CORE™
Committee on Operating Rules for Information Exchange
A CAQH Initiative

ACA Operating Rules Update

February 2014

22nd National HIPAA Summit

Status: *ACA Mandated Operating Rules and Certification*

Mandated requirements available and should be in use in market

Compliance in Effect As of January 1, 2013

- Eligibility for health plan
- Claim status transactions

HIPAA covered entities conduct these transactions using the CAQH CORE Operating Rules

Compliance in Effect As of January 1, 2014

- Electronic funds transfer (EFT)
- Health care payment and remittance advice (ERA)

HIPAA covered entities conduct these transactions using the CAQH CORE Operating Rules

HHS issued NPRM on 12/31/13 with re-aligned implementation date

***Proposes an adjusted* implementation: December 2015**

Proposes health plans certify via either CORE Certification or HIPAA Credential; applies to Eligibility/ Claim Status/EFT/ERA operating rules and underlying standards

Applies only to health plans and includes potential penalties for incomplete certification; existing voluntary CORE Certification is for vendors/PMS/large providers, and health plans

CAQH CORE in process of drafting rules for delivery in late 2014 rather than early 2014. No standard for attachments issued by HHS

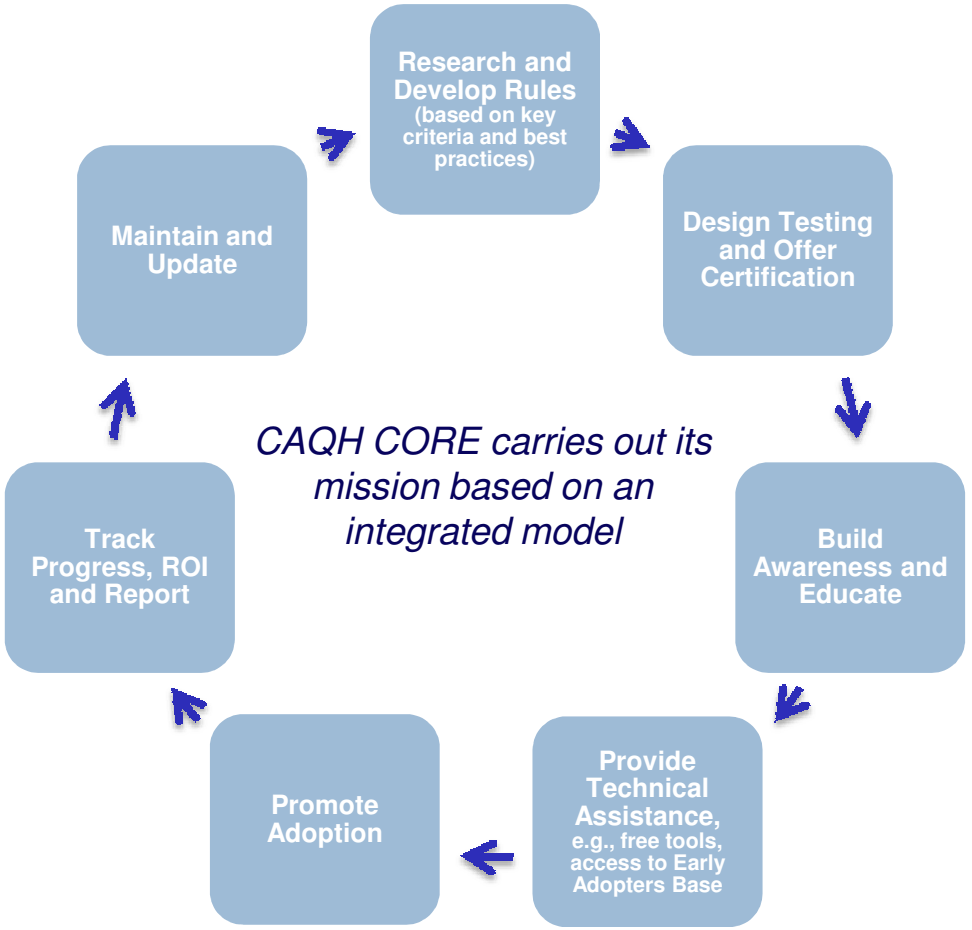
Implement by January 1, 2016

- Health claims or equivalent encounter information
- Enrollment/disenrollment in a health plan
- Health plan premium payments
- Referral certification and authorization
- Health claims attachments

©2014 CORE. All rights reserved.

