



ACA Operating Rules Update

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Presentation Outline

- Introduction to CAQH and CAQH CORE.
- Overview of CAQH CORE Operating Rules.
- Voluntary CORE Certification.
- Future Focus.

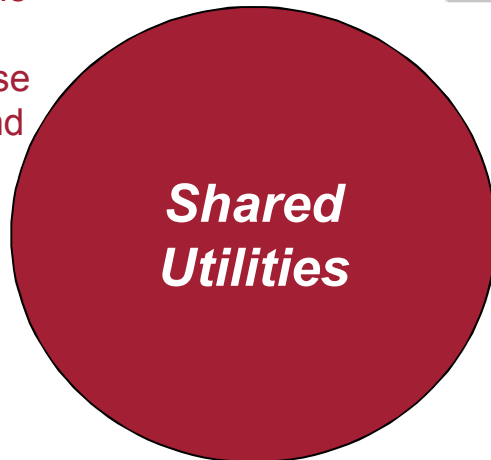
Industry-Wide Considerations

- How can the industry demonstrate leadership on administrative simplification, understanding the role of regulation that is evolving and the scope/players/tools of administrative simplification changes?
- Where will emerging payment models impact interoperability and administrative simplification?
- What opportunities exist for collaboration across industry initiatives to drive meaningful improvements in data exchange?
- To accelerate progress in this arena, are there tools or policies that need to be sunsetted, changed, prioritized or created?

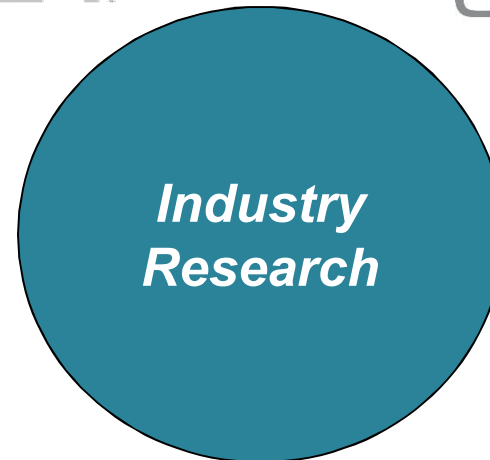
CAQH Overview | *Convener. Collaborator. Catalyst.*



Collaborates with industry stakeholders to develop shared utilities that streamline the collection, management, and use of critical provider and member data.



Convenes industry stakeholders to establish best practices by developing and implementing national business rules that maximize efficiency and savings.



Collects and analyzes industry data to establish benchmarks as a *catalyst* for further progress.

