CAQH CORE Open Mic with CMS OESS

EFT & ERA Operating Rule
Implementation and Compliance

December 17, 2013
3pm – 4:00 pm ET
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
Session Topics

• Welcome Introduction
• Level-setting on Key EFT & ERA Operating Rule Concepts
  − ACA Section 1104: January 2014 EFT/ERA Operating Rule Mandate
  − Overview of EFT & ERA Operating Rule Requirements
  − Insights from Industry Implementers
  − CAQH CORE Implementation Resources and Tools
• Discussion with CMS OESS
  − Matt Albright, Director, Administrative Simplification Group, CMS Industry
  − Geanelle Herring, Health Insurance Specialist, CMS
• Q&A
CAQH CORE EFT & ERA Operating Rules

Rule Requirements and Industry Insights
Scope: ACA Mandated Operating Rules and Certification Compliance Dates

**Compliance in Effect As of January 1, 2013**

- Eligibility for health plan
- Claim status transactions
  
  "HIPAA covered entities conduct these transactions using the CAQH CORE Operating Rules"

**Implement by January 1, 2014**

- Electronic funds transfer (EFT)
- Health care payment and remittance advice (ERA)
  
  "HIPAA covered entities will need to conduct these transactions using the CAQH CORE Operating Rules"

**Implement by January 1, 2014**

- **Health plans** certify via HHS certification program for Eligibility/Claim Status/EFT/ERA rules and underlying standards
  
  "Applies only to health plans and includes penalties until certification is complete; existing voluntary CORE Certification is for vendors/PMS/large providers, and health plans"

**Implement by January 1, 2016**

- Health claims or equivalent encounter information
- Enrollment/disenrollment in a health plan
- Health plan premium payments
- Referral certification and authorization
- Health claims attachments

HHS will issue NPRM and realign implementation date with finalization of program.


Mandated requirements available

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## Mandated EFT & ERA Operating Rules: Scope and Requirements

<table>
<thead>
<tr>
<th>Rule</th>
<th>High-Level Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Uniform Use of CARCs and RARCs (835) Rule</strong>&lt;br&gt;Claim Adjustment Reason Code (CARC)&lt;br&gt;Remittance Advice Remark Code (RARC)&lt;br&gt;Rule 360</td>
<td>• Identifies a <em>minimum</em> set of four CAQH CORE-defined Business Scenarios with a <em>maximum</em> set of CAQH CORE-required code combinations that can be applied to convey details of the claim denial or payment to the provider</td>
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<tr>
<td><strong>EFT Enrollment Data Rule</strong>&lt;br&gt;Rule 380</td>
<td>• Identifies a maximum set of standard data elements for EFT enrollment&lt;br&gt;• Outlines a flow and format for paper and electronic collection of the data elements&lt;br&gt;• Requires health plan to offer electronic EFT enrollment</td>
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<tr>
<td><strong>ERA Enrollment Data Rule</strong>&lt;br&gt;Rule 382</td>
<td>• Similar to EFT Enrollment Data Rule</td>
</tr>
<tr>
<td><strong>EFT &amp; ERA Reassociation (CCD+/835) Rule</strong>&lt;br&gt;Rule 370</td>
<td>• Addresses provider receipt of the CAQH CORE-required Minimum ACH CCD+ Data Elements required for re-association&lt;br&gt;• Addresses elapsed time between the sending of the v5010 835 and the CCD+ transactions&lt;br&gt;• Requirements for resolving late/missing EFT and ERA transactions&lt;br&gt;• Recognition of the role of NACHA Operating Rules for financial institutions</td>
</tr>
<tr>
<td><strong>Health Care Claim Payment/Advice (835) Infrastructure Rule</strong>&lt;br&gt;Rule 350</td>
<td>• Specifies use of the CAQH CORE Master Companion Guide Template for the flow and format of such guides&lt;br&gt;• Requires entities to support the Phase II CAQH CORE Connectivity Rule&lt;br&gt;• Includes batch Acknowledgement requirements*&lt;br&gt;• Defines a dual-delivery (paper/electronic) to facilitate provider transition to electronic remits</td>
</tr>
</tbody>
</table>