CAQH CORE

- Established in 2005.
- ***Mission***: Build consensus among healthcare industry stakeholders on operating rules that facilitate administrative interoperability between providers and health plans, and drive adoption of operating rules and the affiliated standards through testing-based certification.
- ***Vision:*** Streamlined, robust, efficient, and trusted administrative data exchange based on a set of Guiding Principles such as alignment of clinical and administrative.
- ***Participants:*** 140+ multi-stakeholder entities with multi-stakeholder Board.



simplifying healthcare administration
CAQH

© 2014 CORE. All rights reserved.

Implementation Status:

Progress and Change in Daily Operations

simplifying healthcare administration

CAQH®

© 2014 CORE. All rights reserved.

EFT & ERA Operating Rules:
Rules in Action

Indicates where a CAQH CORE EFT/ERA Rule comes into play

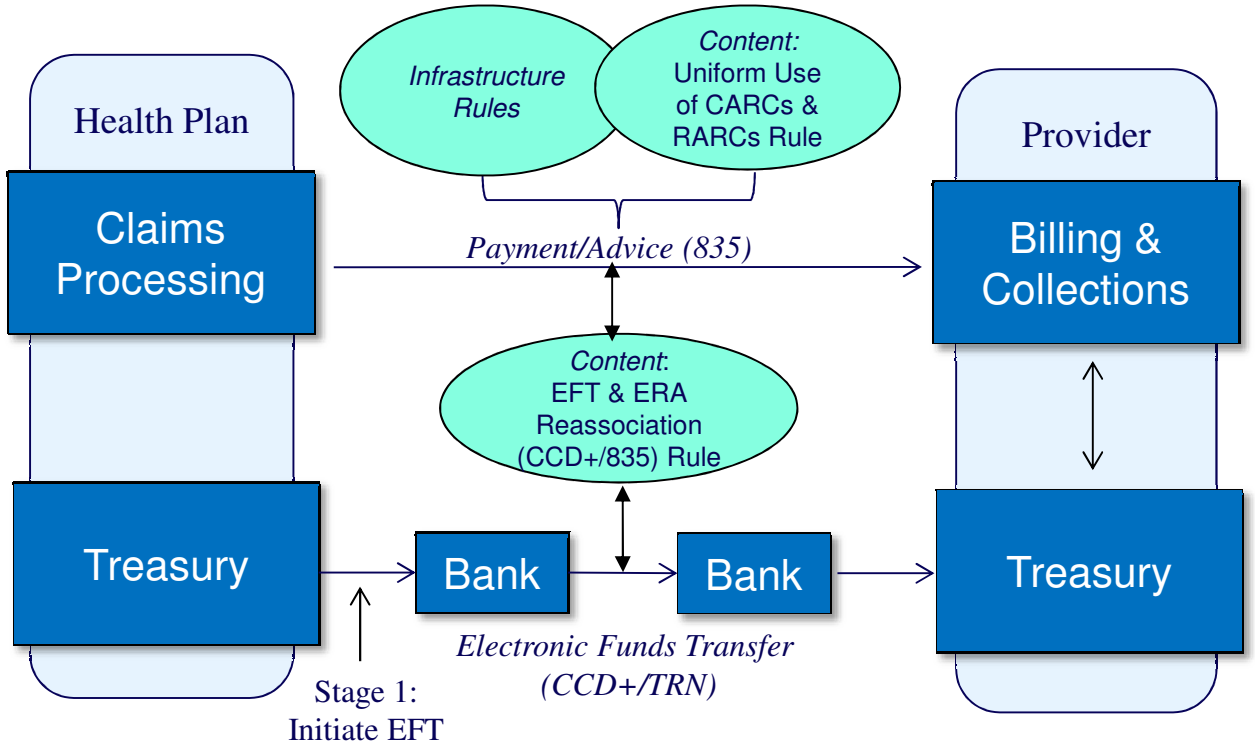
Pre- Payment: Provider Enrollment

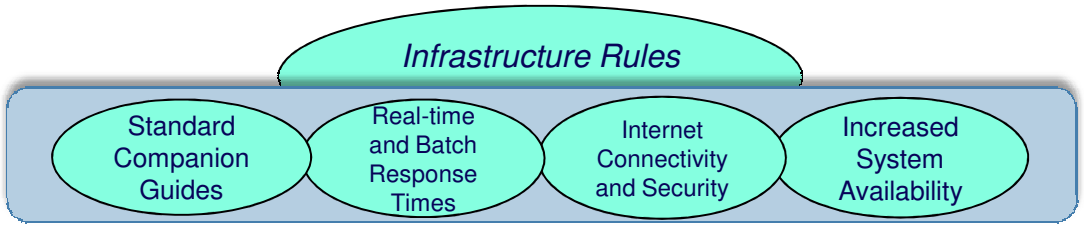
EFT Enrollment Data Rule

ERA Enrollment Data Rule

Content: Provider first enrolls in EFT and ERA with Health Plan(s) and works with bank to ensure receipt of the CORE-required Minimum ACH CCD+ Data Elements for reassociation

Claims Payment Process





simplifying healthcare administration
CAQH

© 2014 CORE. All rights reserved.

Clearinghouse EFT & ERA Implementation Progress: *Sample CAQH CORE Polling Data*

Roughly 75% of Clearinghouse respondents are either **Well Underway, Nearing Completion or fully Complete** with implementation of the EFT & ERA Operating Rules; **Almost half of all Clearinghouse respondents** (48%) identified their implementation process as being **Complete**

	June 2013 N=82	**January 2014** N=42
Not Started	1% (1)	2% (1)
Planning & Analysis	40% (33)	24% (10)
Well Underway	49% (40)	14% (6)
