



ACA Operating Rules Update

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Presentation

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

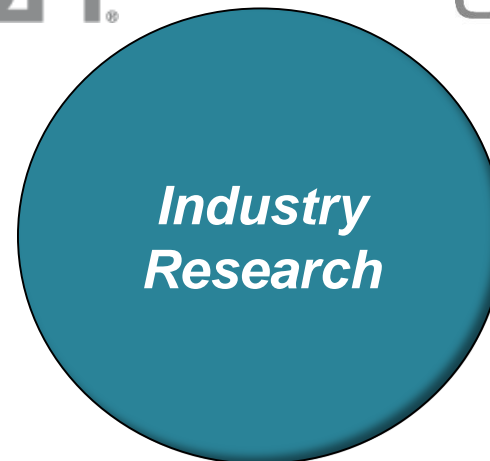
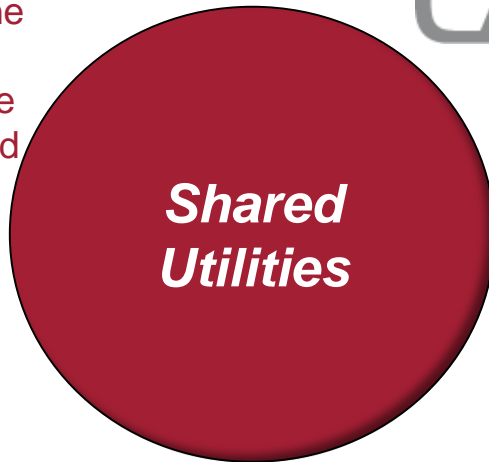
CAQH Overview | *Convener. Collaborator. Catalyst.*



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.

How Much Could the Industry *Really* Save with Electronic Transactions?

2015 CAQH Index Reported Savings Opportunity for Six HIPAA Transactions



- Report used data from 4.2 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 all twelve transactions in the claim cycle for *private and public* payers.

Other Cost Not Currently in CAQH Estimates

Six Additional Transactions
Indirect Labor Cost (e.g. transaction preparation & follow-up)
Vendor and Other Overhead
Public Payers