* [CMS-0028-IFC](#) excludes requirements pertaining to acknowledgements. The complete Rule Set is available [HERE](#).
Implementation Steps for HIPAA Covered Entities: 
Best Practices and Lessons Learned

**Communication is Critical!**

**Education is key**
- Fully understand your business processes and the mandates

**Get executive buy-in early**
- Among payers and their trading partners, penalties for non-compliance help make this a priority

**Determine Scope of Project**
- Identify the affected departments, processes, systems and trading partners

**Treat like any major business project**
- Identify staff resources, e.g.
- Realistic timelines, e.g. don’t underestimate the complexity of the systems and adjustments involved

**Just Getting Started**
**Analysis and Planning**
**Systems Design**
**Systems Implementation**
**Integration & Testing**
**Deployment/Maintenance**

**Engage Trading Partners Early and Often**
- It’s important to contact your trading partners early in the implementation process, clarify roles and responsibilities, and coordinate a timeline for completion

**TEST, TEST, TEST!**
- Test your compliance with your trading partners and with your clients

**Get Involved with CAQH CORE**
- Give input on rule maintenance, and stay up-to-date on implementation developments
Implementation Steps for HIPAA Covered Entities: Best Practices and Lessons Learned

**Free Tools and Resources Available**

**Education is key**
Get executive buy-in early
- Read the CAQH CORE EFT & ERA Operating Rules
- Listen to archive of past CAQH CORE Education Sessions, or register to attend a future one
- Search the EFT & ERA FAQs for clarification on common questions
- Use our Request Process to Contact technical experts throughout implementation

**Determine Scope of Project**
- The Analysis and Planning Guide provides guidance to complete systems analysis and planning for implementation; Information attained from the use of this guide informs the impact of implementation, the resources necessary for implementation, as well as, what would be considered an efficient approach to, and timeline for, successful implementation.

**Just Getting Started**

**Analysis and Planning**

**Systems Design**

**Systems Implementation**

**Integration & Testing**

**Deployment/Maintenance**

**Engage Trading Partners Early and Often**
- Provider’s: Use the EFT/ERA Sample Health Plan and Sample Financial Institution Letters as a way to help facilitate the request to receive EFT from your health plans and the request for delivery of the necessary reassociation data elements from your financial institutions

**TEST, TEST, TEST!**
- Leverage Voluntary CORE Certification as a quality check, a way to test with partners and as a way of communicating compliance to the industry and other trading partners

**Get Involved with CAQH CORE**
- Join as a Participant of CAQH CORE in order to give input on rule-writing maintenance by joining a task group and to stay up-to-date on implementation developments
CAQH CORE Uniform Use of CARCs and RARCs Rule

New Resources

- The CAQH CORE 360 Rule and Code Combination Maintenance Webpage is a free and accessible “one stop shop” to provide resources and tools to implementers of the CAQH CORE 360 Rule
  - Interactive website includes:
    - Access to current and past versions of the CORE Code Combinations
    - Publication schedule and Compliance Dates for updated versions of the CORE Code Combinations based on Compliance Based Review – occurs three times per year
    - Status of CORE Code Combinations Task Group efforts
    - Process for Market-based Reviews including access to online submission form
    - And much more!

- Market Based Review Training Sessions:
  - Market Based Reviews occur once a year and consider industry submissions addressing code combination (CARC/RARC/CAGC) additions and removals to the current version of the CORE Code Combinations.
  - These training sessions will provide information regarding the process and instructions on how an entity should complete the online MBR Form to submit its code combination recommendations.
  - Two sessions scheduled so far:
    - December 20th, 2013 | 2:00pm – 3:00pm ET – Register NOW
    - January 9th, 2014 | 1:30pm – 2:30pm ET – Registration Coming Soon
Discussion with CMS OESS