Nearing Completion	10% (8)	12% (5)
Complete*	-	48% (20)

NOTE: The data is all in aggregate based on polling responses and per CAQH CORE policy, individual names are never shared; polling does not verify respondents stakeholder type.

simplifying healthcare administration
CAQH

© 2014 CORE. All rights reserved.

Example of Healthcare EFT CCD+ Statistics NACHA Is Tracking Given ACH Network Configuration

"Credit" is a deposit by health plan to provider for services rendered by the provider. January growth over December in number of payments was 10.0%.

	Sep-13	Oct-13	Nov-13	Dec-13
Number of Forward CCD Credits	1,319,207	5,628,162	6,177,825	7,403,758
Total $ Value of CCD Credits	$ 7,467,200,858	$25,090,277,619	$27,222,083,672	$ 34,678,572,215
Avg # of credit trans per business day	188,458	255,826	325,149	389,671

simplifying healthcare administration
CAQH®

© 2014 CORE. All rights reserved.

CORE Rule Uniform Use of CARCs and RARCs:
Four Business Scenarios

Pre-CORE Rules

243 CARCs × 899 RARCs × 4 CAGCs = Inconsistent Use of Tens of Thousands of Potential Code Combinations

Post CORE Rules

Approximately 1,300 Code Combinations Included

Four Common Business Scenarios

CORE Business Scenario #1: Additional Information Required – Missing/Invalid/ Incomplete Documentation (332 code combos)

CORE Business Scenario #2: Additional Information Required – Missing/Invalid/ Incomplete Data from Submitted Claim (306 code combos)

CORE Business Scenario #3: Billed Service Not Covered by Health Plan (453 code combos)

CORE Business Scenario #4: Benefit for Billed Service Not Separately Payable (40 code combos)

Code Combinations not included in the CORE-defined Business Scenarios may be used with other non-CORE Business Scenarios

simplifying healthcare administration
CAQH®

© 2014 CORE. All rights reserved.