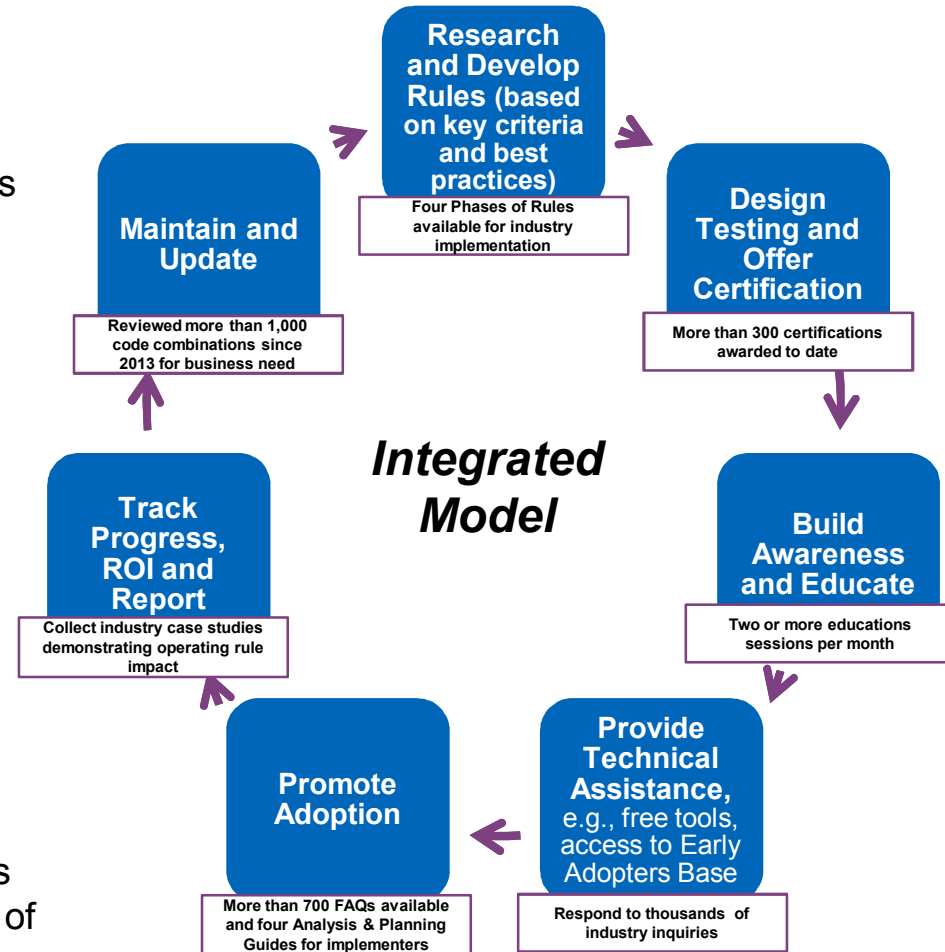
CAQH CORE Mission and Vision

MISSION Drive the creation and adoption of healthcare operating rules that support standards, accelerate interoperability, and align administrative and clinical activities among providers, payers, and consumers.

VISION An industry-wide facilitator of a trusted, simple, and sustainable healthcare data exchange that evolves and aligns with market needs.

DESIGNATION Established in 2007. Named by Secretary of HHS to be national author for three sets of operating rules mandated by the Affordable Care Act.

BOARD Multi-stakeholder. Voting members are HIPAA covered entities, some of which are appointed by associations such as AHA, AMA, MGMA. Advisors are non-HIPAA covered, e.g. SDOs.



CAQH CORE's Focus is Driven by Value & Need

Spheres of Work



Role of Operating Rules

- Developed to facilitate administrative interoperability, by building upon recognized standards and ensuring benefit for each critical stakeholder.
- Compliments and supports healthcare industry neutral standards – they *do not repeat or reiterate standards*.
- Used by other industries.

INFRASTRUCTURE	CONTENT
Connectivity & Security	Supports use of recognized standards that can deliver valuable structured data or require access to unstructured data.
Response Time (Batch/Real-time)	
System Availability	
Exception Processing Error Resolution	
Roles & Responsibilities	
Companion Guides	
Acknowledgements	

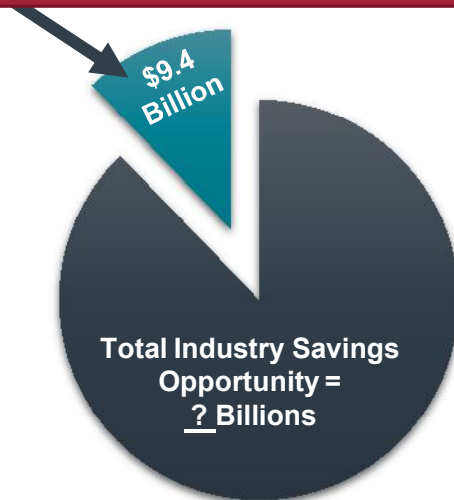
Infrastructure rules apply across transactions – establishing basic expectations on how the US data exchange “system” works, e.g. ability to track response times across all trading partners. *Infrastructure rules can be used with any version of a standard.*

Content rules support the exchange of valuable data that allow stakeholders to access information needed to manage an identified process; rules can address ongoing maintenance, setting expectation of evolution. *Content supports further use of base standards whenever possible.*

How Much Could the Industry Save in this Arena?

