CAQH CORE 360 Rule:
Uniform Use of CARCs and RARCs

Implementation Considerations
for CARCs and RARCs

November 5, 2013
2-3:30pm ET

Additional information/resources available at www.caqh.org

This document is for educational purposes only; in the case of a question between this document and CAQH CORE Operating Rule text and/or Federal regulations, the latter take precedence.
Participating in Today’s Interactive Event

• Download a copy of today’s presentation HERE
• The phones will be muted upon entry and during the presentation portion of the session
• At any time throughout today’s session, you may communicate with our panelists via the web
  – Submit your questions on-line at any time by entering them into the Q&A panel on the right-hand side of the WebEx desktop
  – On-line questions will be addressed first
• There will be an opportunity for the audience to submit questions through the telephone during today’s presentation
  – When directed by the operator, press * followed by the number one (1) on your keypad
Agenda

• CAQH CORE 360 Rule: Uniform Use of CARCs and RARCs
  – Operating Rule Requirements
  – Code Combination Maintenance Process

• Health Plan Implementation Perspectives - BCBSNC
  – Implementation Considerations and Challenges
  – Best Practices and Lessons learned

• Provider Implementation Perspectives – UW Medicine
  – Implementation Considerations and Challenges
  – Best Practices and Lessons learned

• Q&A
CAQH CORE 360 Rule: Uniform Use of CARCs and RARCs

*Goal and Key Rule Requirements*
**CORE 360 Rule: Uniform Use of CARCs and RARCs**

**Key Impact**

The use of the CARCs and RARCs will be more uniform across health plans. Additionally, the rule requirements for vendor’s with provider-facing systems/solutions ensure providers consistently receive this information and can more accurately determine the reason for a denial or adjustment. The result will be:

- **Potential reduction in manual claim rework:** With more consistent use of denial and adjustments codes per the CORE-defined Business Scenarios, providers will have less rework and can automate payment posting
  - Less staff time spent on phone calls and websites and increased ability to conduct targeted follow-up

- **Improved denials management:** Providers will be able to more accurately understand reasons for claim adjustments and denials due to more consistent use of codes across health plans

- **Improved collections:** Providers can more effectively obtain payment from patients, more quickly generate cross-over claims to other payers, and reduce open accounts receivable

- **Reduction in cost-to-collect:** Consistent use of the CARCs and RARCs will enable providers spent less time/money resolving adjustments and denials

- **Aggregated Data Analysis:** Cross-industry ability to analyze detailed data, e.g. attachment types

*Indicates revenue cycle components where CAQH CORE 360 Rule will have greatest impact*
CORE 360 Rule: Uniform Use of CARCs and RARCs

Scope & High-level Rule Requirements

• Foundational requirements
  – HIPAA covered entities should currently support the X12 v5010 835 transaction
• Scope of the rule
  – Applies to entities that use, conduct or process the X12 v5010 835 transaction
    • Builds on your existing X12 v5010 835 implementation bringing consistency and uniformity by establishing uniform business scenarios and code combinations
• High-level rule requirements
  – Identifies minimum set of four CORE-defined Business Scenarios with a maximum set of code combinations to convey claim denial/adjustment details (codes in separate document)
  – Establishes quality improvement maintenance process to review and update the CORE Code Combinations
  – Enables health plans and PBM agents to:
    • Use new/modified codes with CORE-defined Business Scenarios prior to CAQH CORE Compliance-based Review
    • Develop additional, non-conflicting business scenarios when CORE-defined Business Scenario do not meet business needs
  – Identifies applicable CORE-defined Business Scenarios for retail pharmacy
CORE 360 Rule: Uniform Use of CARCs and RARCs

Four Business Scenarios

Pre-CORE Rules

- 241 CARCs
- 880 RARCs
- 4 CAGCs

Post CORE Rules

Inconsistent Use of Tens of Thousands of Potential Code Combinations

CORE Business Scenario #1:
Additional Information Required – Missing/Invalid/Incomplete Documentation
(≈316 code combos)

CORE Business Scenario #2:
Additional Information Required – Missing/Invalid/Incomplete Data from Submitted Claim
(≈289 code combos)

CORE Business Scenario #3:
Billed Service Not Covered by Health Plan
(≈343 code combos)

CORE Business Scenario #4:
Benefit for Billed Service Not Separately Payable
(≈31 code combos)

Code Combinations not included in the CORE-defined Business Scenarios may be used with other non-CORE Business Scenarios
CORE 360 Rule: Uniform Use of CARCs and RARCs

Requirements by Stakeholder Type

Requirements for Health Plans/PBM Agent

• A health plan or its PBM agent must:
  ✓ Align internal codes and business scenarios to the CORE-defined Business Scenarios
  ✓ Support the maximum CORE-required Code Combinations as specified in Core Code Combinations