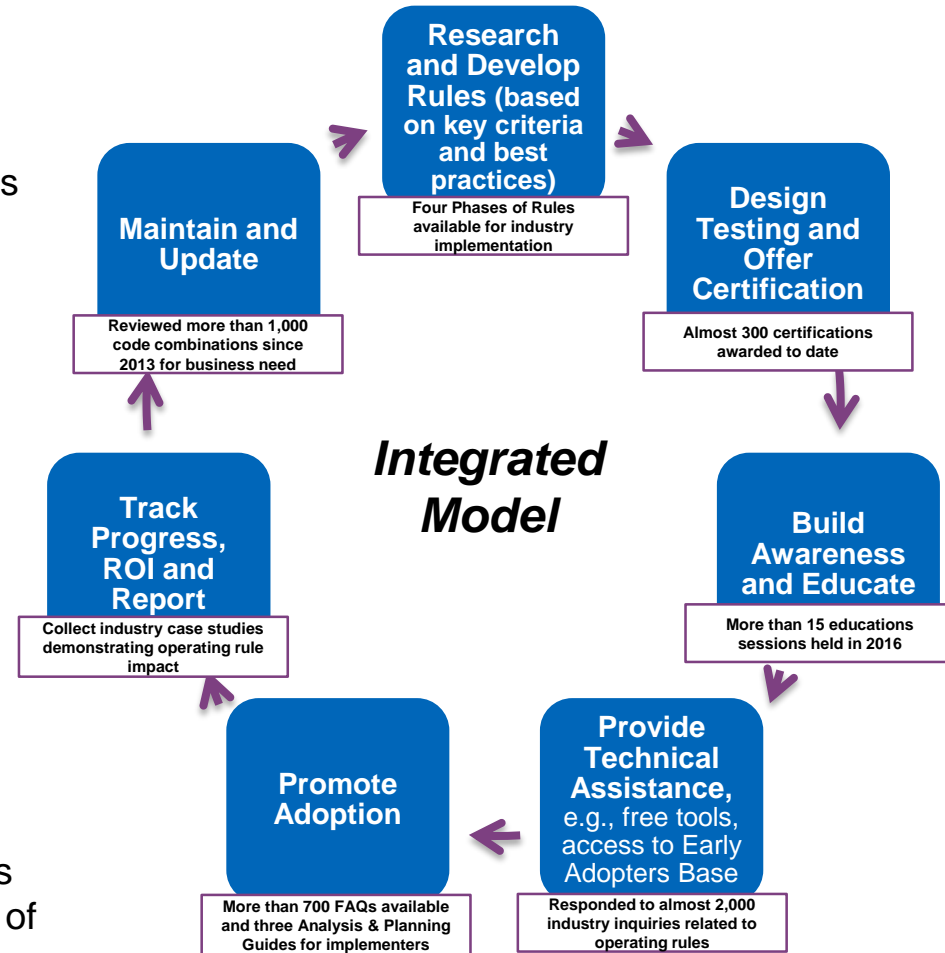
CAQH CORE Mission and Vision

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 need.

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 Operating Rule Requirements

INFRASTRUCTURE	CONTENT
Connectivity & Security	Supports use of recognized standards that can deliver valuable structured data, e.g., remaining deductible via X12, trace number in NACHA CCD+
Response Time (Batch/Real-time)	
System Availability	
Exception Processing Error Resolution	
Roles & Responsibilities	
Companion Guides	
Acknowledgements	

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