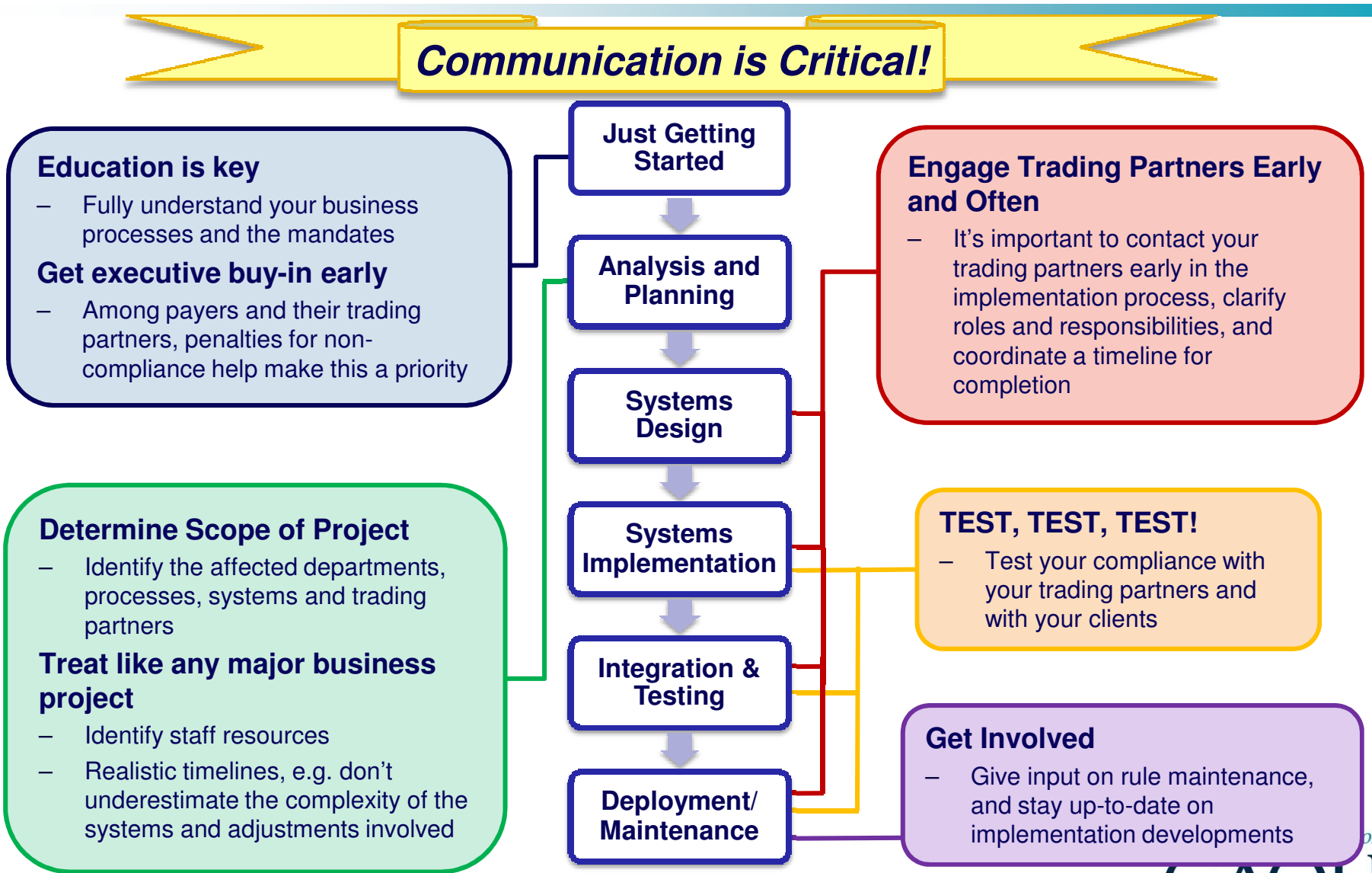
Code Combination Maintenance:
Market-based Review (MBR) Additions and Removals