• NOTE:
  - Published new or modified codes per the codes committees can be used until an updated version of the CORE Code Combinations is published; a deactivated code must not be used after deactivation date (determined by code committees)

Requirements for Receivers of the v5010 835

• When receiving a X12 v5010 835, the product extracting the data (e.g., a vendor’s provider-facing system or solution) from the X12 v5010 835 for manual processing must make available to the end user:
  ✓ Text describing the codes included in the remittance advice, ensuring that the actual wording of the text displayed accurately represents the corresponding code description specified in the code lists without changing the meaning and intent of the description
  ✓ Text describing the corresponding CORE-defined Business Scenario

1Requirements do not apply to an entity that is simply forwarding the X12 v5010 835 to another system for further processing.
CAQH CORE 360 Rule:
Uniform Use of CARCs and RARCs

Code Maintenance
CARCs and RARCs Code List Maintenance

External to CAQH CORE

As the recognized Federal standard/code authors, ASC X12 and the Code Maintenance Committees (which are separate from ASC X12) are responsible for maintaining CARC/RARC/CAGC definitions. Adjustments to the definition of such codes must be addressed via the specific author.

**CARCs (CARC Code Committee)**
- Total # of CARCs: **241**
  - not all in CORE Code Combinations
- There are approximately 35 CARC Committee members representing a variety of stakeholder including health plans, associations, vendors, and government entities
- Entities can complete the CARC Change Request Form found [HERE](#) *

**RARCs (RARC Code Committee)**
- Total # of RARCs: **880**
  - not all in CORE Code Combinations
- The RARC Committee members represent various components of CMS
- Entities can complete the RARC Change Request Form found [HERE](#)

**CAGCs (ASC X12)**
- Total # of CAGCs: **4**
  - All are in CORE Code Combinations
- Part of the ASC X12 standard, therefore, can only be revised when a new HIPAA mandated version of X12 standards is issued; current version is ASC X12 v5010
- Entities can submit a request to ASC X12

*Before submitting a CARC Change Request Form, the committee encourages entities to contact a member of the committee to “facilitate their request by allowing someone familiar with the approval process to discuss an alternate solution (if appropriate) for their need, or enabling that committee member to obtain additional background information which could help with the request”. Committee list is available [HERE](#).
CORE 360 Rule: Uniform Use of CARCs and RARCs

Maintenance and Quality Improvement Goals

- CAQH CORE 360 Rule includes a continuous quality improvement process to address evolving industry needs and published code list updates which occur three times per year; As part of this process:
  - An open process for soliciting feedback and input from the industry on a periodic basis, no less than three times per year, on the CORE Code Combinations will be established and a Task Group will be convened to agree on appropriate revisions
  - A public request will be made to receive real-world data to support updates to the CORE Code Combinations and the analysis of the data will incorporate traditional Quality Improvement (QI) reviews as well as commitment to CORE Guiding Principles
  - Health plans/providers/vendors are expected to report additional Business Scenarios not covered in the rule that they may be using on a frequent basis for consideration for additional Business Scenarios
CAQH CORE Code Combinations Maintenance Process

CORE Business Scenario #1: Additional Information Required – Missing/Invalid/Incomplete Documentation (≈316 code combos)

CORE Business Scenario #2: Additional Information Required – Missing/Invalid/Incomplete Data from Submitted Claim (≈289 code combos)

CORE Business Scenario #3: Billed Service Not Covered by Health Plan (≈343 code combos)

CORE Business Scenario #4: Benefit for Billed Service Not Separately Payable (≈31 code combos)

CAQH CORE Compliance-based Reviews
- Occur 3x per year
- Triggered by tri-annual updates to the published CARC/RARC lists by code authors
- Include only adjustments to code combinations to align with the published code list updates (e.g. additions, modifications, deactivations)

CAQH CORE Market-based Reviews
- Occur 1x per year
- Considers industry submissions for adjustments to the CORE Code Combinations based on business needs (addition/removal of code combinations and potential new Business Scenarios)
- Opportunity to refine the CORE Code Combinations as necessary to ensure the CORE Code Combinations reflect industry usage and evolving business needs

Stability of CORE Code Combinations maintained

Supports ongoing improvement of the CORE Code Combinations
CORE-required Code Combinations Task Group

- Composed of more than 40 CAQH CORE Participating Organizations from a wide variety of stakeholders; led by four multi-stakeholder Co-Chairs:
  - Shannon Baber, *UW Medicine*
  - Janice Cunningham, *RelayHealth*
  - Heather Morgan, *Aetna*
  - Deb Smith-Fedon, *United Healthcare*

- Meets biweekly and utilizes teleconferences and tools such as online surveys to ensure maximum participation; representatives from any CORE Participating Organization are eligible to join