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, safe harbor security. *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 agile process; rules can address ongoing maintenance, setting expectation of evolution. *Content supports further use of base standards.*

CAQH CORE Phase I-IV

Where CAQH CORE Has Set Expectations

Current CAQH CORE Operating Rules		
Transaction <i>(*mandated)</i>	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. **Nearly 300 certifications.** 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:

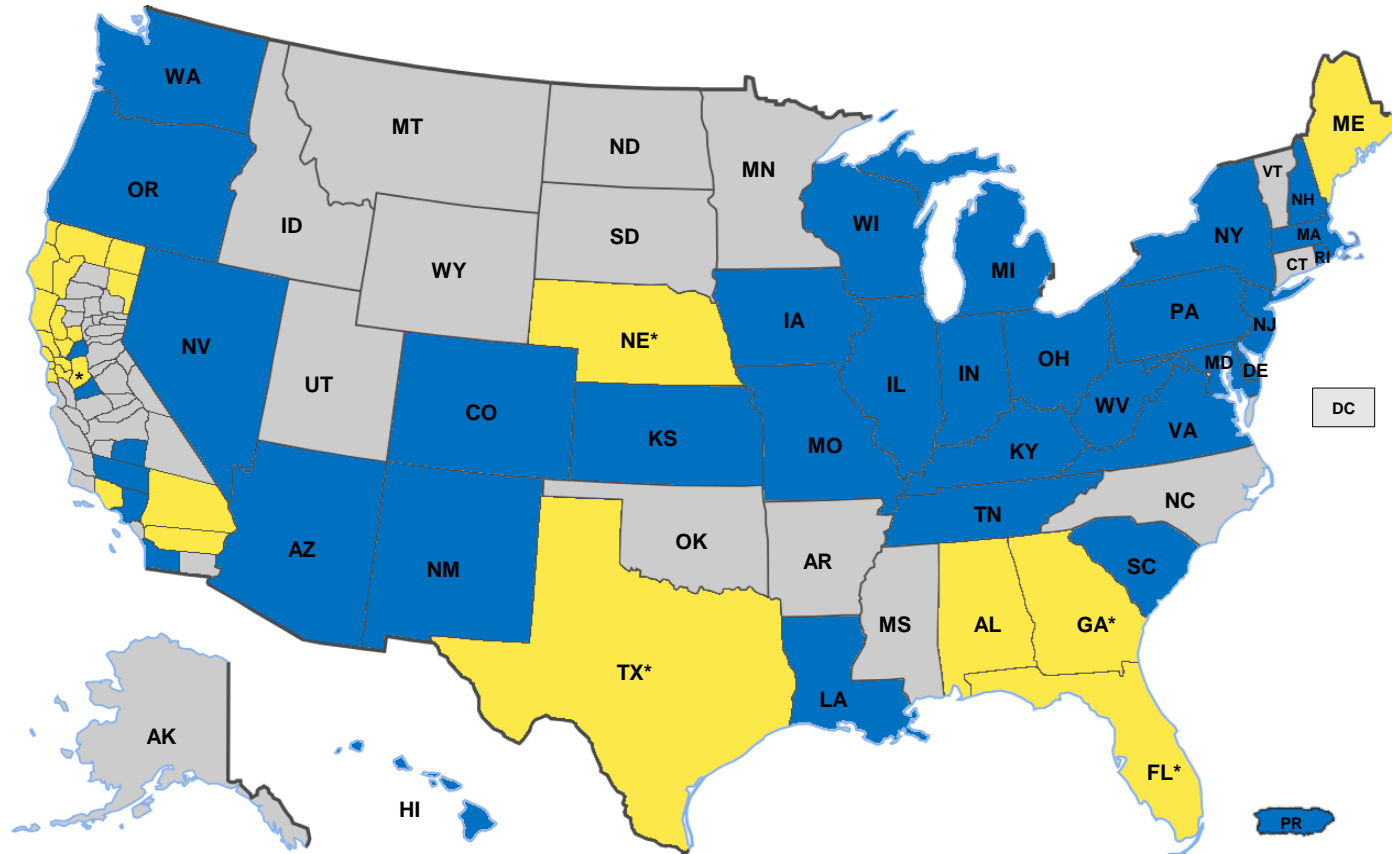
Authorizes the conformance testing vendors.