2016 CAQH Index Reported Labor-only Savings Opportunity for Six HIPAA Transactions that have CAQH CORE Operating Rules; Adoption by Transaction is at Different Stages:

1. Eligibility and Benefit Verification (Phases I-II).
2. Claim Status Inquiry (Phase II).
3. Claim Payment (Phase III).
4. Remittance Advice (Phase III).
5. Claim Submission (Phase IV).
6. Referral Certification (Phase IV).



- Report used data from 5.4 billion transactions.
- These cost estimates only represent a fraction of the true industry savings opportunity associated with adoption of electronic transactions:
 - Includes direct labor cost for only *six* of the twelve key transactions in the claims cycle for commercial plans.
 - A more comprehensive estimate of industry cost savings opportunity would include indirect and direct cost for all twelve transactions in the claim cycle for *private and public* payers.

Other Cost Not Currently in CAQH Estimates

Six Additional HIPAA Transactions
Indirect Labor Cost (transaction prep & follow-up)
Vendor and Other Overhead
Public Payers
Host of Other Transactions Beyond HIPAA

Value of Moving to Basic Electronic Transactions

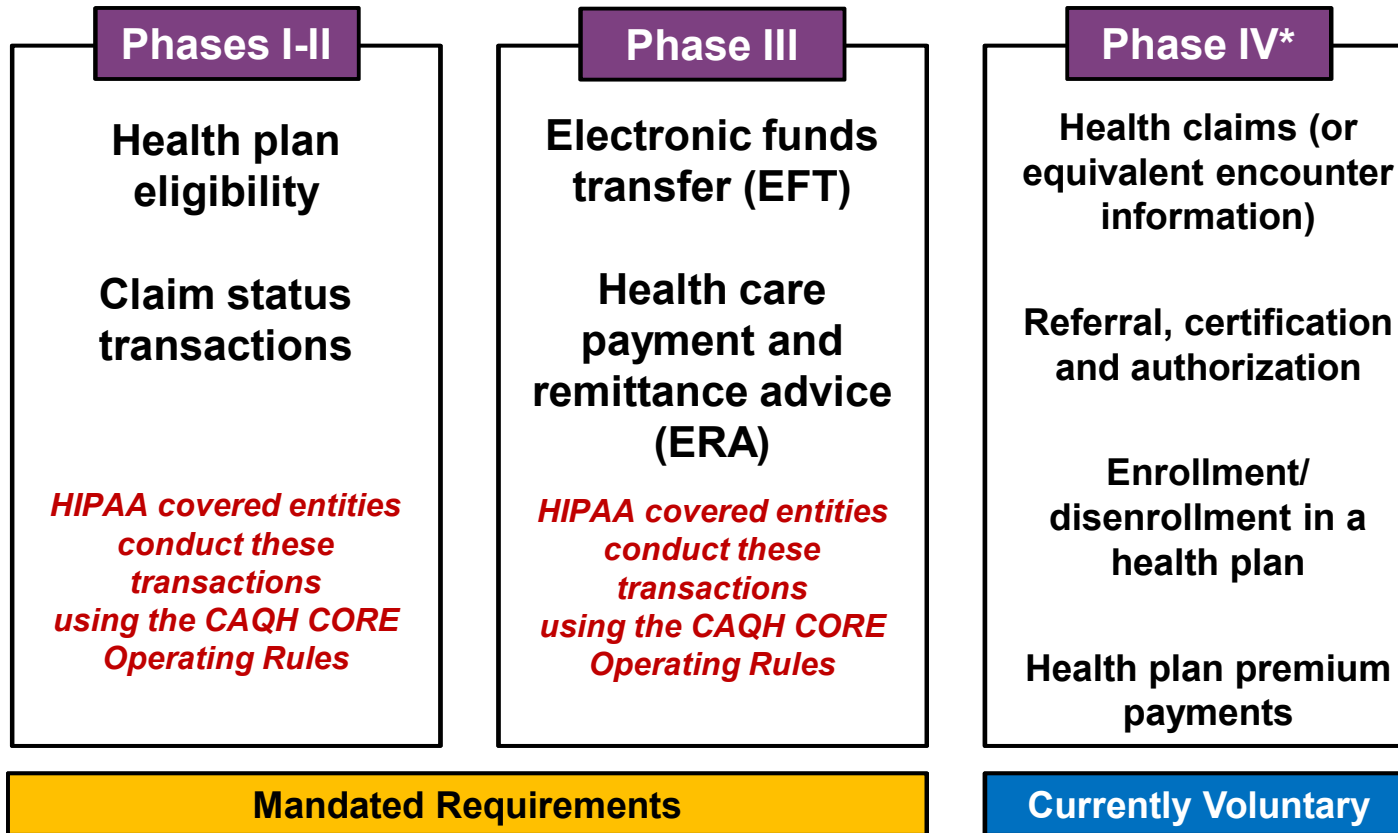
On average, each manual transaction costs healthcare providers \$4 in labor more than each electronic transaction, a slight increase from last year.

