Is Your Organization Prepared to Adopt Mandated Healthcare Operating Rules?

Thursday, May 24, 2012
2:00 pm to 3:30 pm ET

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CAQH

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Today’s Learning Objectives

Attendees will be able to:

• Describe the timeline for adoption of federally mandated operating rules and identify how CAQH CORE Operating Rules apply to HIPAA covered entities that engage in the exchange of administrative data
• Understand each of the CAQH CORE mandated operating rules for Eligibility for a Health Plan and Healthcare Claim Status
• Describe how operating rules build upon existing standards
• Identify key steps necessary to successfully implement Eligibility for a Health Plan and Health Care Claims Status Operating Rules within their organization

CAQH® and Its Initiatives

CAQH, a nonprofit alliance of health plans and trade associations, is a catalyst for industry collaboration on initiatives that simplify healthcare administration for health plans and providers, resulting in a better care experience for patients and caregivers.

An industry utility that replaces multiple health plan paper processes for collecting provider data with a single, electronic, uniform data-collection system (i.e., credentialing). Over 1 million providers self-report their information to UPD and over 650 organizations access the system, including a range of public and private entities.
Committee on Operating Rules for Information Exchange

- CAQH CORE® is a multi-stakeholder collaboration developing industry-wide operating rules, built on existing standards, to streamline administrative transactions
  - Integrated model: Rule writing, certification and testing, and outreach/education
- Mission: To build consensus among healthcare industry stakeholders on a set of operating rules that facilitate administrative interoperability between providers and health plans
  - Enable providers to submit transactions from the system of their choice (vendor agnostic) and quickly receive a standardized response
  - Enable stakeholders to implement in phases that encourage feasible progress in resolving industry business needs while minimizing barriers to adoption
  - Facilitate administrative and clinical data integration
- CAQH CORE is not:
  - Replicating the work being done by standard-setting bodies, e.g., ASC X12, HL7, OASIS, W3C
  - Developing software or building a database

What Are Operating Rules?

- The Patient Protection and Affordable Care Act (ACA) defines operating rules as “the necessary business rules and guidelines for the electronic exchange of information that are not defined by a standard or its implementation specifications”
- Operating rules address gaps in standards, help refine the infrastructure that supports electronic data exchange and recognize interdependencies among transactions; they do not duplicate standards
  - Current healthcare operating rules build upon a range of standards – healthcare-specific (e.g., ASC X12) and industry-neutral (e.g., OASIS, W3C, ACH CCD+) – and support the national HIT agenda
- Operating rules encourage an interoperable network and, thereby, are vendor agnostic
Operating Rules and Standards Work in Unison:
Both Are Essential

- Operating rules always support standards – they are already being adopted together in today’s market and have been since 2006
- Benefits of operating rules co-existing with and complementing standards are evidenced in other industries
  - Various sectors of banking (e.g., credit cards & financial institutions)
  - Different modes of communications and transportation
- Healthcare-operating rules address and support a range of standards
  - Healthcare-specific standards, e.g., require non-mandated aspects of v5010 ASC X12 given data such as in/out of network patient responsibility are critical to administrative simplification
  - Industry-neutral standards, e.g., SOAP, WSDL, ACH CCD+
- Focus is ROI: Operating rules are built to be adaptive and responsive to administrative simplification needs before, during and after versions of standards are formally adopted
  - Coordination between operating rules and standards will be iterative as already demonstrated, e.g., new operating rules may be issued using the same version of a standard and items required by the operating rules will, in some instances, be moved into the next version of a standard and removed from rules

ACA Section 1104:
Mandated Operating Rules

Section 1104 of the ACA (H.R.3590)
“Establishes new requirements for administrative transactions that will improve the utility of the existing HIPAA transactions and reduce administrative costs”
Highlights
- Updates initial August 2000 HIPAA regulation for transaction standards and code sets given landscape has significantly changed, and unnecessary healthcare costs/burden must be removed from the system
- Requires the Department of Health and Human Services (HHS) to appoint a “qualified non-profit entity” to develop a set of operating rules for the conduct of electronic administrative healthcare transactions
- Administrative and financial standards and operating rules must:
  - Enable the determination of eligibility and financial responsibility for specific services prior to or at the point of care
  - Be comprehensive, requiring minimal augmentation by paper or other communications
  - Provide for timely acknowledgement, response, and status reporting
- HIPAA covered entities and business associates engaging in HIPAA standard transactions on behalf of covered entities must comply
- Health plans must file a statement with HHS confirming compliance; financial penalties for health plans are significant