- Compliance-based Review Work Efforts
  - Completed a Compliance-based Review based on the 03/01/13 published code list updates and published the *May 2013 CORE Code Combinations*
  - Completed a Compliance-based Review based on the 07/01/13 published code list updates and published the *October 2013 CORE Code Combinations* *
  - Will begin next Compliance-based Review in early November based on the 11/01/13 published code list updates

- Market-based Review Work Efforts
  - Agreed on scope of 2013 Market-based Review
  - Developed an online form which entities will use to submit potential Market-based Adjustments

* *A full listing of the October 2013 CORE Code Combinations v3.0.3 Compliance-based adjustments can be found in the appendix of this presentation*
CAQH CORE 360 Rule:
Uniform Use of CARCs and RARCs

Market-based Review
Per the [CAQH CORE Code Combination Maintenance Process](#), the 2013 Market-based Reviews (MRB) consider two types of industry submissions – Code Combination Adjustments and ideas for potential New Business Scenarios.

<table>
<thead>
<tr>
<th>1. Code Combination Adjustments</th>
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<tbody>
<tr>
<td><strong>Scope:</strong> Includes <em>code additions/removals</em> for existing CORE-defined Business Scenarios</td>
</tr>
<tr>
<td><strong>High-Level Approval Process:</strong> Submissions are reviewed and approved by CAQH CORE Code Combinations Task Group</td>
</tr>
<tr>
<td><strong>Status for 2013 MBR:</strong> Task Group will collect industry submissions for code combination additions/removals</td>
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</tbody>
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<table>
<thead>
<tr>
<th>2. New Business Scenarios</th>
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<tbody>
<tr>
<td><strong>Scope:</strong> Includes addition of <em>new</em> CORE-defined Business Scenarios and/or <em>substantive adjustments</em> to existing CORE-defined Business Scenarios</td>
</tr>
<tr>
<td><strong>High-Level Approval Process:</strong> Any adjustment or addition to the CORE-defined Business Scenarios will require substantive adjustment to CAQH CORE 360 Rule and thus require formal CAQH CORE Approval and Voting Process:</td>
</tr>
<tr>
<td>Task Group</td>
</tr>
<tr>
<td><strong>Status for 2013 MBR:</strong> Given rule is not yet mandated and ongoing industry implementation, an “Early Call for Submissions of New Business Scenario Ideas” will occur; Task Group will only be collecting ideas for potential New Business Scenarios in 2013 – no voting will occur and a second, “Formal Call” will occur in 2014</td>
</tr>
</tbody>
</table>
2013 Market-based Review Includes *Only* “Early Call” for Potential New Business Scenarios

Per the CORE Code Combinations Task Group, the 2013 Market-based Review will *only* include an “early call” for submissions of potential New Business Scenarios; no New Business Scenarios will be added as priority is refinement of existing CORE-required Code Combinations in the existing CORE-defined Business Scenarios.

<table>
<thead>
<tr>
<th>Market-based Review Year</th>
<th>2013</th>
<th>2014</th>
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</table>
| **Scope**                | *Early Call for Submissions*  
Ideas for Potential New Business Scenarios | *Formal Call for Submissions*  
Potential New Business Scenarios and Adjustments to Existing Scenarios |
| **Will Associated Code Combinations be Collected?** | No | Yes |
| **Will New Business Scenarios be Added?** | No | Yes (if approved) |

**Rationale for Scope**

- Enables the Task Group to get a sense of potential New Business Scenarios and a jump start on outlining future scenario options understanding that:
  - CAQH CORE 360 Rule is not mandated until 01/01/14
  - Industry experience with the current Business Scenarios is needed prior to adding more
  - Entities are still busy implementing the existing four CORE-defined Business Scenarios

- Provides industry a second opportunity to submit potential New Business Scenarios given current focus on implementation
- Will require more detailed submissions including code combinations and any adjustments to existing CORE-defined Business Scenarios
- Submissions from 2013 will inform approach for 2014

- Entities may submit requests for additions and removals to the existing CORE Code Combinations; potential code(s) additions and removals to the CORE-defined Business Scenarios for CAQH CORE 360 Rule may include:

<table>
<thead>
<tr>
<th>Types of Additions</th>
<th>Types of Removals</th>
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</thead>
<tbody>
<tr>
<td>1. Add CARC and RARC along with a CAGC(s)</td>
<td>1. Remove CARC and all associated RARCs and CAGC(s)</td>
</tr>
<tr>
<td>2. Add CARC along with a CAGC(s)</td>
<td>2. Remove RARC and associated CAGC(s) from existing CARC</td>
</tr>
<tr>
<td>3. Add RARC to an existing CARC along with a CAGC(s)</td>
<td>3. Remove CAGC(s) from existing CARC</td>
</tr>
<tr>
<td>4. Add CAGC(s) to an existing CARC</td>
<td>4. Remove CAGC(s) from existing CARC and associated RARC</td>
</tr>
<tr>
<td>5. Add CAGC(s) to an existing CARC and its associated RARC</td>
<td></td>
</tr>
</tbody>
</table>
Submission Process: Supporting Information for Each Requested Code Addition/Removal