- This is detailed work: No pain no gain!
  - Given massive use of codes and their impact on claim denials/adjustment, industry needs a uniform set for simplification and identification of areas for improvement/alignment/resource allocation
  - Example of Code Combination under Business Scenario #1
    - ***CARC:***
      - *Attachment/other documentation referenced on claim was not received*
    - ***RARC:***
      - *Missing post-operative images/visual field results*
- Any HIPAA covered entity can submit code combinations
  - 60 day submission period (ends February 15th)
  - Submissions MUST meet criteria
  - The 2013 online MBR Form will only consider the addition/removal of *CORE Code Combinations* in the existing four CORE-defined Business Scenarios.

simplifying healthcare administration
CAQH®

© 2014 CORE. All rights reserved.

Implementation Steps for HIPAA Covered Entities: *Best Practices and Lessons Learned*



© 2014 CORE. All rights reserved.

Initial Step of HHS Health Plan Certification

Identifying Meaningful Comments

simplifying healthcare administration

CAQH®

© 2014 CORE. All rights reserved.

HHS NPRM on Health Plan Certification:
Steps During Comment Period

Public Deliverables (See website)	**Examples of Key Substantive Comments to Date**
GOAL: Generate meaningful and constructive comments for HHS	
List of Initial Observations	• **HPID Use in Certification vs. Other Efforts:** How can industry ensure that HPID identifier used in certification isn't confused for what may be in the actual transaction? • **Engaging Vendors**: For proposed HIPAA Credential, how to formally engage and involve the vendors that support health plan compliance? • **Terminology and Involved Parties:** Are self-insured health plans included, and if so, what role can their Third Party Administrators (TPA) play in the certification of this large volume of health plans? • **Audit and Penalties:** Is there a reasonable method to recognize that complex IT systems need some tolerance level, e.g. 99.5%? • **Stages after Initial Stage:** Certify not just health plans, but also PMS and others entities essential to end-to-end success.
Open CAQH CORE Call on Initial List of NPRM Observations	
Draft model comment letter: ***Contains requests for changes, clarifications and recommendations***	
CAQH CORE-only call	
Final model comment letter for entities to use as they deem appropriate	

© 2014 CORE. All rights reserved.

CORE-Certified or Pledged Entities

- Already over 80 entities CORE-certified on Phase I and II (eligibility and claim status), e.g.
  - Aetna, United, WellPoint, Availity, Mayo, NextGen, Passport, RelayHealth
- Recent certifications or pledges include:
  - *BCBS Nebraska
  - BCBS Puerto Rico
  - Excellus
  - Florida Division of Medicaid
  - *Humana
  - *InstaMed
  - MaineCare
  - MEDITECH
  - Tufts Health Plan

*All current CORE Certification phases completed including EFT/ERA

simplifying healthcare administration

© 2014 CORE. All rights reserved.

New Operating Rule Development

Aligning Efforts and Momentum

simplifying healthcare administration

CAQH®

© 2014 CORE. All rights reserved.