Administrative Simplification: ACA Section 1104
ACA Mandated Operating Rules Approach

Operating rule writing and mandated implementation timeframes per ACA legislation

<table>
<thead>
<tr>
<th>Adoption deadlines to finalize operating rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2011 Eligibility and Claim Status</td>
</tr>
<tr>
<td>July 2012 Claim payment advice and electronic fund transfer</td>
</tr>
<tr>
<td>July 2014 Enrollment, Referral, authorization, attachments, etc.</td>
</tr>
<tr>
<td>Compliance dates to implement operating rules</td>
</tr>
<tr>
<td>January 2013</td>
</tr>
<tr>
<td>January 2014</td>
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<tr>
<td>January 2016</td>
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**Highlights CORE Certification as**

The National Committee on Vital and Health Statistics (NCVHS) is the body designated by HHS to make recommendations regarding the operating rules that are essential to the administration of HIPAA.

**Statute states compliance with the applicable standard/operating rule is required no later than its effective date.**

**Status**

- **July 2011, CMS published CMS-0032-IFC with the following key features:**
  - Phase I and II CAQH CORE Operating Rules for the Eligibility & Claim Status transactions, except for rule requirement pertaining to Electronic Funds Transfer (EFT)
  - Highlights CORE Certification as voluntary; further defines relationship between standards and operating rules and analysis of ROI from operating rules implementation
  - December 2011, CMS adopted above as a Final Rule; industry implementation:
  - January 2013 effective date
  - CAQH CORE is committed to assisting with roll-out as the Federal process is developed.

- **ACA Section 1104 requires:**
  - The complete set of CAQH CORE Eligibility & Claim Status Operating Rules are available free of charge HERE.

**Mandated Eligibility & Claim Status Operating Rules:**

**Highlights & Key Dates**

The following three dates are critical for industry implementation of the federally mandated CAQH CORE Eligibility & Claim Status Operating Rules. Note: there are two types of penalties related to compliance with the mandated operating rules:

1. **Mandated Eligibility & Claim Status Operating Rules:**
   - **Who:** All HIPAA covered entities
   - **Action:** Implement CAQH CORE Eligibility & Claim Status Operating Rules
   - **Description:** A requirement for HIPAA transactions to be compliant with the standards and operating rules

2. **ACA Health Plan Certification:**
   - **Who:** Health plans
   - **Action:** Implement the certification process
   - **Description:** Certification is required for all HIPAA transactions

**ACA Federal Compliance Requirements:**

<table>
<thead>
<tr>
<th>Key Date</th>
<th>January 1, 2013</th>
<th>December 31, 2013</th>
<th>No Later Than April 1, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIPAA Standards Implementation</strong></td>
<td><strong>Compliance Date</strong></td>
<td><strong>Health Plan Certification Date</strong></td>
<td><strong>Health Plan Penalty Date</strong></td>
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<td><strong>Who:</strong> health plans</td>
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<tr>
<td><strong>Eligibility &amp; Claim Status Operating Rules</strong></td>
<td><strong>Implement CAQH CORE Eligibility &amp; Claim Status Operating Rules</strong></td>
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</tr>
<tr>
<td><strong>Applicable Penalties</strong></td>
<td><strong>Amount:</strong> Due to HIPAA, provides for CAQH CORE compliance from increased fees up to $10,000 per entity per entity year</td>
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</tbody>
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Mandated Eligibility & Claim Status Operating Rules:
January 2013 Requirements Scope

<table>
<thead>
<tr>
<th>Rule</th>
<th>High-Level Phase I &amp; II CAQH CORE Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Content</td>
<td>Eligibility &amp; Claim Status</td>
</tr>
<tr>
<td>- Health plan name and coverage dates</td>
<td>- Static financials (co-pay, co-insurance, base deductibles)</td>
</tr>
<tr>
<td>- Benefit-specific and base deductible for individual and family</td>
<td>- Setup specific and base deductible for individual and family</td>
</tr>
<tr>
<td>- In/Out of network variations</td>
<td>- Removing deductible amounts</td>
</tr>
<tr>
<td>- Connectivity via Internet and aligned with NAINI direction, e.g., supports plug and play method (SOAP) and digital certificates and optional administrative alignment</td>
<td>- Compliance guide - continues for future use by healthcare of ACH CCD+ (CAQH call on proposal edits on May 18)</td>
</tr>
<tr>
<td>- System Availability service level = minimum 99% availability per calendar week</td>
<td>- System Availability service level = minimum 99% availability per calendar week</td>
</tr>
<tr>
<td>- Enhanced Patient Identification and Error Reporting Requirements</td>
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</tr>
<tr>
<td>- Acknowledgements (transactional)</td>
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</tr>
</tbody>
</table>

