“Best Practices”
CORE Phase I & II: Certifications and ROI

Mark Austin, BCBST
Jay Eisenstock, Aetna
Herb Larsen, Edifecs
Deb McCachern, Emdeon
Margaret Neuer, IBM
## Today’s Presenters

<table>
<thead>
<tr>
<th>Organization</th>
<th>CORE Phase I Certified</th>
<th>CORE Phase II Certified</th>
<th>ROI Study Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>BCBST</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Emdeon</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Edifecs</td>
<td>CORE Authorized Testing Vendor</td>
<td>Authorized Testing Vendor</td>
<td>NA</td>
</tr>
<tr>
<td>IBM</td>
<td>NA</td>
<td>NA</td>
<td>Study Conductor</td>
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Commercially Insured Covered by CORE

<table>
<thead>
<tr>
<th>% Phase I Certified</th>
<th>40% approximately of total covered lives in US</th>
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</thead>
<tbody>
<tr>
<td>% Committed or Phase I Certified</td>
<td>55% approximately of total covered lives in US</td>
</tr>
<tr>
<td>% Phase II Certified</td>
<td>26% approximately of total covered lives in US</td>
</tr>
<tr>
<td>% Committed or Phase II Certified</td>
<td>50% approximately of total covered lives in US</td>
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[i] Approximately 150 Million Commercially Insured lives are covered by organizations participating in CORE.

### Status: CORE Phases

<table>
<thead>
<tr>
<th>CORE Phase I</th>
<th>CORE’s first set of rules are helping:</th>
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<tbody>
<tr>
<td>✔ Approved</td>
<td>• Electronically confirm patient benefit coverage and co-pay, coinsurance and base deductible information.</td>
</tr>
<tr>
<td>✔ Implemented</td>
<td>• Provide timely and consistent access to this information in real-time via common internet protocols (i.e., infrastructure rules).</td>
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<thead>
<tr>
<th>CORE Phase II</th>
<th>CORE’s second set of rules expand on Phase I to include:</th>
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<tr>
<td>✔ Approved</td>
<td>• Patient accumulators (remaining deductible).</td>
</tr>
<tr>
<td>✔ Implemented</td>
<td>• Rules to help improve patient matching.</td>
</tr>
<tr>
<td></td>
<td>• Claim status “infrastructure” requirements (e.g., response time).</td>
</tr>
<tr>
<td></td>
<td>• More prescriptive connectivity requirements with digital certificates and submitter authentication.</td>
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<tr>
<th>CORE Phase III</th>
<th>CORE’s third set of rules focus on:</th>
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<tr>
<td>✔ In development</td>
<td>• Claim status requirements (276/277).</td>
</tr>
<tr>
<td></td>
<td>• Claim Payment/Advice (835), Prior Authorization/Referral (278) infrastructure requirements.</td>
</tr>
<tr>
<td></td>
<td>• Acknowledgements for v5010 (837) Health Care Claims.</td>
</tr>
<tr>
<td></td>
<td>• Standard Health Benefit/Insurance ID Card.</td>
</tr>
<tr>
<td></td>
<td>• More prescriptive connectivity requirements.</td>
</tr>
<tr>
<td></td>
<td>• More eligibility financials.</td>
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Participant Perspective: Aetna and CORE

- **CORE Participation/Certification:**
  - CORE participant and Phase II Certified.
  - Serve on CAQH Board and CORE Steering Committee.
  - Chair Certification/Testing Subgroup.

- **Employing CORE as an interoperability solution:**
  - Require all vendor trading partners to be CORE-certified and conduct administrative data exchange in accordance with the CORE operating rules.
  - Support connectivity through CORE rules – which are also aligned with Federal efforts, e.g., Nationwide Health Information Network (NHIN) and Medicaid Information Technology Architecture (MITA).
    - Working to avoid the need to implement custom solutions.
Aetna Lessons Learned

- In addition to data requirements, plan for infrastructure updates/changes:
  - CORE can help provide tools for a gap analysis.
  - From the initial assessment through certification testing, a range of your internal experts will need to be involved.
  - Planning process must take testing into consideration.
- Interoperability can best be achieved when end-to-end transactions are performed in accordance with the rules:
  - i.e. the health plan, vendors/clearinghouses, large provider groups involved in the data exchange are all CORE-certified.
- Next steps:
  - Continue participation in development of CORE rules – with focus on identification of needed industry utilities and approaches.
  - Assess gaps for potential Federal requirements.
  - Ensure trading partners are prepared to implement CORE certification.
Health Plan Phase II CORE Certification: BCBST

- **Time to Implement:**
  - 12 months.