- Submitters must also include additional information to support their request for each potential code addition and/or removal including:
  - An assessment of whether the requested addition or removal meets the CORE Code Combination Evaluation Criteria
  - A Strong Business Case for the addition or removal
  - A summary of Real World Usage Data to support the Business Case for each requested code(s) addition or removal
- NOTE: Submitters can exercise discretion whether or not to provide Real World Usage Data, recognizing that providing such an analysis can strengthen a Business Case for the requested addition or removal.
Submission Process: Early Call for New Business Scenarios

• Entities may also submit ideas for potential New Business Scenarios
• To support a request for a New Business Scenario, submitters must provide:
  ✓ Name and description of potential New Business Scenario
  ✓ One or more examples of CARC(s) that meet the Potential New Business Scenario
  ✓ An assessment of whether the Business Scenario meets the CORE New Business Scenario Evaluation Criteria
  ✓ A simple Business Case to support rationale for adding New Business Scenario
  ✓ A summary of Real World Usage Data to support rationale for adding New Business Scenario
  • NOTE: Submitters can exercise discretion whether or not to provide Real World Usage Data, recognizing that providing such an analysis can strengthen a Business Case.
CAQH CORE 360 Rule:
Uniform Use of CARCs and RARCs

CAQH CORE Code Maintenance Website
Highlights of the New CAQH CORE 360 Rule and the Code Combinations Maintenance Process Website

- A free and accessible “one stop shop” website to provide resources and tools to implementers of the CAQH CORE 360 Rule
- Interactive website includes easy to access information and valuable tools for implementers including:
  - Access to current and past versions of the CORE Code Combinations
  - Publication schedule and Compliance Dates for updated versions of the CORE Code Combinations
  - Status of CORE Code Combinations Task Group efforts
  - Process for Market-based Reviews including access to online submission form
  - Outline the impact of updated versions of the CORE Code Combinations for each stakeholder
  - Online submission of questions/feedback regarding the CORE Code Combinations Maintenance Process
  - Lists of Internal and External Resources Related to the CARCs and RARCs

Please send any additional ideas or needs for this website to CORE@caqh.org
Code Combinations Maintenance Process Website
Landing Page

Ongoing Maintenance of the CORE Code Combinations for CAQH CORE 360 Rule

Current Version of the CORE Code Combinations: October 2013 v3.0.3

User-friendly quick reference box at top of web page allows users to easily download the newest version of the CORE Code Combinations and quickly identify the current status of the CORE Code Combinations Maintenance Process

Intuitive listing puts all CORE Code Combination maintenance resources at the users fingertips

- Current and Past Versions of the CORE Code Combinations
- Timeline for Updates and Compliance with Updated CORE Code Combinations
- Impact by Stakeholder Type
- The CORE Code Combinations Maintenance Process
- How to Submit Market-based Adjustments
- Get Involved in the CAQH CORE Code Combinations Maintenance Process
- Contact CAQH CORE
Compliance with Updated Versions of the CORE Code Combinations

How long do HIPAA covered entities have to comply with the updated versions of the CORE-required Code Combinations for the CORE-defined Business Scenarios (e.g. the CORE Code Combinations)?

HIPAA covered entities have **90 days** from the date of publication of an updated version of the CORE Code Combinations until compliance with that version is required.

**Exceptions:** When CARCs and RARCs have modification or deactivation/stop dates after the CORE Code Combinations Compliance Date (6 months after publication on the WPC website):

1. Deactivated CARCs and RARCs may continue to be used in the CORE-defined Business Scenario in which they were included until their deactivation/stop date. After the deactivation/stop date the code can only be used in derivative business transactions (See FAQs on the WPC website HERE).

2. Modified CARCs and RARCs may continue to be used with their previous description in the CORE-defined Business Scenario in which they were included until the date the modification is effective. After the date modification is effective the previous description can only be used in derivative business transactions.

**NOTE:** CAQH CORE has established a policy to publish updated versions of the CORE Code Combinations on February 1st, June 1st, and October 1st of each year (e.g. approximately 3 months after the code list updates). Thus compliance with the updated versions will be required 3 months after the CORE Code Combinations publication dates, e.g. May 1st, September 1st, and January 1st of each year.