On average, each manual transaction costs health plans \$3 in labor more than each electronic transaction.

Transaction	Method	Provider Cost	Provider Savings Opportunity
Claim Submission/ Receipt	Manual	\$2.02	\$1.43
	Electronic	\$0.59	
Eligibility and Benefit Verification	Manual	\$4.02	\$3.60
	Electronic	\$0.42	
Prior Authorization	Manual	\$7.50	\$5.61
	Electronic	\$1.89	
Claim Status Inquiry	Manual	\$5.40	\$3.59
	Electronic	\$1.81	
Claim Payment	Manual	\$2.89	\$2.20
	Electronic	\$0.69	
Claim Remittance Advice	Manual	\$5.69	\$4.74
	Electronic	\$0.95	
Claim Attachments	Manual	\$5.25	\$4.08
	Electronic	\$1.17	

Transaction	Method	Health Plan Cost	Health Plan Savings Opportunity
Claim Submission/ Receipt	Manual	\$0.62	\$0.52
	Electronic	\$0.09	
Eligibility and Benefit Verification	Manual	\$4.36	\$4.29
	Electronic	\$0.07	
Prior Authorization	Manual	\$3.68	\$3.64
	Electronic	\$0.04	
Claim Status Inquiry	Manual	\$4.39	\$4.35
	Electronic	\$0.04	
Claim Payment	Manual	\$0.57	\$0.48
	Electronic	\$0.09	
Claim Remittance Advice	Manual	\$0.50	\$0.45
	Electronic	\$0.05	
Claim Attachments	Manual	\$1.74	\$1.64
	Electronic	\$0.10	

Current Phase I-IV CAQH CORE Operating Rules



CAQH CORE Rules also include Acknowledgement requirements that were not included in mandate.

*Does not include health claims attachments (HHS Standard not yet mandated).

CAQH CORE Phase I-IV Rule Requirements

Where CAQH CORE Has Set Expectations

Current CAQH CORE Operating Rules		
HIPAA Transaction (*mandated)	Basic National Infrastructure ¹ <i>(Critical to healthcare ecosystem as it has no Federated Network or Industry Hubs for these transactions)</i> These requirements help the industry determine how they improve operations and information flow with their trading partners.	Uniform Data Content <i>(Delivered via requirements of further use of recognized standards)</i> These requirements align with mandated content standards, e.g., X12, and support further use of standards and can roll into future versions. These rules are structured to have ongoing content maintenance that CAQH CORE maintains, e.g. Code Combos, enrollment data sets; ongoing improvement.
Enrollment/ Disenrollment	X	
Premium Payment	X	
*Eligibility	X	X
Prior Authorization	X	
*Claim Status	X	
*EFT	X	X
*ERA	X	X
Claim	X	

¹ Infrastructure includes: Safe harbor connectivity/security, batch/real-time turnaround times, response time tracking, acknowledgements, system availability and downtime reporting, error processing, uniformity trading partner data exchange documentation and roles/responsibilities in exchange by stakeholder; see Appendix for more detail.

