ACA Operating Rules Update

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Session Outline

- CAQH & CAQH CORE Overview.

- Opportunities to Drive Value: New Operating Rules & Business Practices.

  - Prior Authorization.

  - Attachments.

  - Value-based Payments.

- Streamlining the Use of Electronic Healthcare Transactions: Maintenance and Certification.

  - Mandated Operating Rule Maintenance.

  - CORE Certification.

- Q&A.

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CAQH & CAQH CORE Overview

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CAQH Initiatives Transform Healthcare Business Processes

National operating rules for electronic business transactions.
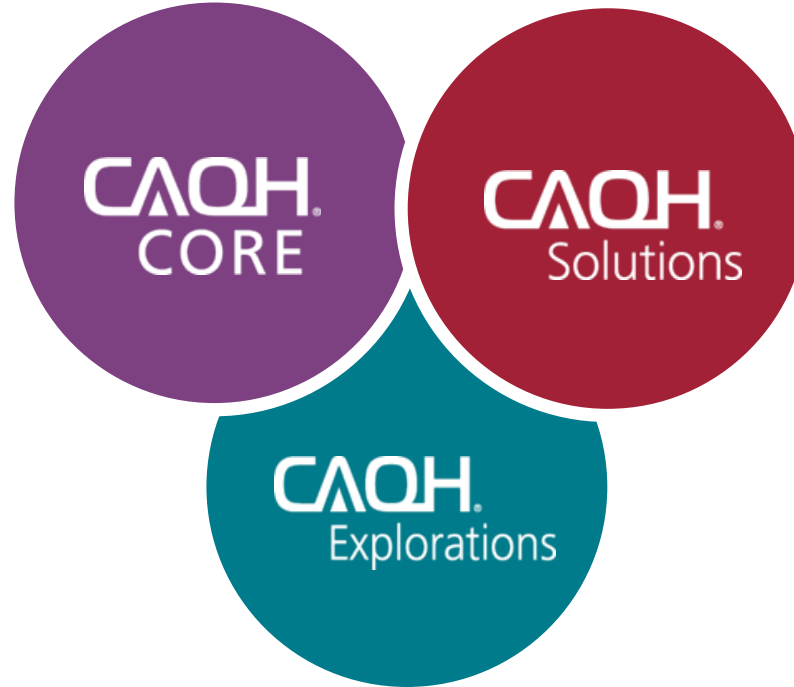
Shared utilities to collect and manage provider and member data.

Research and collaborative endeavors for industry progress, including the CAQH Index®.

CAQH Solutions

Solutions for Healthcare Provider Data:

- **CAQH ProView**® is the industry standard for provider data collection and distribution.

- **DirectAssure**® increases the accuracy of provider directories.

- **VeriFide**™ streamlines provider credentialing by standardizing and automating data verification.

- **SanctionsTrack**® delivers comprehensive, multi-state information on provider licensure disciplinary actions.

- **EnrollHub**® reduces costly paper checks with provider enrollment for EFT and ERA.

Solution for Coordination of Benefits:

- **COB Smart**® identifies health plan members with overlapping coverage.

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What is the CAQH Index?

- A **voluntary nationwide survey** of commercial medical and dental health plans and healthcare providers.
  - 2017 CAQH Index to be released in April.

- The only industry source tracking the **industry-wide transition to "full adoption" of electronic transactions** and establishing benchmarks for volume and costs of transactions.
  - Tracking is critical to monitoring progress and identifying specific opportunities for further improvement.