<table>
<thead>
<tr>
<th>Proposed CORE Code Combinations Timeline</th>
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<tbody>
<tr>
<td><strong>Projected Code List Updates</strong></td>
</tr>
<tr>
<td>~November 1</td>
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<td>~March 1</td>
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<tr>
<td>~July 1</td>
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CAQH CORE Rule 360: Uniform Use of CARCs and RARCs

Roles and Responsibilities
CORE 360 Rule: Uniform Use of CARCs and RARCs

Stakeholder Actions

As of January 1, 2014 HIPAA Covered Entities and their business associates should have:

- **All stakeholder types:** e.g. Health plans, providers, clearinghouses, vendors
  - Aligned systems to support the maximum set of CORE-required Code Combinations and minimum set of CORE-defined Business Scenarios as specified in the most recent version of the **CORE Code Combinations**
  - A process to implement/support updated versions of the **CORE Code Combinations** on a tri-annual basis
  - A process to monitor ongoing compliance with the most recent version of the **CORE Code Combinations**

- **Health Plans:**
  - Coordinated with vendors to ensure compliance and alignment

- **Providers:**
  - Ensured vendor (e.g. receiver of the X12 v5010 835) has updated its systems to align with the **CORE Code Combinations**
  - Educated staff on any workflow changes due to the ERA now containing Business Scenarios and uniform Code Combinations

- **Provider-facing Vendors**
  - Adjusted products extracting data from the X12 v5010 835 for manual process to make available appropriate text to the end user as specified in CAQH CORE 360 Rule
CORE 360 Rule: Uniform Use of CARCs and RARCs

Importance of Industry Collaboration

• **HIPAA-covered entities**, including healthcare clearinghouses, health plans, and providers, work together to exchange transaction data in a variety of ways

• **Non-HIPAA-covered entities** (e.g. vendors) play a crucial role in enabling their provider clients to realize the benefits of industry adoption of CAQH CORE Operating Rules; these entities may act as Business Associates on behalf of a HIPAA covered entity

• Key steps to ensuring streamlined administrative data exchange with CAQH CORE 360 Rule:
  - **Assess impacted systems/vendors**: Understand which systems/vendors touch the X12 v5010 835
  - **Engage with your vendors**: Confirm with vendors compliance/ability to support CAQH CORE Rule 360 as certain vendors, including PMSs, third-party billing companies, etc. are not considered HIPAA-covered entities rather they act as the provider’s business associate
  - **Encourage voluntary CORE Certification**: Work with your vendors to publicly confirm systems are conformant with applicable operating rules

Key information **required** to be delivered:
- Text describing the CORE-defined Business Scenario
- Code descriptions
Polling Question #1: CARCs and RARCs Implementation Challenges

Please identify which of these challenges, shared with CAQH CORE during registration for today’s session, you have found to be the MOST substantial challenge to your organization’s implementation of the Uniform Use of CARCs and RARCs Rule

a) Fully Understanding the Rule Requirements and Existing Code Sets

b) Working with Trading Partners

c) Implementing a CORE Code Combinations Maintenance Process

d) Internal System and Software Adjustments

e) Internal Mapping of Various Code Sets

f) Other

g) Not applicable (not a HIPAA covered entity)
CAQH CORE 360 Rule:
Uniform Use of CARCs and RARCs

*Implementation Perspectives*

Barry Hillman
BlueCross BlueShield of North Carolina

- Headquartered in Chapel Hill with major operations centers in Durham and Winston-Salem
- 3.7 million members
- $58M annual net revenue in 2012
- Network of healthcare providers includes 97% of medical doctors and 99% of hospitals in North Carolina
- Paid 48.1 million claims in 2012
- Providing leadership at a national level related to healthcare administrative simplification and related transactions including:
  - CAQH and CAQH CORE Board Member
  - Blue Cross and Blue Shield Association
EFT and ERA at BCBSNC

- Send 1.5M checks via EFT payments per year (annualized 2013 data)
- Send 2.6M ERAs per year (annualized 2013 data)
- 87% of claim dollars are EFT and 90% of claims dollars are sent via 835
- Most of our hospitals and large professional providers are EFT; gaining in the professional market due to consolidating of large healthcare systems and professional providers
- Barriers to going 100% electronic:
  - Provider choice for the adoption of the EFT and ERA
    - Variation in payer implementation of electronic transactions
    - Lack of trust in the use of electronic transactions
    - System limitations in posting electronic transactions
  - BCBSNC is not willing to force providers to 100% electronic
Transaction Flow at BCBSNC

- Key trading partners for EFT/ERA:
  - One financial institution for BCBSNC; multiple financial institutions for providers
  - 214 vendors/clearinghouses for ERA
  - 20K providers have received 835s this year, not all are using EFT
Uniform Use of CARCs and RARCs Rule Implementation

Preparation

• Resources needed
  – We had three analysts from our eSolutions team (two full-time and one 50% allocated) over a 2-3 month period
  – Other analysts from the adjudication systems as needed

• Became involved early
  – Participated in CAQH CORE subgroups and work groups to drive decisions and ensure understanding of business drivers behind the EFT & ERA Operating Rules