Voluntary CORE Certification

Developed BY Industry, FOR Industry

CORE Certification is the most robust and widely-recognized industry program of its kind – the Gold Standard. Its approach assures an independent, industry-developed confirmation of conformance with operating rules and underlying standards.



Requirements are developed by broad, multi-stakeholder industry representation via transparent discussion and polling processes.



Required conformance testing is conducted by third party testing vendors that are experts in EDI and testing.



CAQH CORE serves as a neutral, non-commercial administrator.

Authorizes the conformance testing vendors.

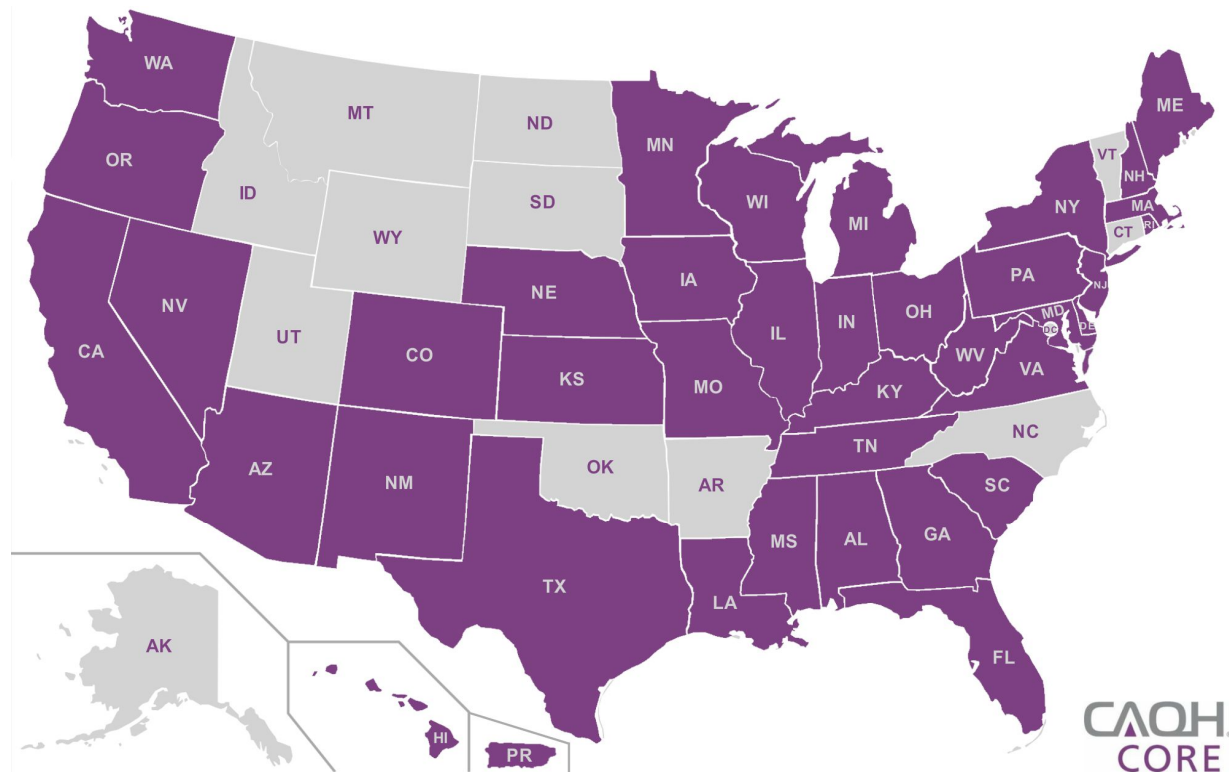
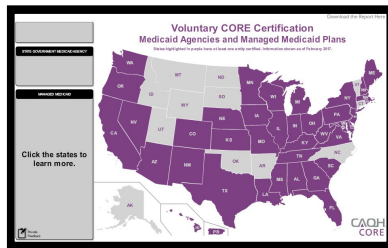
Reviews and approves the Certification applications, e.g. trading partner dependencies, number of platforms, and conformance test reports before a Certification Seal is awarded.