- **Resources:**
  - Developers, business consultants, applicable system administrators and a project manager.
  - Labor/resources also incorporate development of non-CORE system enhancements included as part of the CORE Phase II build.

- **Planning Considerations:**
  - Made sure enhancements on top of existing services did not adversely affect current functionalities.
  - CORE Phase II development viewed as an opportunity to implement non-CORE system enhancements/functionality.
  - Reviewed and tested system to ensure capacity for increases in transaction volume.
  - Assessed subject matter expert knowledge-base and arranged for inter-departmental coordination, education and training as needed to augment required skill sets (e.g., communication protocol development).
Health Plan Example: Phase II Certification Impact

• New Features/Support:
  – Real time claim status inquiry transactions.
  – Communication protocol alignment with Federal efforts (i.e., SOAP/WSDL).

• Enhancements:
  – Higher accuracy - improved patient matching.
    • 30% increase in first pass identification.
  – Increased application performance.
    • Recent testing during the migration of a large volume trading partner from a legacy system to the BCBST Blue CORE System, trading partner noted improved performance, format and features.
  – Increase in transaction volume *(details available upon request).*
Clearinghouse Phase II CORE Certification: Emdeon

- **Time to implement:**
  - 6.5 months to become CORE Phase II certified, including planning, business and system changes, testing, preparation and review with CAQH.

- **Resources:**
  - 400 hours of technical staff time, including testing time.
  - 280 hours of business staff time.

- **Planning Considerations:**
  - In its role as a clearinghouse, Emdeon already supported all HIPAA transactions so modifications were not extensive.
  - Additional time was required to implement a new communication protocol (SOAP and WSDL already implemented).
Clearinghouse Example: Phase II Certification Impact

• Benefits to Emdeon in working with CORE-certified trading organizations (i.e., end-to-end certifications):
  – CORE-certified health plan partners:
    • Emdeon no longer needs to support custom connectivity environments for these partners.
    • Increased confidence in content sent to Emdeon because partner has completed testing.
    • Robust and consistent data from CORE-certified health plans delivers greater value to Emdeon’s provider customers (e.g., remaining deductible; screen shots available upon request).

• Benefits to CORE-certified provider clients in working with Emdeon:
  – CORE-certified provider clients do not have to perform conversions to non-standard content or formats, and therefore able to establish true end-to-end CORE environments.
Clearinghouse Example: Phase II Certification Impact (cont’d)

• Overall, greater standardization/uniform data exchange between CORE-certified trading partners.
  – Reduces:
    • Installation times.
    • Amount of resources assigned to implementations.
    • The need for custom applications.
  – Improves:
    • Workflow and overall business processes.

• Working with CORE-certified trading partners also means a more informed and educated customer base:
  – Alignment with national efforts.
  – Strong communications protocol knowledge base.
  – Advanced applications.
Authorized Testing Organization: The Role of Testing in Achieving Certification

• Established to validate that the rules have been implemented appropriately by the stakeholder type:
  – Health plans.
  – Providers (large; smaller providers rely on vendors).
  – Vendors/clearinghouses; HIEs being added to testing.

• Testing conducted on-line by independent testing entities:
  – Alpha and beta testing of the CORE-authorized test site is conducted by CORE participants before site is approved.
  – On-line testing allows entities working to achieve CORE certification access to an objective website and to apply rules, e.g., Connectivity, in order to complete the testing process.