• Educated ourselves
  – Re-read the 360 rule and ensured that we had a common understanding of the requirements from an internal perspective

• Mobilized staff
  – Reached out to the business areas to involve their adjudication system and internal code SME’s

• Performed gap analysis
  – Reviewed current processes and conducted gap analysis
  – Overlaid Business Scenarios with current internal code mapping
Uniform Use of CARCs and RARCs Rule Implementation

Internal Adjustments

• Modified internal codes
  – Changed our internal codes to align with those outlined for use with Business Scenarios

• Identified and implemented business process changes
  – Changes to manual claims adjudication processes
    • Primarily dealt with adjustments of internal codes
  – Updated business process for Code Maintenance
    • One analyst disseminates information about Code updates
    • One analyst evaluates code changes and updates internal mapping
      – This is done for each adjudication system

• Identified and implemented wraparound system changes
  – Some scenarios were hardcoded for special internal codes that needed to be modified so that they could translate to CARCs
Uniform Use of CARCs and RARCs Rule Implementation

Working with Trading Partners

• Coordinating with trading partners to ensure compliance
  – Communicating with vendors/clearinghouses/providers through email blasts and individual meetings

• Testing with trading partners
  – BCBSNC is not requiring testing with our trading partners

• Driving provider adoption of EFT/ERA
  – Educating providers at every opportunity

• Perform outreach and listen to the feedback
Uniform Use of CARCs and RARCs Rule Implementation

Challenges

• Complexity and Coordination
  – Business Scenario approach required a deep understanding of our internal business processes
    • Led to lengthy conversations with multiple internal business areas.
  – Some of our business scenarios aren’t covered in the operating rule
    • Forced discussions between our business analysts to ensure a full understanding of the rule
      – What is covered and what is not?
      – Where are we still free to allow for our own interpretation?

• Provider Adjustments
  – Communicating changes to Providers
    • Regional industry meetings
    • Individual provider meetings
    • Email blasts
    • Posting on our secure provider web portal and bcbsnc.com
  – Providers may experience some changes at first, as payers change their internal mappings to align with these business scenarios
    • Providers may also not get some of the more detailed response codes that they were used to
Uniform Use of CARCs and RARCs Rule Implementation

Anticipated Benefits

• Reductions in:
  – Administrative expense for back-office payment reconciliation processes
  – Backend programming and maintenance costs
  – Manual follow-up with providers
  – Overall accounts receivable days
  – Variability from payer to payer for Providers
    • Providers will be able to develop a trust that a code combination from BCBSNC is the same as those same codes from other payers

These benefits will reduce the cost of healthcare administration and simplify the processes involved, and ultimately these savings could be passed on to the consumer for a potential overall reduction in healthcare cost.
Lessons learned

- Start early, early, early
- Variability in practice management and patient accounting systems handling of CARCs/RARCs, so be prepared for diverse feedback from providers
- Do not underestimate the complexity of your systems, the complexity and entrenched nature of one off processes, and the amount of analysis required
- Eat the elephant in small bites
- Leverage Voluntary CORE Certification as a quality check

Looking to the Future

- Addition of more Business Scenarios
- More Comprehensive CARC/RARC mapping
  - Allow for more specificity
CAQH CORE 360 Rule: Uniform Use of CARCs and RARCs

Implementation Perspectives

Shannon Baber

UW Medicine
Uniform Use of CARCs and RARCs Rule Implementation

Introduction

- **About**: UW Medicine owns or operates Harborview Medical Center, Northwest Hospital & Medical Center, Valley Medical Center, University of Washington Medical Center, a network of nine UW Neighborhood Clinics that provide primary care and secondary care, the physician practice UW Physicians, the UW School of Medicine and Airlift Northwest
  - In addition, UW Medicine shares in the ownership and governance of Children’s University Medical Group and Seattle Cancer Care Alliance, a partnership among UW Medicine, Fred Hutchinson Cancer Research Center and Seattle Children’s

- Shannon Baber represents UW Medicine as co-chair for CAQH CORE Code Combinations Task Group
  - Current position is Operations/Systems Analyst for Patient Financial Services supporting UW Medical Center and Harborview Medical Center
General Implementation Considerations and Challenges

Working with Trading Partners

• Clearinghouse – MedAssets
  – MedAssets does not alter or change our 835s, so no new mapping or changes will need to be made with them for this process
  – Current process for our clearinghouse will continue to work without change
    • Currently our clearinghouse picks up all 835 files from our payers and places them in a directory for pickup by our billing software (Epic)
    • CARCs and RARCs are not altered or re-mapped by clearinghouse