Voluntary CORE Certification and Medicaid Entities

States highlighted in purple have at least one Medicaid entity that is CORE-certified.*

Click [here](#) to explore the interactive map.



*Entities include State Medicaid Agencies, County Medicaid Agencies, and Managed Medicaid Plans.

CAQH CORE Phases I - III Certification

Progress Report

CAQH CORE has a new dedicated webpage to report on the market reach of [Voluntary CORE Certification](#). Specific measures capture the reach and thus impact on both sides of the healthcare system – payers and providers. Without both sides – full impact doesn't occur as many providers work with vendors to send inquiries and responses to health plans.

64% of all insured lives in the U.S. are covered by a CORE-certified plan for Phases I & II; 77% of commercially insured and 44% of publicly insured.

Many health plans and their trading partners are experiencing the efficiencies from the CAQH CORE Operating Rules enabling them to save time, money, and evolve work flows.

More work is needed, especially in Phase III, and now with Phase IV. More vendor engagement (PMS, clearinghouse, EHRs) is needed overall; this includes with respect to measuring impacted provider-facing transactions.

The report has two parts:

Part One - Health Plans: Number of Covered Lives Benefiting from CORE Certification (Complete).

Part Two - Providers: Volume of Data Exchange Benefiting from CORE Certification (In Progress).

Sources:

AISHealth

United States™
Census
Bureau

THE HENRY J.
KAISER
FAMILY
FOUNDATION

Phase IV CORE Certification Now Available

More than 25+ entities have expressed interest.

Phase IV CORE Certification can enable your organization to:



Establish its role as a leader in the industry as an early adopter.



Begin driving more value from the transactions addressed in Phase IV.



Publicly demonstrate commitment to administration simplification.



Build on work that has been implemented in previous certification phases.



Contact CORE@CAQH.org if you're interested, or if you have further questions about CORE Certification.

CAQH CORE Future Focus

Evolve Ongoing Efforts

Meet its strong commitment to role as HHS designated operating rule author; Rule maintenance, and understanding/adoption of Phase I-IV and, when appropriate, Attachments.