- Guided by the **CAQH Index Advisory Council**.
  - Experts in administrative transactions, data analysis, and healthcare management representing providers, health plans, vendors and other industry partners.
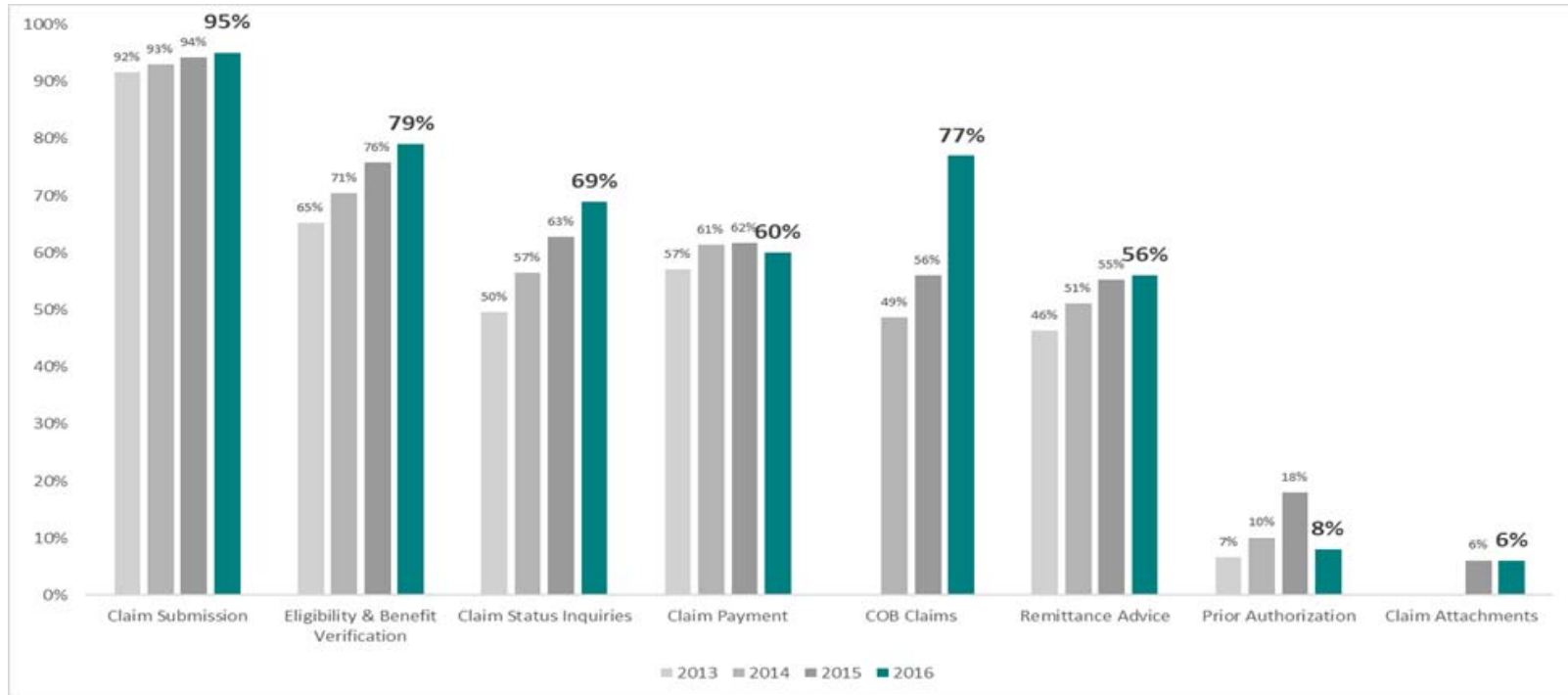
2016 CAQH INDEX®

A Report of Healthcare Industry
Adoption of Electronic Business
Transactions and Cost Savings

CAQH
Explorations

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2017 CAQH Index
Overall Adoption of Fully Electronic Transactions for Medical Plans

- Overall, variable progress towards full adoption of electronic transactions continues.

- For all transactions, except Claim Submission, there is a wide variance in both the level of adoption and ability to report transaction-specific data.

- Overall, very limited progress towards full adoption of electronic transactions continues.

