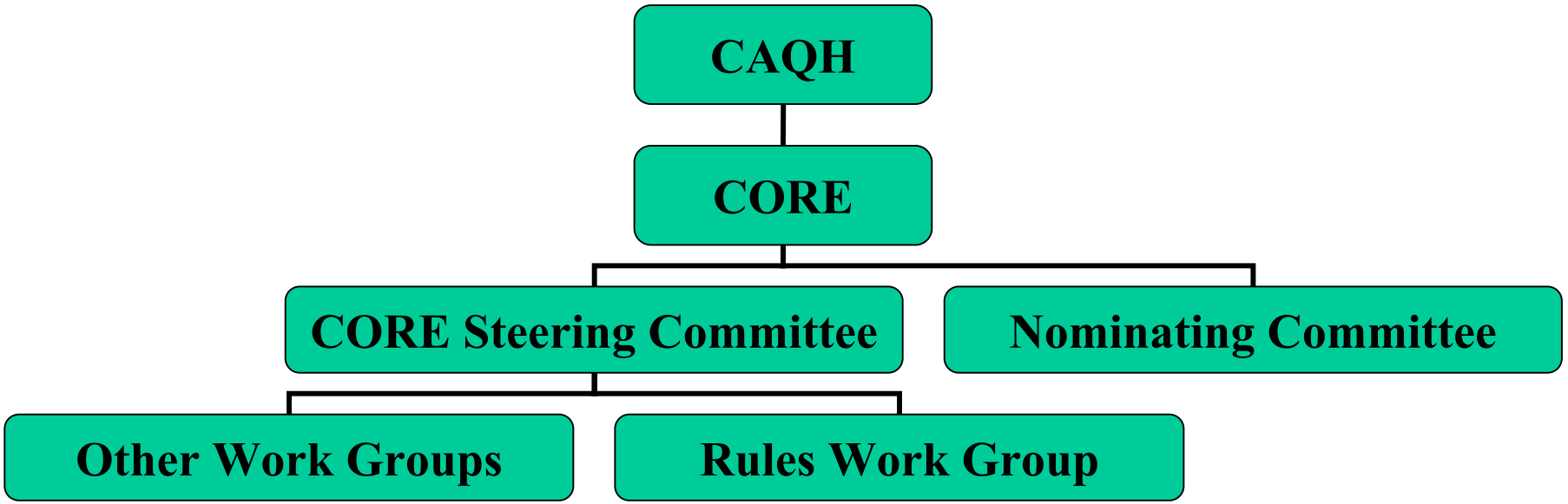
Topics for Consideration

- Standard and clear definitions and interpretations of the data elements
- Roles and responsibilities of all parties
- Technical transmission standards and formats
- Standards for data timeliness of batch and real-time transactions; encourage market to move to real-time transactions over a specified timeline
- Error resolution
- Exception processing
- Certification
- Security
- Standardized response reporting

CORE Structure



Maintenance Phase



Who Should Participate

- Health plans
- Providers
- Technology companies
- Clearinghouses
- Government entities
- Trade and professional associations
- Vendors
- Standard setting organizations
- Consultants
- Other interested organizations

Categories of CORE Membership

Categories of Membership	Organizations that create, transmit or use eligibility data in daily business	Participate in rules development	Vote on rules	Participation fee
1. Full	Yes	Yes	Yes	Yes
2. Private Advisory	No	Yes	No	Yes
3. Standard setting/technical advisory	No	Yes	No	No
4. Government/ Government advisory	Depends on entity	Yes	Yes*	No

* If entity creates, transmits or uses eligibility data and decides to vote

Work Groups

Initial Work Groups

- Policy Work Group
- Rules Work Group
- Technical Work Group

Potential Future Work Groups

- Communications Work Group
- Legal and Regulatory Issues Work Group

Policy Work Group

- Charge
  - Identifies policies CORE should develop and makes recommendations to the Steering Committee
- Key areas
  - Connectivity
  - Certification
  - Auditing
  - Rules Enforcement
  - Exception Processing
  - Error Resolution
  - Standard agreements between participants and CAQH
  - Third party service provider requirements
  - Granting variances to the rules
  - Scoping issues
- Participants
  - Management-level staff familiar with relevant industry issues and stakeholder perspectives

Technical Work Group

- Charge
  - Determines technical specifications for CORE
- Key areas
  - Scoping Issues
  - Technical requirements of organizations initiating and transmitting inquiries
  - Technical requirements of payers receiving inquiries and generating responses
  - Role of Network/System/Router (if appropriate)
- Participants
  - Individuals familiar with the technical requirements that compose each transaction addressed by CORE and/or are familiar with their organization's system requirements, as well as industry requirements

Rules Work Group

- Charge
  - Writes the detailed business rules that will be reviewed by the Steering Committee and then voted on by CORE
  - Ensures CORE and its operating rules are coordinated with standard setting entities such as X12
- Key areas
  - Detailed requirements of organizations initiating and transmitting inquiries
  - Detailed requirements of payers receiving inquiries and generating responses
  - Definition of data terms
  - Coordination with standard setting entities such as X12
- Participants
  - Individuals with expertise in interpreting and implementing technical specifications or coordinating specifications with daily operations

Examples of Resources Available to Work Groups

- Reference documentation
  - Analysis of technical and strategic approaches
  - Analysis of rules currently adopted or under consideration by regional initiatives, health plans and vendors
  - Analysis of relevant eligibility transaction standards

Time and Resource Commitment*

CORE

- Meeting frequency
  - In-person meetings approximately twice per year; may hold conference calls between meetings
- Skill set
  - Represent your organization's/stakeholder perspective regarding issues being discussed by CORE
  - Communicate with your organization's leadership regarding CORE's status as it impacts your organization and whether/when your organization should adopt/challenge the rules
  - If your organization agrees to adopt the rules, oversee, or gain commitment from your organization to assign someone to the implementation process
  - Assign Work Group members

CORE Work Groups*

- Member participation is voluntary
- Meeting frequency
  - During rule writing phase, monthly conference calls and at least one in-person meeting annually
- Skill set
  - Different for each Work Group

*If an individual is appointed to the CORE Steering Committee or to Chair a CORE Work Group, level of time and resource commitment will increase.

2005 Timeline Highlights

Activity	Date
Orientation Meeting	January 11th
Applications due	ongoing
CORE leadership invitations	February
Work Groups launch	March
Work Group rule writing	March - May
Draft 1st set of rules	June
Full membership meeting to review draft rules	July
Test rules	August – October
Revise rules based on testing	November
Finalize and approve 1st set of rules	December

Participation vs. Adoption

- CORE participation only commits your organization to participate in the creation of the rules
- Once the rules are approved by CORE, each member will decide on its own whether to adopt the rules
- Adoption of the rules may require changes in contracts between relevant CORE parties

From Vision to Reality

- Provide easier access to consistent, predictable eligibility and benefits information at the point of care
- Build upon HIPAA to promote the interoperability required
- Recognize that no single organization, or any one segment of the industry, can do it alone
- Come together to take the next step and fundamentally change the way that eligibility and benefits information is exchanged

Next Steps

1. Complete application
   - Applications can be found at www.caqh.org
   - Completed applications can be faxed or mailed to CAQH
2. Assign individuals to participate on CORE Work Groups
   - Participation in Work Groups is not a requirement of CORE membership

Questions?

Contact: Gwendolyn Lohse, 202-778-1142, glohse@CAQH.org