Identify, Prioritize, and Execute Future Work

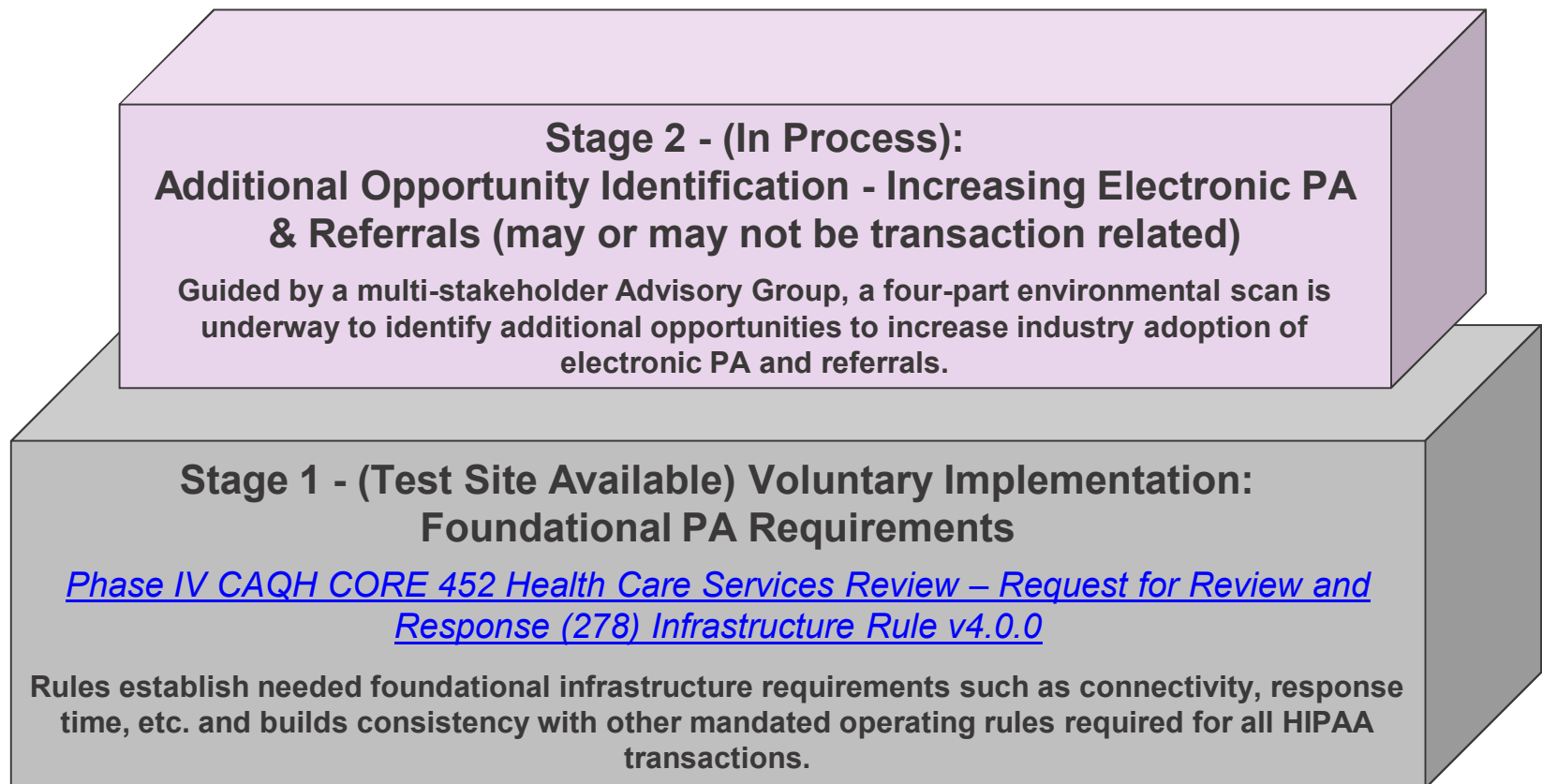
Based on its collaborative mission, develop potential new voluntary operating rules, e.g., Stage 2 Prior Authorization underway.

Address the potential need for new operational activities and approaches to support data exchange in emerging payment models.

A Phased Approach to Prior Authorization

Current Work Effort Builds on Foundation Established in Phase IV

According to the [2016 CAQH Index Report](#), industry adoption of the HIPAA mandated ASC X12N v5010X217 278 Prior Authorization (PA) transaction is 18 %. Significant opportunity exists to increase adoption of electronic PA to improve efficiencies and reduce costs. CAQH CORE is taking a multi-stage approach to address:



Four-Part Prior Authorization (PA) Environmental Scan

Led by a multi-stakeholder Advisory Group, the purpose of the environmental scan is to further understand current adoption barriers and conduct early vetting of potential opportunities to develop a comprehensive list of potential PA opportunities for Board and then CORE Subgroup consideration. Summary of Environmental Scan will occur in Q2; Subgroup to follow in Q3.

CORE Participant Survey on Rule Opportunities

Asked respondents to rank and rate five high-level categories of 14 potential opportunity areas and submit any additional opportunities for consideration. *Work flow, formats and data rose to top.*

Stakeholder Interviews

~20 Multi-stakeholder interviews underway to gain insight in to current barriers and potential opportunities for PA.