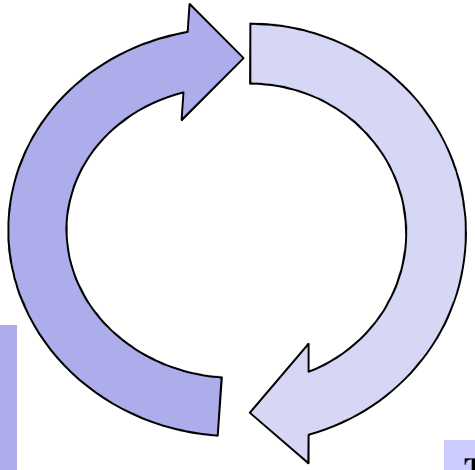
Connectivity, Infrastructure & Security Industry Landscape: *Legislative, Market Movements, & National Initiatives*

Legislative and National Initiatives Movement towards increased adoption of Standards

Market Movement towards increased Connectivity, new Business Needs

Legislative Movement

- ✓ HIPAA covered entities are implementing CAQH CORE Connectivity for ACA Section 1104 compliance
- ✓ Meaningful Use Stage 2 has transport requirements for Providers/EHR systems such as use of ONC DIRECT
- ✓ HITECH Act has greater security requirements, penalties for lack of security



Market Movement

- ✓ Market movement from paper based to Internet based electronic transactions.
- ✓ Efficiencies of scale gained as more trading partners support electronic transactions
- ✓ Improved efficiency as more electronic transactions become standards based

Interoperability Initiatives

- ✓ CAQH CORE
- ✓ eHealth Exchange (formerly NwHIN)
- ✓ ONC S&I esMD has adopted CAQH CORE Connectivity
- ✓ Trust policy frameworks developed by DirectTrust, white papers by ONC S&I esMD Author of Record

Technical Impact of Direct Connectivity

- ✓ Need to support standards in new areas such as attachments
- ✓ Need for reliability and security in support of the new business transactions

Government PKI Infrastructures

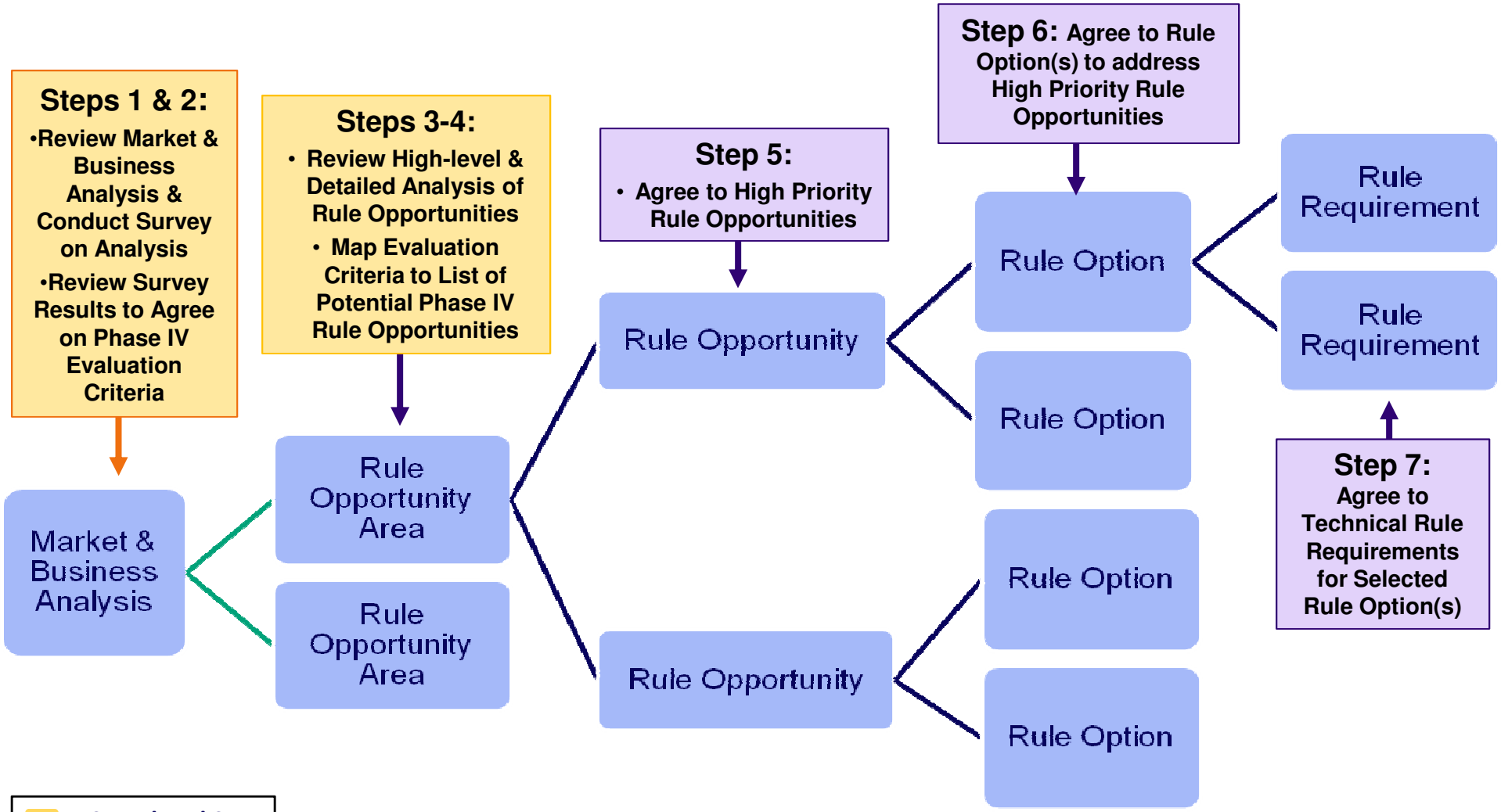
- ✓ Federal Bridge is built and operational supporting cross-certification of trusted PKIs