• Many entities have gone through testing:
  – The testing process is required before certification can be assessed by CAQH CORE.
  – Testing vendor staff is readily available to work with interested entities on questions and concerns.
# Key Components, Roles and Responsibilities of CORE Testing Process

<table>
<thead>
<tr>
<th>Core Phase Rules</th>
<th><strong>CORE Participants</strong></th>
<th><strong>CORE-Authorized Testing Vendor</strong></th>
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</thead>
<tbody>
<tr>
<td>Each Phase consists of a “set” of individual rules specifying data content and infrastructure requirements</td>
<td>Develop and approve</td>
<td>If CORE participant, contribute to development and approval process</td>
</tr>
<tr>
<td>Certification Phase Test Suite</td>
<td>Develop and approve</td>
<td>If CORE participant, contribute to development and approval process</td>
</tr>
<tr>
<td>Individual Test Suites for Phase I and II contain rule conformance language and test scripts</td>
<td>Develop and approve</td>
<td>If CORE participant, contribute to development and approval process</td>
</tr>
<tr>
<td>Conformance Language</td>
<td>Develop and approve</td>
<td>If CORE participant, contribute to development and approval process</td>
</tr>
<tr>
<td>Specific to each rule in a Phase and serves to outline the rule requirements to be tested (<em>Reminder: CORE testing is not exhaustive.</em>)</td>
<td>Develop and approve</td>
<td></td>
</tr>
<tr>
<td>Test Scripts</td>
<td>Develop and approve</td>
<td>Develop testing engine using CORE-approved test scripts and test data</td>
</tr>
<tr>
<td>Specific to each rule in a Phase and are applicable by stakeholder type (i.e., provider, vendor, clearinghouse, health plan)</td>
<td>Develop and approve</td>
<td>Utilizes CORE-approved test bed data during testing</td>
</tr>
<tr>
<td>Master Test Bed Data</td>
<td>Develop and approve</td>
<td></td>
</tr>
<tr>
<td>Utilized for testing data content rules only</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CORE: Measures of Success Overview

• Why:
  – Early commitment made by CORE: Assess results achieved by early adopters of CORE rules (health plans, vendor and provider partners), communicate out results and adjust process as needed.

• Approach:
  – Using standardized templates, analyzed data from three-month period prior to CORE certification and one year later, e.g.:
    • Eligibility verification methods and volumes.
    • Eligibility-related claim rejections and denials.
    • Call center and customer satisfaction.
    • Costs of adoption.
  – Interviewed participants.

• Participation in Phase I Measures of Success study:
  – 6 national and regional health plans, representing:
    • 33 million commercial members, 1.2 million providers.
    • 22 million eligibility verifications per month, 30 million claims per month.
  – 5 clearinghouses and vendors.
  – 6 providers: hospitals, physician groups, surgery center.
Key Findings

• All stakeholders achieved cost-savings and accelerated use of “real-time” transactions – providers specifically:
  – Increase of 20% in patient visits verified.
  – 10% – 12% fewer claim denials.
  – Electronic verifications took approximately seven minutes less than phone verifications, saving approximately $2.10/verification.

• An industry-wide implementation of CORE Phase I rules would be a win-win scenario for providers and health plans that could yield an estimated $3 billion of savings to the industry over three years.
Example: Overview of Providers Tracking Measures of Success

• **Approach:**
  – Where health plan and vendor/clearinghouse partners have been certified and/or already supplying full data, compare results from all certified partners vs. non-certified partners.
  – Where a large partner is more recently CORE certified, compare pre- and post-CORE.
  – Identify the methods and paths used for eligibility and claims status, i.e. real-time/batch, automated, on-demand, intermediary vendor/clearinghouse used.

• **Profile / Background Info:**
  – Billing application, HIS/PMS and EMR used.
  – Direct connect – prior / current / planned, with whom.
  – What is required in contracts: CORE certification, response time, availability.

• **Benefit Areas / Drivers:**
  – Improved revenue cycle performance.
  – Fewer errors and rejects.
  – Accelerated revenue.
  – Lower write-offs.
Phase II Cost Analysis and ROI Study: Initial Results

• Participants agreed that the results reflected their own experience:
  – Cost tracked first, impact will follow.
  – Early adopters may not be representative of average industry costs.

• Participants expect to receive executive support to participate in the full Phase II ROI study:
  – For some participants, it may be difficult to separate out the Phase I and Phase II impacts.
CORE Phase II ROI Protocol for Certified Health Plans

Certification Planning & Implementation

During Implementation
- Review cost and benefit templates; determine which benefit metrics to track
- Capture drivers for certification and formal business case

Post-implementation

Immediately after certification
- Complete cost template
- Confirm pre- and post-time periods for tracking impacts
- Capture 3 months of pre-certification operational data

Impact Analysis

8 – 12 months Post Certification
- Gather data for post-certification time period
- Compare pre- and post-periods
- Submit results
Phase II: Health Plan CORE ROI Quantitative Analysis

- **Cost Savings/Operations:**
  - Uses general Phase I study metrics:
    - Volumes and costs by method.
    - Call center staff and call volume stats.
    - Claim rejects.