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: Medicaid

State and local Medicaid agencies and Managed Medicaid Plans see value in pursuing voluntary CORE Certification.

<p>Medicaid Agency is CORE-certified (*At least one Managed Medicaid Plan is also CORE-Certified)</p>	
<p>At Least One Managed Medicaid Plan is CORE-certified (Medicaid Agency is not CORE-certified)</p>	
<p>No CORE-certified Medicaid Agency or Managed Medicaid Plan</p>	



Note: A total of 20 Medicaid agencies are currently engaged with CORE Certification at various stages. Map only reflects Medicaid agencies that have been awarded the CORE Certification Seal.

Phase IV CORE Certification



Be an industry leader and become Phase IV Certified in 2016.

If you're a health plan, clearinghouse, provider, or if you have a product or solution that helps those entities conduct transactions, **be the first** of your competitors to be CORE-certified in the Phase IV CAQH CORE Operating Rules in **fall 2016**.

As in previous Phases

- Health plans
- Clearinghouses
- Providers
- Vendor products
- Vendor solutions

can become CORE-Certified for Phase IV.

"We always strive to be a leader and drive healthcare to a new paradigm. We don't feel like it's right to sit back and wait for legislation..."

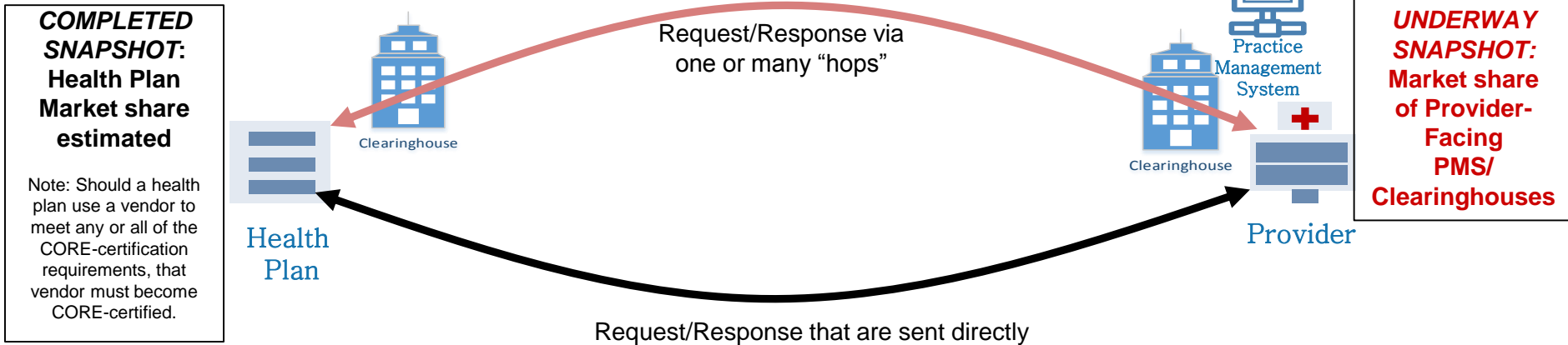
"...we need to, as an industry, look at how do we go out there and make things happen today that are better for our industry instead of waiting for someone to legislate it or give us direction to do it."

Kim Peters
Process Owner, Provider Process Implementation,
Humana, Inc.
CORE Education Webinar, June 10, 2016

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

CORE Certification Market Share Analysis

Path of Phases I - III Transactions



CAQH CORE Future Focus

Evolve Ongoing Efforts

Meet its strong commitment to its 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., Prior Authorization.

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

CAQH CORE Operating Rules Future Work

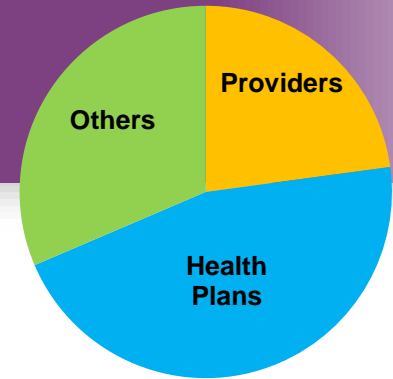
Prior Authorization – Additional Rules

- The Phase IV CAQH CORE Operating Rule addressing the ASC X12N v5010 278 establishes a foundational set of requirements and industry expectations for prior authorization, e.g. response time, connectivity, companion guides, etc.
 - Given this transactions low adoption rate of about 10% (see [2015 CAQH Index Report](#)), basic expectations for the exchange of this transaction are a needed initial step.
- Per its commitment, CAQH CORE is launching an effort to consider additional, voluntary prior authorization operating rules that will build off the Phase IV requirements given:
 - The CAQH CORE Board is committed to developing additional operating rules that will promote standardization of the complex prior authorization process and accelerate industry adoption.
 - The NCVHS recommended additional prior authorization operating rules in its July letter to the Secretary of HHS; moreover, CAQH CORE has collected a range of potential opportunities.
 - Given current adoption data, there is significant opportunity to improve industry ROI for prior authorization through increased adoption.
- Three categories of requirements will be considered to increase electronic prior authorization: Data content operating rules, formats, and/or role of the prior authorization “hubs”.



CAQH CORE Operating Rules Future Work

Value-based Payments – Scope of Interviews



- Nearly 15 structured interviews completed to date with more in pipeline; interviewees include:
 - Different types of organizations (including a few that have discontinued VBP):

Providers	Health Plans	Vendors	Consumers	Policy Leaders
-Hospitals -Systems -Physicians	-Medicare/Medicaid/MA -Blues -Commercials	-Data banks/ analytics -HIEs -Population health	-Employers -Patients	-CMS Innovation Center -Associations -Think Tanks

- Different types of VBP structures:

Fee-For-Service	Pay-For-Performance	Patient-centered Medical Home	Shifting Financial Risk/ACO				Provider-Sponsored Health Plan
			One-Sided (Shared Savings)	Bundled (Episode) Payments	Two-Sided (Shared Risk)	Full Risk (Capitation)	
Incentive Payment			Transfer of Risk				