Matt Albright, Director, Administrative Simplification Group, CMS

Geanelle Herring, Health Insurance Specialist, Administrative Simplification Group, CMS

Geanelle.Herring@cms.hhs.gov
Receiving Health Care Payment Electronically (EFT)

- If you (provider) are using paper checks to receive payments, EFT operating rules have made it easier to enroll in EFT across different health plans by requiring a standard form.
  - All providers should consider switching to EFT, and providers who have Medicare patients are required to use EFT in 2014.
- Health care EFT payment through the ACH Network, in contrast to payments through card payments or FedWire, is the adopted standard for EFT.
  - While other methods of EFT are not prohibited, a health plan must transmit health care payments through the ACH Network (as Medicare does) if requested by the provider.
  - In general, a health plan cannot incentivize a provider to use an alternate transaction method other than the adopted standard or disincentivize a provider from using a standard transaction.
Health Plan Certification of Compliance in Section 1104 of ACA

• Health plans must certify compliance with standards and operating rules.
• HHS plans to issue a proposed and final rule; that rule has not yet been issued.
• HHS does not expect to require any documentation that would have had to be produced prior to the effective date of the final rule.
HIPAA Security Enforcement – Current Process

- The current HIPAA Transaction Code Sets and ACA operating rules enforcement process is primarily complaint-driven.
Scope of Operating Rules as Reflected in HHS Regulations Adopted to Date

- Requirements that facilitate transactions.
- Data content of standards (cannot “duplicate” or “conflict”).
- Processes for updating certain elements of the operating rules.
- Requirements to use standards yet unnamed under HIPAA that support HIPAA transactions.
- “Standard transaction” is a transaction that complies with both applicable standards and operating rules.
Q&A Topics

1. ACA Mandate and Compliance
2. EFT & ERA Operating Rule Requirements and Implementation
3. Working with Trading Partners
4. General

Please submit your question:

- **Via the Web**: Enter your question into the Q&A pane in the lower right hand corner of your screen
- **By Phone**: When prompted by the operator, press * followed by the number one (1) on your keypad
ACA Mandate and Compliance

Question Type Examples

**Q:** After 1/1/14, Is a payer REQUIRED to send CCD+ EFTs to make payments to providers who request EFTs? Or is the payer allowed to send payments via paper checks?

**Q:** Does a PDF of a paper remittance have to conform to HIPAA’s 5010 data content standards for ERA/835 transactions?

**Q:** What entities are required to certify with HHS that their data and information system are in compliance with the ACA-mandated EFT and ERA Operating Rules?

**Q:** Will penalties be assessed against health plans that fail to complete the ACA-mandated certification?

Access all EFT & ERA Operating Rule FAQs [HERE](#)
My organization is a health plan. As part of our EFT enrollment form/method, we currently ask providers to identify the service location for which they want to enroll to receive EFT via a proprietary location identifier. Can we continue to collect this location identifier using the CAQH CORE-required Maximum EFT Enrollment Data Set?

As a health plan, are we allowed by the CAQH CORE 360 Rule to use code combinations that are not included in the CORE-required Code Combinations for CORE-defined Business Scenarios for other business scenarios beyond the minimum set of CORE-defined Business Scenarios?

My organization is a health plan. As part of our X12 v5010 835 error handling process, we currently send a proprietary paper remittance advice (RA) in lieu of an out of balance X12 v5010 835. Does the CAQH CORE 350 Rule require that we discontinue this error handling process after the dual-delivery period has ended?

Access all EFT & ERA Operating Rule FAQs [HERE](#)
The CAQH CORE 370 Rule requires providers to proactively contact their financial institutions to arrange for the delivery of the CORE-required Minimum CCD+ Data Elements necessary for successful reassociation of the EFT and ERA. As a provider, what information do I need to send to my financial institution to arrange for delivery of these data elements?

How can we coordinate the TRN segment data with our EFT vendor since we (payer) create the 835 in house?