- **Metrics:**
  - **Staffing:**
    - FTEs in eligibility departments, accumulator tracking, claims status.
  - **Transaction volumes by method for eligibility and claims status:**
    - Changes related to changes in your own certification/capabilities.
    - Relative volumes for certified providers vs. those using certified EMR or PMS.
  - Claims “first pass”, pend and rework rates.
  - Time, effort and customization required to implement new partners:
    - Pre/post CORE Phase II.
    - With CORE-certified partners vs. non-certified partners.
  - Percent/absolute # of RFPs that ask about CORE certification.
  - Cost to support certified vs. non-certified entities as trading partners:
    - Cost of connectivity: hardware, software, telecom.
Phase II: Provider ROI Quantitative Benefits

• Potential Specific Metrics (*being reviewed with providers*):
  – Speed/effort of implementing trading relationships.
  – Percent of requests that are automated with various partners.
  – Eligibility: Verified in advance %, # of requests, timeliness of response, methods, successful/not successful, fields updated automatically for automated batch and real-time requests.
  – Claim status # of requests, timeliness of response, methods, successful/not successful.
  – Time and motion on manual requests.
  – Billing/Collections (total and by plan): Charge lag/DFNB, Gross Days Receivable Outstanding, cash collections in advance/at time of service, # of claims with submission and eligibility errors, # denials due to eligibility errors.
CORE Phase II Cost Study Highlights

• Vendors and clearinghouses took 2/3 less time and 90% less direct cost than health plans:
  – Staff expense, especially technical staff, was over 90%.
  – The #1 cost driver was the number and complexity of back end systems affected.
  – Business staff time was generally not fully tracked.
  – All organizations had in house skills; consulting services augmented.
  – No one reported software or training expenses; one plan reported hardware and testing expenses.

• Similar business drivers motivate certification:
  – Enhanced client/provider satisfaction and user experience.
  – Marketable benefits and/or meet contract requirements.
  – Commitment to industry standards and interoperability.
  – Better, faster implementations and efficiency when working with CORE-certified partners, especially in setting up new partners.
  – Response to requests in sales conversations for vendors and clearinghouses.

• CORE is viewed as a preferred industry practice:
  – Participating organizations see CORE as integral.
  – Organizations tracked project costs with varied approaches.
# INITIAL CORE Phase II Cost Study Results

## Average Time and Cost Associated with CORE Phase II Certification

<table>
<thead>
<tr>
<th></th>
<th>Health Plans</th>
<th>Vendors &amp; Clearinghouses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to Implement CORE Phase II</td>
<td>14 months</td>
<td>5 months</td>
</tr>
<tr>
<td>Total One-time Costs</td>
<td>$1,490,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Staff Expense (One-time costs including consultants)</td>
<td>$1,440,000</td>
<td>$55,300</td>
</tr>
<tr>
<td>Ongoing Annual Costs (does not include CORE participation fees)</td>
<td>$58,000</td>
<td>$0</td>
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Trading Partners: End-to-End CORE Certifications
Streamlining Administrative Transaction Flow

In CORE, pairing infrastructure with transaction-based rules helps data flow consistently in varied settings with various stakeholders.

STREAMLINED ADMINISTRATIVE DATA EXCHANGE

Large Providers
(other providers relying on vendors)

CORE-Required Data & Infrastructure

Vendors and Clearinghouses
(includes Ancillary Service Providers)

CORE-Required Data & Infrastructure

Health Plans

Vendor Agnostic Rules
Steps of Enabling End-to-End CORE Certification

1. Commit Your Own Organization
2. Internal Awareness and Targeting Trading Partner Network
3. Conduct External Education, Awareness/Outreach
4. Gain Trading Partner Commitment and Certification
5. Track End-to-End Certification

Similar to HITECH’s Meaningful Use, assumes many providers rely upon “certified” vendors to ensure robust requirements are met.