- Mix of organizations that are/are not part of an ACO, Clinically Integrated Network (CIN), Patient Centered Medical Home (PCMH)
- Mix of duration of VBP experience; proportion of patients/beneficiaries included in VBP; market types (e.g., competitive/not competitive); and level of success
- Geographical diversity and affiliation with/without HIEs

CAQH CORE Operating Rules Future Work

Value-based Payments (VBP) – Potential Areas for Industry Action

Stage 1 Research Identified Seven Potential Areas for Industry Action

- Common data sets (e.g., numerators and denominators for defining patient, population, etc.).
- Standard terms/processes for patient/beneficiary/provider identification.
- Infrastructure rules needed (e.g., security, connectivity, etc.).
- Process rules (e.g., task definitions, workflows).
- Library of strategies for patient risk stratification (including rules used and scenarios for patient attribution).
- Directory of VBP best practices.
- Catalog for VBP (quality and/or business) measures.

Mid-way Research Findings

- Industry is challenged by lack of shared terminology for value-based programs.
- A very significant proportion of payments in FFS; some interviewees suggest PPO/HMO models are VBP models.
- Predominant VBP models in use:
 - Pay-for-performance (i.e., FFS model with incentives/bonuses) is the norm, although entities recognize that this is not fully shifting risk
 - Bundled payments advancing more rapidly than other forms of shifting risk
- Wide range of variation in adoption status with a lot of experimenting and innovation.
- Potential areas for action identified resonate well, especially definitions and data sets, e.g.,
 - Provider data including who is PCP, who is at-risk, physician/entity contract/location relationship.

- What expectations could exist among all trading partners to support the goals of interoperability and administrative simplification?
- With or without regulation, what areas does the industry want to prioritize for national collaboration ?
- In the case of electronic data exchange, is healthcare making full use of its existing national e-health assets ?

Appendix

CAQH CORE Infrastructure Requirements

	Addressed as part of Phase I-III				Addressed as part of Phase IV			
	Eligibility*	Claim Status	ERA* (aligns with EFT)	EFT (aligns with ERA)	Prior Authorization	Claims	Enrollment/ Disenrollment	Premium Payment
Processing Mode	<i>Real Time <u>Required</u>; Batch <u>Optional</u></i>		<i>Batch <u>Required</u></i>	<p>CORE EFT Rules support the ACH CCD+. The CCD+ transaction uses the ACH Hub/Network.</p> <p>NACHA writes Operating Rules that refer to/are aligned with CAQH CORE operating rules, e.g., the NACHA Operating Rules require delivery of key data required for EFT/ERA reassociation.</p>	<i>Batch OR Real Time <u>Required</u></i>	<i>Batch <u>Required</u>; Real Time <u>Optional</u></i>		
Batch Processing Mode Response Time	If Batch Offered		X		If Batch Offered	X	X	X
Batch Acknowledgements	If Batch Offered		X		If Batch Offered	X	X	X
Real Time Processing Mode Response Time	X	X	N/A		If Real Time Offered	If Real Time Offered	If Real Time Offered	If Real Time Offered
Real Time Acknowledgements	X	X	N/A		If Real Time Offered	If Real Time Offered	If Real Time Offered	If Real Time Offered
Safe Harbor Connectivity and Security	X	X	X		X	X	X	X
System Availability	X	X	X		X	X	X	X
Companion Guide Template	X	X	X		X	X	X	X
Other Infrastructure	Enhanced patient identification and error reporting requirements	N/A	Dual delivery with paper remittance Access to key EFT/ERA reassociation data Elapsed time between release of EFT & ERA Max set of enrollment data and electronic enrollment method	Elapsed time between release of EFT & ERA Max set of enrollment data and electronic enrollment method Access to key EFT/ERA reassociation data	N/A	Include guidance for COB in companion guide	Timeframe requirements to process data after successful receipt and verification of transaction	Timeframe requirements to process data after successful receipt and verification of transaction

*CAQH CORE Operating Rules for Eligibility and ERA also address data content requirements, e.g. year to date deductibles, claim denial/remark code combinations.

Thank You

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