- Adoption of fully electronic transactions remains significantly lower for dental plans in comparison to medical plan adoption.
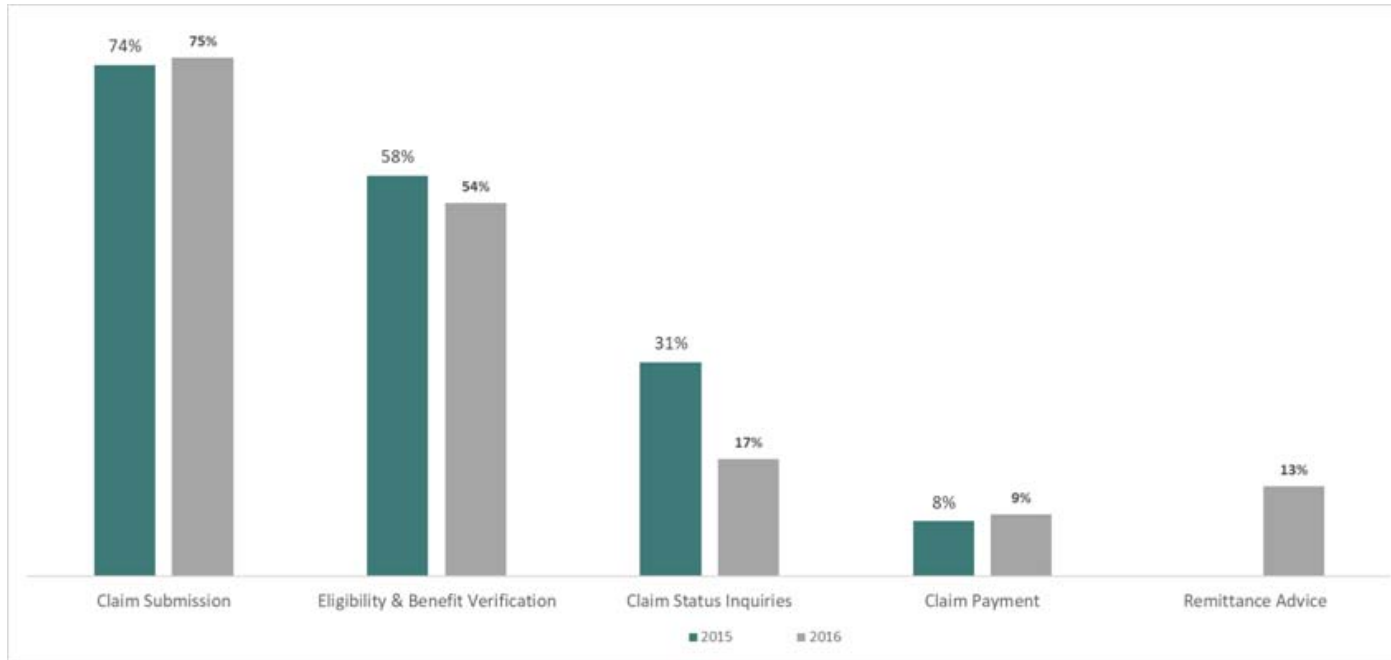
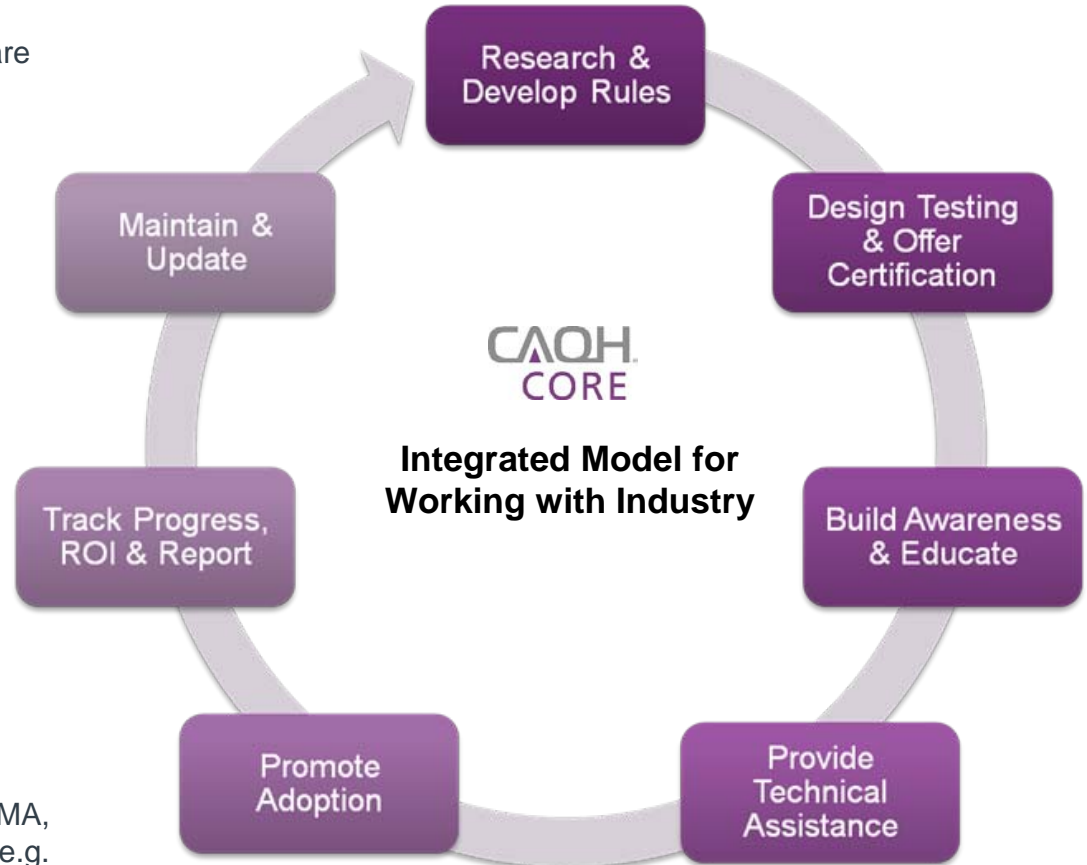*Note:* Claim Attachments and Acknowledgements had two few data submissions to benchmark.