Eligibility and Claim Status:
Voluntary CORE Certification

- **What:** Voluntary CORE Certification Testing is stakeholder-specific and demonstrates that an applicant’s system(s) conform with CAQH CORE Operating Rules; CORE Certification is awarded to organizations that complete voluntary testing
- **Why:** Offers a mechanism to test an organization’s ability to exchange transaction data with trading partners in accordance with the operating rules
  - Process offers useful, accessible and relevant guidance in meeting obligations under the CAQH CORE Operating Rules.
  - Encourages trading partners to work together on data flow and content needs.
  - Promotes maximum ROI when all entities in data exchange are known to conform with the operating rules.
  - Testing done online by authorized testing entity.
  - Testing and CORE Certification is free for government entities.
- **How:** Systems must be up-to-date and compliant with CORE Operating Rules prior to testing and standard test scripts are applied
- **Key Benefit:** Encourages trading partners to consider the end-to-end process of achieving administrative simplification

Mandated EFT & ERA Operating Rules: Status

- Spring 2011: NCVHS recommended:
  - NACHA as healthcare EFT SDO and ACH CCD+ as standard EFT format
  - CAQH/INC in collaboration with NACHA, as author for EFT and ERA spending rule (pharmacy to be addressed as appropriate)
- September 2011: Draft CAQH CORE EFT & ERA Operating Rules approved by CAQH CORE Rules Work Group and NCVHS updated on rules’ status
  - New 2011 CAQH CORE Technical Work Group approved voluntary CORE Certification Test Suite
- December 2011: NCVHS issued a letter recommending HHS adopt the four draft CAQH CORE EFT & ERA Operating Rules
- January 2012, CMS released interim final rule for the EFT standard
  - CAQH/INC commented on FFC for the healthcare EFT standard
  - CAQH/INC shared with participants
- March/April 2012
  - CAQH/INC updated rules (not changing requirements) to reflect CMS reception of EFT and NCVHS guidance to remove references to voluntary CORE Certification; CORE will still offer voluntary CORE Certification and thus Test Suite approved by CORE participants
  - NACHA issued draft updates to NACHA Operating Rules
- Next Steps
  - Healthcare issue final rule on EFT standard; forward CORE EFT-ERA rules (CMS will examine appropriateness for healthcare mandate)
  - Preparation of CORE rules and testing engine development on an EFT and ERA voluntary certification test site
  - Financial services operating rules: Coordination with NACHA on edits to NACHA Operating Rules due to future use by healthcare of ACH CCD+ (CAQH call on proposed edits on May 18)
Mandated Operating Rules for Remaining Transactions:

**Status**

- Remaining mandated operating rule transactions include health claims or equivalent encounter information, enrollment and disenrollment in a health plan, health plan premium payments, and referral certification and authorization
- November 2011: NCVHS began holding hearings; CAQH CORE provided testimony on the following three topics and stated interest in serving as operating rule author, key points included:
  - Claim Attachments: Communicated current industry landscape implies clinical and administrative coordination is critical, provided examples of potential areas for operating rules, highlighted standards and operating rules will need to work together more than ever if the industry is to meet deadline
  - Provider Enrollment: Outlined lessons learned from the CAQH Universal Provider Enrollment (CUPD) as well as CORE EFT/ERA work
  - Maintenance of Standards & Operating Rules: Discussed how these processes can be improved moving forward
- Spring 2012: NCVHS and HHS in process of considering next steps for operating rule author selection

Foundational Elements of Healthcare Data Exchange

*Trading Partner Relationships and Stakeholder Connectivity*

Multi-stakeholder Connectivity

• All HIPAA covered entities work together to exchange transaction data in a variety of ways i.e., providers, health plans, clearinghouses
• Understand your electronic data flows associated with your administrative agreements
• When a clearinghouse or vendor is involved in data exchange between the health plan and the provider’s eligibility systems, then:
  – Identifying the role and responsibility of each entity from an end-to-end perspective is an important step
  – Each entity will be responsible for their own specific implementation, testing and related resources
  – Joint integration planning between entities will ensure that conformance requirements and Return on Investment (ROI) goals are met
CAQH CORE Connectivity Operating Rules:

Key Requirements

- CAQH CORE Connectivity applies to information sources performing role of an HTTPS server and information receivers performing role of an HTTPS client
- Connectivity rules define conformance requirements for stakeholders based on the typical roles of Client or Server
  - Health plans typically act as Servers
  - Providers are typically considered Clients; clearinghouses can act as Client or Server

<table>
<thead>
<tr>
<th>Rule Area</th>
<th>High-Level Rule Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>HTTPS over Public Internet</td>
</tr>
<tr>
<td>Transport Security</td>
<td>256-bit or higher is required for certification, but TLS is supported for FIPS 140 compliance</td>
</tr>
<tr>
<td>Envelope and Message Standards</td>
<td>SOAP 1.2 + WSDL and MTOM for Batch or HTTP+MIME (subject to conformance requirements)</td>
</tr>
<tr>
<td>Envelope Metadata</td>
<td>Metadata defined (Field names, values) (e.g., PayloadType, Processing Mode, Sender ID, Receiver ID)</td>
</tr>
<tr>
<td>Payload Security</td>
<td>Considered and deferred to later Phase</td>
</tr>
<tr>
<td>Subscriber (Originating System or Client) Authentication</td>
<td>Name/Password or X.509 Certificate (subject to conformance requirements)</td>
</tr>
<tr>
<td>Acknowledgements, Errors</td>
<td>Enhanced Phase I, with additional specificity on error codes</td>
</tr>
<tr>
<td>Basic Conformance Requirements</td>
<td>Well specified</td>
</tr>
<tr>
<td>Companion Implementation Guide</td>
<td>Enhanced Phase I with additional specificity</td>
</tr>
</tbody>
</table>

About CAQH CORE Connectivity Rules:

Guiding Principles

- Connectivity Rules are developed using the CAQH CORE consensus-based approach and are designed to:
  - Facilitate interoperability
  - Improve utilization of electronic transactions
  - Enhance efficiency and help lower the cost of information exchange in healthcare
  - Support not only eligibility & claim status transactions, but also any other administrative transactions and complementing clinical efforts
  - Reflect lessons learned from other organizations, market research, and proven rules
  - Build upon existing standards
- Rules address both Batch and Real Time
  - Entities must offer Real Time to conform with rule requirements
  - Entities are not required to offer Batch; however, if an entity offers Batch it must conform with the CAQH CORE rule requirements for batch processing
- Rules designed to create a base and not a “ceiling”
  - E.g., entities need to provide CAQH CORE connectivity interface but may offer additional connectivity interfaces to support their business needs

CAQH CORE Connectivity Rules:

Conformance Guidelines for Various Stakeholders

- CAQH CORE Connectivity defines conformance requirements for stakeholders based on their typical role (client, server) for envelope and authentication standards
- The diagram illustrates the typical (minimal) roles played by stakeholders, e.g., providers are typically clients, health plans are typically servers, clearinghouses can act as client or server
CAQH CORE-Enabled Connectivity: Safe Harbor

- Using the Internet as a delivery option, establishes a “Safe Harbor” connectivity rule which standardizes the flow of administrative transactions between health plan and provider
- Applies to information sources performing the role of an HTTP/S server and information receivers performing the role of an HTTP/S client
- Applies to both Batch and Real Time transactions; only applies to batch if entity offers batch processing
- Does not require trading partners to remove existing connections that do not match the rule

CAQH CORE Connectivity Operating Rule: Conformance Requirement - Envelope Standards

- Server role required to support both Envelope standards
- Client role can choose one of the two Envelope standards

CAQH CORE Connectivity Operating Rule: Submitter Authentication Standards

- Server role can choose one of the two authentication standards
- Client role must support both the authentication standards
A Health Plan Perspective:

David Querusio
Rhonda Starkey
Harvard Pilgrim Health Care, Inc.

Harvard Pilgrim Health Care Overview

Harvard Pilgrim is the only private health plan in the nation to be named #1 for member satisfaction and quality of care for eight consecutive years according to an annual ranking of the nation’s best health plans by the National Committee for Quality Assurance (NCQA).