simplifying healthcare administration
CAQH®

© 2014 CORE. All rights reserved.

3rd Set of Operating Rules and CORE Connectivity

Rule Development Work Flow



simplifying healthcare administration

CAQH

© 2014 CORE. All rights reserved.

3rd Set of Operating Rules:
Examples of Potential Rule Opportunities Under Discussion

How can connectivity and infrastructure Operating Rules drive selected criteria such as clinical/administrative alignment, adoption?

Examples of Identified Rule Opportunities
Transport and Enveloping • Convergence of Authentication Standards for Safe Harbor, e.g. SOAP • Explore support for ONC DIRECT as an additional transport option for Attachments
Enhancing Reliability and Security/Authentication • Industry-wide policy for uniform use of digital certificates • Enhanced envelope level security (e.g., Signature, SAML Authorization), determining B2B nature of transactions and that some signatures may be applied at the document (payload) level.
Message Interaction and Response Times • Define transaction Specific Message Interaction (e.g., Real time, Batch) Requirements; likely will vary by transaction, e.g. claims may be only batch

simplifying healthcare administration
CAQH

© 2014 CORE. All rights reserved.

3rd Set of Operating Rules:
Existing Draft CAQH CORE Operating Rule for Consideration

Health Care Claim Acknowledgment (277) Rule

- ***Connectivity:*** Requires entities to support the Connectivity Rule
- ***System Availability:*** Specifies system availability must be no less than XX percent per calendar week for both real time and batch processing modes
- ***Downtime Reporting:*** Includes reporting requirements for scheduled, non-routine, and unscheduled system downtime plus holiday schedule
- ***Companion Guide Template:*** Specifies use of the CAQH CORE Master Companion Guide Template for the flow and format of such guides
- ***Acknowledgements:*** Includes batch and real time Acknowledgement requirements
- ***Response Time:*** Specifies response time requirements for availability of Acknowledgements
- ***Receivers of the X12 v5010 277:*** Requires receivers of Acknowledgments to recognize and pass all error conditions to the end user and display text describing the specific error condition

simplifying healthcare administration
CAQH®

© 2014 CORE. All rights reserved.