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CAQH CORE Mission & 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
Named by Secretary of HHS to be national author for three sets of operating rules mandated by Section 1104 of 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.

Research & Develop Rules

Design Testing & Offer Certification

Maintain & Update

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Integrated Model for Working with Industry

Build Awareness & Educate

Track Progress, ROI & Report

Promote Adoption

Provide Technical Assistance

9

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CAQH CORE is Driving Industry Value

130
CAQH CORE Participating Organizations

working in collaboration to simplify administrative data exchange through development and maintenance of operating rules.

4
Phases of Operating Rules

developed to facilitate administrative interoperability and encourage clinical-administrative integration by building upon recognized standards.

3
Federally Mandated Phases of Operating Rules

per Section 1104 of the Affordable Care Act to address and support a range of administrative transactions.

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CAQH CORE Certifications

awarded to entities that create, transmit or use the healthcare administrative and financial transactions addressed by the CAQH CORE Operating Rules.

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Example CAQH CORE Participating Organizations

Representative of Industry Stakeholder Diversity

MGMA

aetna

HL7

Anthem.

UnitedHealthcare

DHCS
California Department of
HealthCareServices

InstaMed
Healthcare Payments Simplified

athenahealth

CHRISTUS
Health.

NMCC
NEW MEXICO CANCER CENTER
New Mexico Oncology Hematology Consultants, Ltd.

American Hospital Association

BlueCross BlueShield of North Carolina

wedi

NACHA
The Electronic Payments Association

UHIN

NCPDP

Marshfield Clinic
HEALTH SYSTEM

AULTCARE

ASCX12
The Accredited Standards Committee

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

VA | U.S. Department
of Veterans Affairs

AMA

Epic

MONTEFIORE
Medical Center

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Phase I-IV CAQH CORE Operating Rules
Healthcare Organizations are Implementing & Seeing Benefits

Phase	Transactions	Example Benefits	
Phase I – II	▪ Health plan eligibility (270/271). ▪ Claim status transactions (276/277).	▪ **Improves patient registration process**. ▪ Real-time eligibility and benefit checks **reduces claim denials**. ▪ **Decreases duplicate** claim submissions. ▪ **Reduces misidentification** of patients and mistaken denials.	**Mandated**
Phase III	▪ Electronic funds transfer. ▪ Electronic remittance advice (835).	▪ **Improves cash flow** via expedited payment and remittance reconciliation. ▪ **Eliminates** the need for **manual re-keying** of reconciliations. ▪ Increases ability to **conduct targeted payment issue follow-ups**.	
Phase IV	▪ Health claims or equivalent encounter information (837). ▪ Referral, certification and authorization (278). ▪ Enrollment/disenrollment in a health plan (834). ▪ Health plan premium payments (820).	▪ **Enhances revenue cycle management** during healthcare claim submission. ▪ **Reduces staff time on manual** phone or fax inquiries for prior authorization. ▪ **Alleviates delays or errors** in processing employee change-of-life events.	**Voluntary**

CAQH CORE is the HHS-designated Operating Rule Authoring Entity.
HIPAA covered entities conduct administrative transactions using the CAQH CORE Operating Rules.