Can my health plan outsource just a subset of the CORE Operating Rule requirements – e.g. EFT/ERA Enrollment, to a third party or is it all or nothing?
Please submit your question:

- **Via the Web:** Enter your question into the Q&A pane in the lower right hand corner of your screen
- **By Phone:** When prompted by the operator, press * followed by the number one (1) on your keypad
Thank You for Joining Us

Appendices: Implementation Tools and References
New EFT & ERA Tools from CAQH CORE
For Providers

Contact Your Health Plans!

• To benefit from new EFT and ERA mandates, ensure your provider organization has requested the transactions from its health plans and EFT & ERA Operating Rule implementation status
• To help facilitate this request, CAQH CORE developed the **Sample Provider EFT Request Letter**
• Providers can use this sample letter as template email or talking points with health plan contacts to request enrollment in EFT/ERA and benefits of operating rules
• The tool includes background on the benefits EFT, key steps for providers, an actual letter template, and glossary of key terms

Contact Your Banks!

• To maximize the benefits available through the CAQH CORE Reassociation Rule, providers must request delivery of the necessary data for EFT and ERA reassociation
• To help facilitate this request, CAQH CORE developed the **Sample Provider EFT Reassociation Data Request Letter**
• Providers can use this sample letter as template email or talking points with bank contacts to request delivery of the reassociation data
• The tool includes background on the benefits of the letter, key steps for providers, an actual letter template, and glossary of key terms
CAQH CORE EFT & ERA Operating Rules: 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 informational webinars to educate the industry about CAQH CORE operating rules which often include speakers from standard-setting bodies, associations, and industry implementers
  – 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
  – Provider EFT/ERA Sample EFT Request and Sample Reassociation Data Request Letters: Sample letters providers can use to help facilitate the request to receive EFT from their health plans and the request for delivery of the necessary reassociation data elements from their financial institutions

• 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
  – CAQH CORE 360 Rule and Code Combination Maintenance Website: A free and accessible “one stop shop” webpage to provide resources and tools to implementers of the CAQH CORE 360 Rule
Available CMS OESS Implementation Tools: Examples

- **HIPAA Covered Entity Charts**
  - Use the HIPAA Covered Entity Charts to determine whether your organization is a HIPAA covered entity

- **CMS FAQs**
  - Frequently asked questions about the ACA, operating rules, and other topics

- **Affordable Care Act Updates**
  - Updates on operating rules; compliance, certification, and penalties; and engagement with standards and operating rules

- **Additional Questions**
  - Questions regarding HIPAA and ACA compliance can be addressed to:
    - Geanelle Herring, Health Insurance Specialist, Geanelle.Herring@cms.hhs.gov
Healthcare EFT Standard Implementation Guide

- What is the EFT standard?
- How does it work?
- Includes the CCD format
- How to populate the specific fields
- What are NACHA Operating Rules and how do they impact the standard?

Available from NACHA at https://www.nacha.org/nacha-estore-healthcare-payments
Additional NACHA Resources

• **Healthcare Payments Resources Website**
  – Provides a repository of information on a wide variety of topics for both financial institutions and the healthcare industry. Includes links to many other resources, as well as customized information to help “translate” concepts from one industry to the other (FAQs, reports, presentations).

• **Healthcare EFT Standard Information**
  – Located within the healthcare industry tab of the above website, specific information can be found on the healthcare EFT standard.

• **Healthcare Payments Resource Guide**
  – Publication designed to help financial institutions in implementing healthcare solutions. It gives the reader a basic understanding of the complexities of the healthcare industry, identify key terms, review recent healthcare legislation, and discuss potential impacts on the financial services industry.
  – Order from the NACHA eStore “Healthcare Payments” section

• **Revised ACH Primer for Healthcare Payments**
  – A guide to understanding EFT payment processing. Introduces the healthcare industry to the Automated Clearing House (ACH) Network, explains ACH transaction flow and applications, and includes two “next steps checklists,” one each for origination and receipt.

• **Ongoing Education and Webinars**
  – Check the Healthcare Payments Resource Website for “Events and Education”