- A regional not-for-profit health plan, based in Wellesley, MA
  - 1100 employees across 7 locations
  - Over one million members primarily in MA, NH, ME
  - Full range of health insurance choices, funding arrangements, and cost-sharing options
- A CAQH CORE Participating Organization
- Completed Phase I and II CORE Certification Testing concurrently; a Phase I and II CORE-certified health plan

Harvard Pilgrim Channel Strategy: Before CORE

- Harvard Pilgrim implemented two very different trading partner options to engage in streamlining administrative transactions
  - In 1998, Harvard Pilgrim became 1 of 5 founding members of the New England Healthcare Exchange Network (NEHEN)
    - NEHEN is a collaborative evolving from 5 to 33 members and affiliates that include providers, payers and solution vendors who provide EDI capabilities between exchange partners to improve administrative and clinical processes for the health care community
    - Transactions supported are: ASC X12 270/271 and ASC X12 276/277 Batch and Real Time, ASC X12 278 Real Time, ASC X12 835 and ASC X12 837
  - In 2001, our branded web-portal HPHConnect for providers rolled-out; services include:
    - Direct data entry eligibility inquiry, claims status inquiry, referral/authorization request and referral/authorization inquiry; greatest use of the application
    - ASC X12 270/271, 276/277, 837 and 835 Batch file exchange through a “File Transfer Application”, limited use in the application
    - Additional provider services, i.e. PCP notification of member’s referral or authorization, PCP panel reports, clinician access to member medication history and more
Harvard Pilgrim Channel Strategy: An Evolution

- Channel Strategy Assessment (2002) of the health care environment, trading partner needs and technology capabilities findings included:
  - Administrative simplification goals and content standards (HIPAA) would persist
  - Wide range of trading partner technologic capabilities would persist
  - Common technology standards were important
  - Practice management system vendors would be a point to reduce complexity and costs
  - Disintermediation — removing intermediaries between provider and payer could reduce costs (eliminate transaction fees) and complexity (reduce hand-offs)
- Our Channel Strategy Plan
  - Meet the wide variety of provider needs and capabilities through a choice of multiple channels of connectivity or ways to exchange all provider transactions with Harvard Pilgrim
  - Innovate or lead in the adoption of channels of connectivity or transactions
  - Support and service channels effectively and efficiently

Harvard Pilgrim Channel Strategy: Approach

- Our Strategic Approach
  - Innovate or lead in adoption of channels or transactions
    - In 2003, created Healthcare Transaction Services (HTS), a new practice management system vendor channel based on existing EDI industry SOAP standards; handles ASC X12 270/271 and ASC X12 276/277 transactions
    - Increase trading partner choice over time
      - From two channels of connectivity for eligibility and claims status transactions in 2002 to seven channels supporting over 99% of transactions today
        - NEHEN
        - NEHEN Net (NEHEN add on)
        - HTS
        - HPHConnect
        - CORE SOAP
        - CORE MIME
  - Channel and trading partner agnostic
  - Trading partners use multiple channels of connectivity depending on transaction type. e.g., EDI channel for high volume eligibility and HPHConnect for accounts receivable reconciliation (patient targeted eligibility and claims status inquiry)

Harvard Pilgrim Channel Strategy: Why CORE?

- Adoption of CORE rules was a natural next step as we continued to grow the Harvard Pilgrim “Channel Strategy”
- CAQH CORE Operating Rules
  - Support administrative simplification goals
  - Provide focused content standards
  - Provide common national connectivity standards — a clear fit for Harvard Pilgrim with one of the CORE connectivity standards based on the same SOAP standards used in our HTS channel
  - Provide additional opportunities to meet different trading partner technology capabilities
CAQH CORE Connectivity: Technical Highlights

- CAQH CORE Connectivity builds upon technical standards to define how messages are packaged and transmitted between trading partners
  - Specifications on Envelope Metadata and structure
  - Authentication standards
  - Defined Payload Types
  - Message interactions
  - Error handling
- CAQH CORE Connectivity supports the following list of standards and their versions:
  - HTTP Version 1.1
  - SSL Version 3.0
  - MIME Version 1.0
  - The MIME Multipart/Related Content Type
  - SOAP Version 1.2
  - WSDL version 1.1
  - Web Services-Security 1.1
- Select CAQH CORE Connectivity Rule Key Requirements
  - CAQH CORE requires the payer to support both SOAP+WSDL & MIME Multipart standards
  - For authentication, CAQH CORE Operating Rules requires the payer to support one of the 2 authentication standards: Usernames/Password or X.509 Client certificates over SSL; Harvard Pilgrim uses the X.509 standard for authentication