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Opportunities to Drive Value: New Operating Rules & Business Practices

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Prior Authorization

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- Multiple leading healthcare organizations have identified Prior Authorization (PA) barriers and opportunities to address these challenges.

- Industry interest is at an all time high – from CAQH CORE's environmental scan, to multi-stakeholder Consensus Statements, to Guiding Principles and White Papers.

- Complementary efforts are further driven by the WEDI PA Council, which brings together industry leaders on the topic.

- CAQH CORE's ongoing PA Operating Rule development draws on these complementary efforts to design implementable and industry-driven solutions, and ultimately, to improve timely delivery of patient care.

Complementary Industry Efforts Identify Consistent Prior Authorization Barriers & Opportunities

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Environmental Scan
- Opaque "pended" responses
- Inconsistent adoption of the X12 278
- Impact to patient care
- Inaccurate information

AHA, AMA, AHIP, APhA, BCBSA & MGMA
Consensus Statement
- Revision of services requiring PA
- Inconsistent adoption of the X12 278
- Impact to patient care
- Inaccurate information

AMA
PA and Utilization Management Reform Principles
- Inconsistent adoption of the X12 278
- Revision of services requiring PA
- Impact to patient care
- Delayed notifications of final decisions

WEDI PA Subgroup
Workflow & Guiding Principles
- Opaque "pended" responses
- Third-party UMOs
- Delayed notifications of final decisions
- Impact to patient care

The CAQH CORE Operating Rules for PA Submissions and Responses.

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CAQH CORE Efforts on Prior Authorization
Phase IV Laid the Foundational Infrastructure

CAQH CORE Vision for Prior Authorization (PA)

Introduce targeted change to propel the industry collectively forward to a PA process optimized by automation, thereby reducing administrative burden on providers and health plans and enhancing timely delivery of patient care.
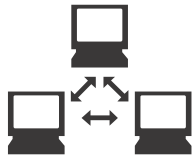
The Phase IV Operating Rule* established foundational infrastructure requirements such as connectivity, response time, etc. and builds consistency with other mandated operating rules required for all HIPAA transactions.

CAQH CORE not only develops operating rules to automate the PA process, but also drives adoption to realize meaningful change.

Highlights of Phase IV Infrastructure Requirements
Connectivity Requirements Facilitate Electronic Information Exchange Between Providers and Health Plans
Real-time and Batch Processing of PA Requests
Acknowledgement of Receipt of PA Request
Responses within Specified Timeframe

* Phase IV Rule implementation is currently underway. Complete rule available here: Phase IV CAQH CORE 452 Health Care Services Review – Request for Review and Response (278) Infrastructure Rule v4.0.0.

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CAQH CORE Prior Authorization Subgroup
Pursuing Top Opportunity Areas to Drive Efficiency in PA Process

The CAQH CORE Prior Authorization Subgroup (PASG) launched in 2017 to draft additional, voluntary operating rules that will **expand on the foundational infrastructure requirements established by the Phase IV Operating Rule**, and move the needle closer to a **more efficient PA process.** The PASG's efforts also build upon the research and analysis conducted by the CAQH CORE PA Advisory Group.