PA Vendor Product Assessment

Comprehensive review of vendor products related to PA to understand role of vendors in PA process. *Includes over 15 products, some of which also have EHRs.*

Provider PA Site Visits

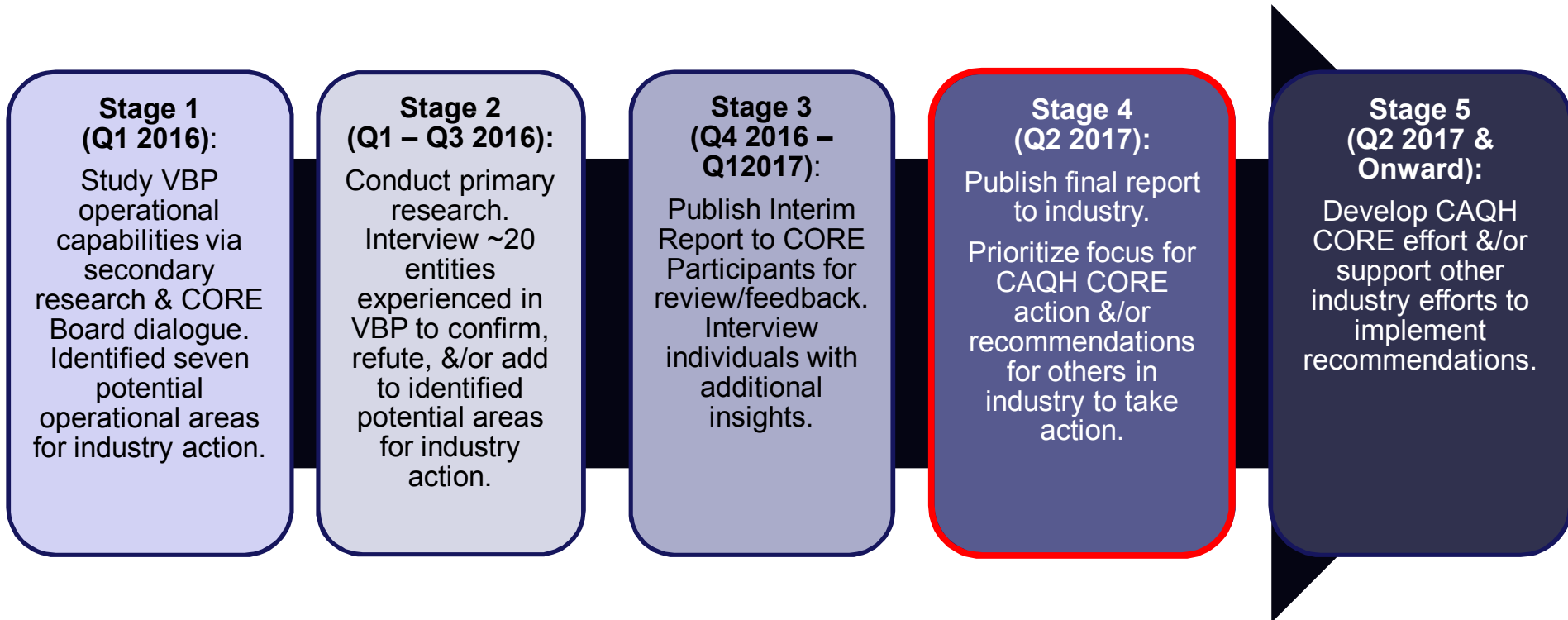
~5-10 provider site visits being conducted to gain insights into current PA workflows, challenges and opportunities.

NOTE: CAQH CORE aims to be complimentary to other industry efforts. Any rule development effort would include a review of external findings to ensure alignment and ensure efficient use of industry resources, e.g., How/if CORE can address the recently published AMA/AHA Prior Authorization Principles has been analyzed – seven of the 21 principles are relevant/have aspects that are/can be addressed by CORE.

Value-based Payments

Approach to Identify Potential Scope of Work

While CAQH CORE continues its focus on driving down unnecessary costs from fee-for-service (FFS) data exchange, future focus has been placed on defining collaborative operational activities that can support data exchange needed for Value-based Payment (VBP) models.



Thank You



@CAQH

Website: www.CAQH.org/CORE

Email: CORE@CAQH.org

The CAQH CORE Mission

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