• PMS Vendor and Billing Software – Epic
  – Updates to the billing software and processes around using the billing system needed to be made based on the Uniform Use of CARCs and RARCs rule
  – Billing System Mapping
    • Epic Hospital Billing – System is mapped as a one-to-one basis (Each CARC and RARC code appears in system as is)
    • Epic Professional Billing – System is mapped with a one-to-one as well as a many-to-one basis (each CARC and RARC code either appears as is in system or appears as Internal Mapping code due to code being inactive)
General Implementation Considerations and Challenges

Epic Billing System within UW Medicine

- We currently have five entities built within our billing system (Epic)
  - Harborview Medical Center
  - UW Medical Center
  - Seattle Cancer Care Alliance
  - UW Physicians
  - Children’s University Medical Group
- These five entities share the same masterfiles within the Epic system
- Having five entities in the same billing system sharing the same masterfile causes unique challenges
  - Any additions, changes, or deletions have to be agreed upon by ALL entities
  - How to make the changes without slowing current processes if possible
  - Making decisions on actions that needed to be changed within our system and the workflow process
  - How to come up with the ability to report issues back to payers from the 835s easily
- Having different contracts for each entity, we really have to work together to get our mapping of CARC and RARC codes correct so it doesn’t negatively impact another organization within the same system
General Implementation Considerations and Challenges

**Implementation Planning for System Updates**

- An initial analysis was done to show which codes we currently have mapped within our system.
- We then underwent an internal review to compare the codes we currently have mapped within our system with the ASC X12 v5010 835 TR3 guidelines, the published CARC list, the published RARC list, and the *CORE Code Combinations*.
- If any differences were found, they were identified as needing further review.
- Meetings were set with key people at each entity using our billing software to review.
General Implementation Considerations and Challenges

Billing System Updates

• We decided that some CARCs will need to be changed to denials for review by staff

• For the majority of the CARCs, though, we are going to use Report Groupers in order to give feedback to the different payers as to where there are issues
  – Report Grouper is something offered through Epic and is a way of adding certain criteria to a record so that you can later pull a report using that new criteria
    • We use these in Epic to help pull specific information on certain types of records.

• Report Groupers will now allow us to identify
  – Inactive Reason Code
  – Inactive Remark Code
  – Inactive Group Code
  – Invalid Combination of Reason Code with Group Code
  – Invalid use of Group Code for Patient Responsibility Reason Code
Uniform Use of CARCs and RARCs Rule

Benefits of Implementation

• More standardized information with payments and denials which leads to more accurate postings
• Less phone calls to payers as information becomes more informative and accurate
• Ability to speed up processes for denials with less interaction from payers
• Ability to speed up patient responsibilities to statement patient’s more timely
• Ability to reduce A/R quicker leading to lower A/R days which mean better stability within organization
• Less write offs due to untimely issues
Uniform Use of CARCs and RARCs Rule Implementation

Best Practices and Lessons Learned

• **Best Practices**
  – System set up with a one-to-one basis mapping
  – Be involved in decisions for your organization as well as decisions within CORE
  – Communicate to all areas that are affected by the change
  – Report back to payers any issues

• **Lessons Learned**
  – Don’t over-work process. Don’t over-complicate
  – Try not to change actions if necessary – use report groupers if available
  – Don’t create more work for staff after implementation then needed
  – Giving yourself extra time for analysis and decisions
  – Monitor after implementation – Use report groupers to analyze payers
CAQH CORE Rule 360:
Uniform Use of CARCs and RARCs

Resources and How to Get Involved
Participate in the CAQH CORE Code Combinations Maintenance Process

• **CAQH CORE Participants can join Task Group**
  – Meeting on a regular basis due to Compliance based review and preparation for Market-based review

• **Entities are encouraged to join CAQH CORE**
  – Any CAQH CORE participating organization and their representatives can join
  – Any entity can become a CAQH CORE Participating Organization; cost to join is extremely low/free

• **Entities can also contribute a number of other ways, for example:**
  – Submission of Market-based Adjustments to the CORE Code Combinations
  – Work directly with other key entities to advance knowledge and adoption: CMS OESS, the standard setting bodies like ASC X12, and the various industry code committee authors
  – CAQH CORE Town Hall Calls
  – Respond to public surveys or submit requests to CORE@caqh.org
CORE 360 Rule: Uniform Use of CARCs and RARCs

Key Implementation Resources

• Access the most current version of the **CORE-required Code Combinations for CORE-defined Business Scenarios** is ALWAYS available for free on the CAQH CORE website
  – Formal announcements are sent to all stakeholders through multiple channels when new versions are issued, and a request that stakeholders distribute the update, e.g. sent to ASC X12, WEDI, NUBC
  – Entities may email core@caqh.org to request a marked-up version of the **CORE Code Combinations** that highlights adjustments made between versions
• CAQH CORE launched a dedicated webpage for the CAQH CORE 360 Rule and the Code Combinations Maintenance Process
  – In addition to current announcements, future versions of the **CORE Code Combinations** will also be announced on the webpage and deprecated versions will be available for reference
CAQH CORE EFT & ERA Operating Rules: Additional Implementation Tools