PA Subgroup Began Pursuing Rule Development in Q4 2017

Data Content & Data Sets

Robust Data Content Requirements for HIPAA-Mandated v5010X217 278 Prior Authorization Request and Responses

Uniform and Consistent Robust Data Sets for Initiating a Prior Authorization via any Method

CAQH CORE to Conduct Additional Research Prior to Pursuing Rule Development, 2018

Workflows

Examine Capability to Notify Provider of Prior Authorization Requirement in the Mandated v5010 270/271 Eligibility Request and Response

Consistent & Efficient Workflows for Provider pre-submission and Health Plan post-receipt of a Prior Authorization Request

CAQH CORE to Incorporate into Potential Attachments Rule Development Effort, 2018

Attachments (Additional Documentation)

Uniform Set of Electronic Document Formats for Submission of Additional Documentation

Transport Methods for Additional Documentation Submission

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Attachments

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Attachment Standards & Operating Rules
Moving the Industry Forward

Current Industry State	Upcoming HHS Activity
No HIPAA standard for electronic attachments. The 2016 CAQH Index report – which is based on data from over 5.4B transactions – reported on adoption and cost of electronic claim attachments for the first time. Key findings: ▪**Only 6%** of healthcare claim attachments are submitted to medical health plans electronically, with the remaining sent either via fax or mail. ▪Over a **half-billion dollars could be saved** by the industry by claim attachment adoption.	HHS Unified Agenda was published in December 2017. *"This proposed rule would **adopt standards and operating rules for attachments** based on statutory requirements introduced in the Health Insurance Portability and Accountability Act (HIPAA) and reinforced in the Affordable Care Act. In general, it would apply to circumstances in which a provider attaches clinical information to a transaction that it is being transmitted to a health plan."* **NPRM is expected August 2018.**

Ensuring electronic attachments are a work-flow friendly feature in our healthcare system is a critical goal for CAQH CORE given its Mission and HHS designation. CAQH CORE has been actively engaged in the attachments arena in preparation for future operating rule development.

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CAQH CORE Efforts on Attachments
Current & Upcoming Activities

In Progress		Activities in 2018 and Beyond
Environmental Scan	**Industry Education Series**	**Advisory Group/Subgroup**

Environmental Scan	Industry Education Series	Advisory Group/Subgroup
▪ Monitor trends in transition to electronic attachments, estimate cost savings of automation and identify opportunity areas to support provider adoption. ▪ Currently conducting provider site visits, stakeholder interviews and vendor product assessment. ▪ The Environmental Scan will inform the work of the Advisory Group when identifying and prioritizing opportunity areas.	CAQH CORE will continue to host webinars on attachments. Previous topics in series include: ▪Electronic attachments basics (Part I). ▪Best practices from claims attachments case studies (Part II). ▪Clinical content for document metadata (Part III). ▪Clinical document architecture for clinical content (Part IV).	**Advisory Group:** Review environmental scan findings to develop list of high priority opportunity areas to recommend to an Attachments Subgroup. **Subgroup:** Review Advisory Group recommendations to identify areas to be addressed in attachment rule writing.

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Value-based Payments

CAQH CORE VBP Initiative
From Fee-for-Service to Value-based Payments

CAQH CORE Board recognizes the importance of emerging VBP models* with a goal to improve quality and reduce cost:

30%-50% providers currently engaged in VBP.
(Modern Healthcare, 2017)

Expected that more than half of healthcare payments will be value-based by 2020.
(Forbes, 2017)

VBP models already accruing cost-savings with equal or better care results.
(American Hospital Association, 2016)

Transition to VBP not without challenges – improvement in operational capabilities needed to ensure success.

- Proprietary systems and processes implementing VBP have introduced operational variations, unintentionally setting up a scenario ripe for repeating prior mistakes.

- The volume-to-value transformation may slow if providers encounter barriers that make participation burdensome – need efficient, uniform operational system as support.

- Important to collaborate now within the industry to standardize and coordinate operations early, before proprietary systems and processes become entrenched.

*The term "value-based payment" is used, recognizing that other terms may also be appropriate, such as incentive payment models, care delivery models, etc.

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CAQH CORE VBP Initiative
CAQH CORE Uniquely Positioned to Help Streamline VBP Operations

For more than a decade, **CAQH CORE has brought healthcare stakeholders together to develop, agree upon and adopt operating rules** to improve the exchange of electronic transactions.

Proven Success

Significant improvements in fee-for-service operations, reducing cost and improving care delivery and administrative coordination.

Change Agent

Considerable expertise, experience and resources to **support development of a sound operational system for VBP**.

Industry Collaboration

Expertise developing operating rules for the administrative and financial areas where providers and health plans must work together – **ability to harmonize practices between providers and health plans, with 130 participating organizations**.

By collaborating now and applying lessons learned from successes in the fee-for-service space, CAQH CORE aims to energize an effort **ensuring the historic volume-to-value shift continues to be unimpeded by administrative hassles.**

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New CAQH CORE Report: All Together Now
Applying the Lessons of FFS to Streamline Adoption of VBP

[Report](#) analyzes operational challenges that may slow or add costs to the implementation of value-based payment. The research found that industry collaboration is needed to minimize variations and identified opportunity areas that, if improved, would smooth implementation.

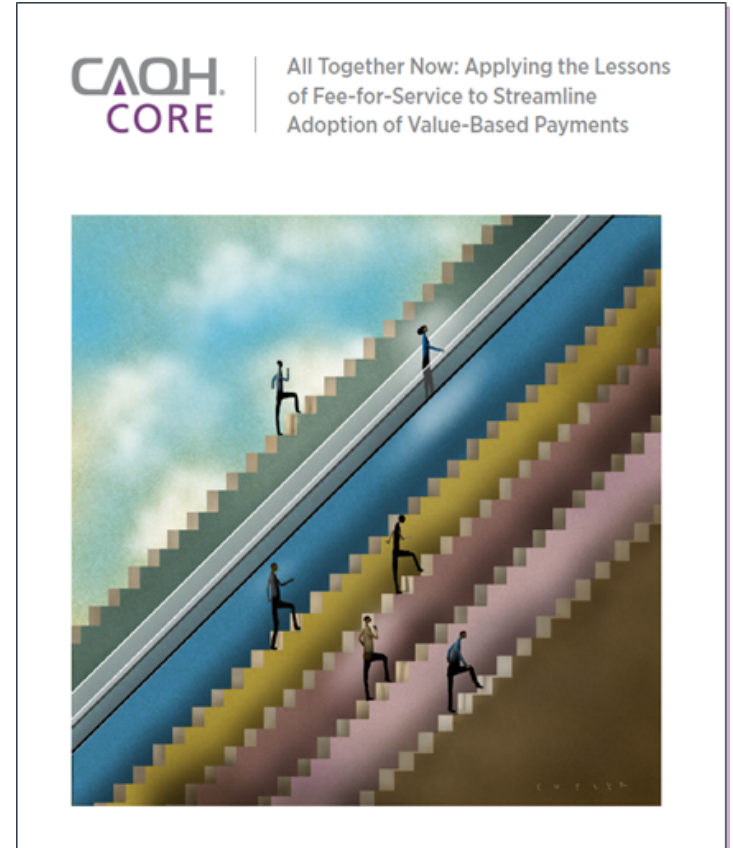## Contents of Report

5 Opportunity Areas

Proposes five opportunity areas identified as unique operational challenges associated with VBP.

9 Recommendations

Includes nine recommendations and strategies to address these challenges which may be implemented by CAQH CORE and/or others.

12+ Candidate Orgs

Identifies over a dozen candidate organizations – industry organizations and leaders – to successfully propel VBP operations forward.

CAQH CORE | All Together Now: Applying the Lessons of Fee-for-Service to Streamline Adoption of Value-Based Payments

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Opportunity Areas for Sustainable Industry-wide Success Require Collaboration

VBP Opportunity Areas

1. Data Quality & Standardization
2. Interoperability
3. Patient Risk Stratification
4. Provider Attribution
5. Quality Measurement

Non-standardized data, workflows, operations and data collection pose challenges to successfully implementing VBP. The research identifies a select set of opportunities where a more uniform approach would streamline VBP operations for both health plans and providers without compromising the competitive value of VBP models.

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CAQH CORE VBP Initiative
Current & Upcoming Efforts

Research & Report

- Conducted extensive primary and secondary research to identify initial set of potential operational areas for industry action.
- Report and executive summary released on 3/28/18 with complementary webinar featuring Dr. Susan Turney, CEO of Marshfield Clinic Health System, on 4/10/18.

Education Series

- Launched CAQH CORE VBP Industry Education Series in November 2017 and have held three VBP webinars, reaching over 700 people.
- CAQH CORE will continue the educational series throughout 2018. Next webinar in May will highlight CMS's Center for Clinical Standards and Quality efforts.