- **Just Getting Started/Planning & Analysis**
  - [CAQH CORE EFT & ERA Operating Rules](#): Master your understanding of the ACA mandated EFT & ERA operating rule requirements
  - The [Analysis and Planning Guide](#) provides guidance to complete systems analysis and planning for implementation of the CAQH CORE EFT & ERA Operating Rules

- **Systems Design/Implementation**
  - [Education Sessions](#): CAQH CORE holds frequent sessions with partners such as WEDI, associations, and Medicaid workgroups that often include speakers from organizations that have implemented the CAQH CORE Operating Rules
  - [FAQs](#): CAQH CORE has a list of FAQs to address typical questions regarding the operating rules; new EFT & ERA FAQs are being posted regularly
  - [Request Process](#): Contact technical experts as needed at [CORE@caqh.org](mailto:CORE@caqh.org)

- **Integration/Testing**
  - [CORE Operating Rule Readiness](#): HIPAA covered entities can quickly communicate their organization’s readiness to testing their conformance with trading partners by adding their company information to the CORE Partner Testing page of the CAQH website

- **Deployment/Maintenance**
  - [Voluntary CORE Certification](#): Test Site for conformance testing of the EFT & ERA Operating Rules are now available; jointly offered by CAQH CORE-authorized testing entity Edifecs
Please submit your question:

- Enter your question into the Q&A pane in the lower right hand corner of your screen
APPENDIX
Summary of Compliance-based Adjustments included in the *October 2013 CORE Code Combinations*

<table>
<thead>
<tr>
<th>July 2013 Adjustments to Published Code Lists</th>
<th>October 2013 CORE Code Combinations v3.0.3 Compliance-based Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deactivations</td>
<td>N/A</td>
</tr>
<tr>
<td>(0 CARCs deactivated and 0 RARCs deactivated)</td>
<td></td>
</tr>
<tr>
<td>Modifications</td>
<td>12 of 25 modified CARCs were in the <em>CORE Code Combinations</em>, resulting in the following updates:</td>
</tr>
<tr>
<td>(25 CARC descriptions modified and 4 RARC descriptions modified by Code Committees)</td>
<td>- CARC 163: Updated description in CORE-defined Business Scenario #1</td>
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<tr>
<td></td>
<td>- CARC 164: Updated description in CORE-defined Business Scenario #1</td>
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<tr>
<td></td>
<td>- CARC 250: Updated description in CORE-defined Business Scenario #1</td>
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<tr>
<td></td>
<td>- CARC 251: Updated description in CORE-defined Business Scenario #1</td>
</tr>
<tr>
<td></td>
<td>- CARC 252: Updated description in CORE-defined Business Scenario #1</td>
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<tr>
<td></td>
<td>- CARC 16: Updated description in CORE-defined Business Scenario #2</td>
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<td></td>
<td>- CARC 18: Updated description in CORE-defined Business Scenario #2</td>
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<td></td>
<td>- CARC 236: Updated description in CORE-defined Business Scenario #2</td>
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<td></td>
<td>- CARC 173: Updated description in CORE-defined Business Scenario #3</td>
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<td>- CARC 238: Updated description in CORE-defined Business Scenario #3</td>
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<td>- CARC 242: Updated description in CORE-defined Business Scenario #3</td>
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<td>- CARC 243: Updated description in CORE-defined Business Scenario #3</td>
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<td>3 of 4 modified RARCs were in the <em>CORE Code Combinations</em>, resulting in the following updates:</td>
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<tr>
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<td>- RARC N10: Updated description in CORE-defined Business Scenario #3</td>
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<td>- RARC N441: Updated description in CORE-defined Business Scenario #3</td>
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<td></td>
<td>- RARC N7: Removed from association with CARC 96 in CORE-defined Business Scenario #3 as RARC N7 was modified to be an Alert RARC</td>
</tr>
<tr>
<td>Additions</td>
<td>Added 5 CARCs: 254, 256, W5, W6, and W9 to CORE-defined Business Scenario #3</td>
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<tr>
<td>(9 new CARCs and 103 new RARCs added by Code Committees)</td>
<td>Added 1 CARC: W8 to CORE-defined Business Scenario #4</td>
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<td></td>
<td>Added RARCs to each of the four <em>CORE-defined Business Scenarios</em> including:</td>
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<tr>
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<td>- 18 RARCs to CORE-defined Business Scenario #1</td>
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<td>- 29 RARCs to CORE-defined Business Scenario #2</td>
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<td></td>
<td>- 134 RARCs to CORE-defined Business Scenario #3</td>
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<tr>
<td></td>
<td>- 8 RARCs to CORE-defined Business Scenario #4</td>
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</tbody>
</table>