Advisory Group

CAQH CORE will launch a VBP Advisory Group in 2018. The Advisory Group will be charged with prioritizing and advancing the recommended actions contained in the report that best align with CAQH CORE's mission.

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Streamlining the Use of Electronic Healthcare Transactions: Maintenance and Certification

Mandated Operating Rule Maintenance

Ongoing Maintenance of the EFT and ERA Operating Rules
Opportunities for Improvements & Updates

The CAQH CORE EFT & ERA Operating Rules support the healthcare industry's transition to electronic payment and remittance advice and recognize the need for ongoing maintenance activities.

Ongoing Maintenance of the CORE Code Combinations for CAQH CORE 360 Rule	Ongoing Maintenance of the EFT & ERA Enrollment Data Sets for CAQH CORE 380/382 Rules

Goal: Address need for the CORE-required Code Combinations to align with changes to the published CARC and RARC lists made by the respective Code Maintenance Committees as well as ongoing and evolving industry business needs.

The Operating Rules standardize the way information about claim payment and denial is communicated.

Goal: Incorporate lessons learned from increased EFT and ERA enrollment and address emerging, new, or changing industry business needs on an ongoing basis.

The Operating Rules address barriers to greater provider EFT and/or ERA enrollment due to the variance in the required processes and data elements.
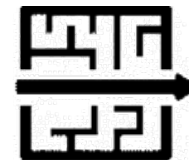
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CORE Certification

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.

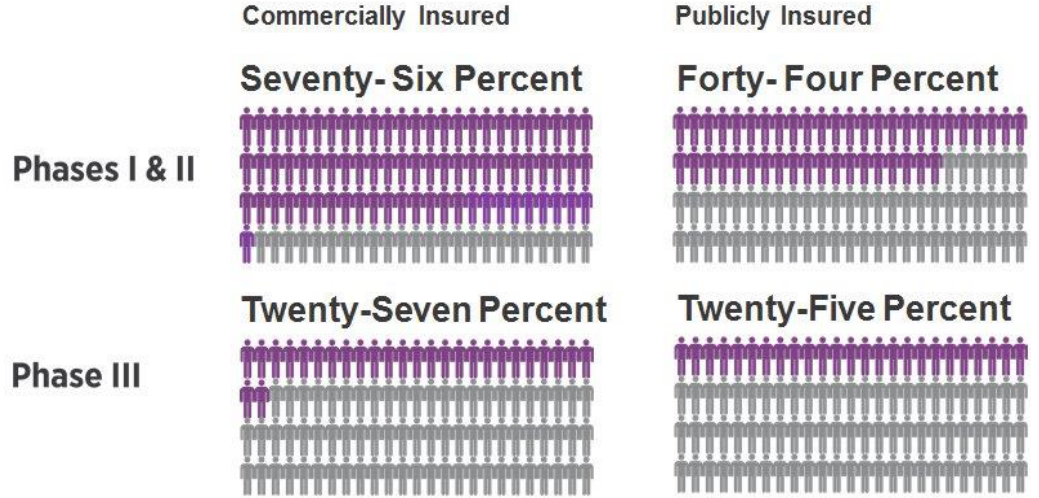| *Authorizes* the conformance testing vendors.	*Reviews and approves the Certification applications, e.g. trading partner dependencies, number of platforms,* and conformance test reports before a Certification Seal is awarded.

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Certifications have been awarded since the program's inception.

Covered lives impacted by CORE-certified commercial and public health plans.

Commercially Insured

Seventy- Six Percent — Phases I & II

Twenty-Seven Percent — Phase III

Publicly Insured

Forty- Four Percent — Phases I & II

Twenty-Five Percent — Phase III

Recent Certifications

Humana (Phase IV)

WorkComp EDI (Phase IV)

Delta Dental (Phase III)

PokitDok (Phase IV)

Texas Medicaid (Phase IV)

National Association of Letter Carriers (NALC) (Phase III)

Thank you!

@CAQH

Website: www.CAQH.org/CORE

Email: CORE@CAQH.org

The CAQH CORE 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.