Harvard Pilgrim: Technology Stack

- Harvard Pilgrim chose commonly available software products in the industry, i.e. open source libraries and technology
- Selected an application portfolio that helped us meet both industry technical standards and CAQH CORE Infrastructure Operating Rules, i.e.
  - WebLogic Application Server
  - Apache Axis2 Version 1.4 running under WebLogic
  - Java Version 6.0
  - Apache Commons File Upload Utility
  - Castor Version 1.2
  - Java interface with TIBCO Rendezvous

Harvard Pilgrim: Design Approach

The design approach to implementing CORE Connectivity Operating Rule key requirements was as follows:

- SOAP Channel
  - Apache HTTP Server running on a Linux machine in the DMZ receives the request, decrypts it and routes it to the SOAP end-point hosted in WebLogic server
  - Apache Axis2 processes the SOAP messages
  - Data binding is done using the open-source Castor

- MIME-Multipart Channel
  - Apache HTTP Server running on a Linux machine in the DMZ receives the request, decrypts it and routes it to the MIME end-point hosted in WebLogic server
  - Apache File Upload is used as the multi-part parser
  - Data binding is done using the open-source Castor

- Security
  - Apache Server in the DMZ does the client authentication using X.509 client certificates over SSL
Harvard Pilgrim: Design Approach (continued)

- One of the design goals was to leverage the existing processes and infrastructure.
- At a high level, here were the different steps involved:
  - Two new end-points (URLs) were configured in the external-facing Apache server in the DMZ, one for each of the new channels; this server routes the incoming requests to the SOAP & MIME end-points hosted in WebLogic.
  - Apache server was configured for client certificates; providers are issued certificates by HPHC in order for them to be able to connect to Harvard Pilgrim over HTTPS.
  - Apache server decrypts the incoming request and routes it to the appropriate end-point in WebLogic, passing in the credentials from the client cert.
  - The WebLogic application extracts the data from the HTTP request, including the client-cert credentials to do authorization; it then sends the EDI payload as a message to the existing back-end infrastructure for Real Time transactions; for Batch, it streams the X12 payload to a file-system on the disk that is used by the existing batch processing infrastructure.
  - Using this design approach, HPHC was able to achieve CORE compliance with minimal impact to the existing processes used by the other non-CORE channels.

Harvard Pilgrim: EDI Infrastructure

The Harvard Pilgrim Experience: CORE Implementation

- Relationship between data and infrastructure:
  - Infrastructure: leveraged what we had as much as possible; added two new servers and tied into existing ASC X12 270/271 and ASC X12 276/277 transaction processing.
  - Data: required deeper analysis; needed to map internal codes to HIPAA codes for service codes and error codes.
- Importance of strong partner collaboration:
  - Practice management vendors: worked closely with vendors to provide interoperability.
  - Clearinghouse vendors: worked closely with clearinghouses to drive adoption.
- Do not underestimate:
  - Data analysis:
    - Data sources – do you have all the data needed?
    - Mapping challenges include rationalizing internal codes with HIPAA service and error codes.
  - Testing:
    - Build a test harness; we used JMeter initially, then certified with Edifecs.
    - Voluntary CORE Certification supports your quality assurance goals.
The Harvard Pilgrim Experience:
CORE Connectivity Implementation Challenges

- **Availability of Skilled Resources**
  - Challenge: Key resources had little experience with MIME and MTOM attachments
  - Solution: We trained developers and sought examples online

- **Data Mapping**
  - Challenge: Mapping to standard codes proved tedious and challenging; process brought to light other data issues
  - Solution: Take time to understand the data mappings; work closely with data analysts

- **Certificate Management**
  - Challenge: Certificate management can be a challenge; certificates expire every year; certificates are stored and managed differently on Windows versus Linux, and .net versus Java application servers
  - Solution: Developed a how-to document to help developers
    - Participated in CAQH CORE Connectivity PKI Pilot which streamlines certificate management and reduces the complexity associated with multiple Certificate Authorities

The Harvard Pilgrim Experience:
Improvement in Patient and Provider Experience

- **Reduced claim rejections and denials related to eligibility (~ 35% reduction)**
- **Improved efficiency and growth in trading partner interactions**
  - Five (5) trading partners, all vendors, now live with CORE connectivity
  - CoreCore National, Health Management Systems, HealthTrio, Recondo Technologies & The SSI Group
  - While all had reduced turn around time from previous enrollments -- had a record 15 business day turn-around for implementation with a CORE certified vendor; 1/4 to 1/3 length of previous implementations (40 - 60 business days for 270 or 276 with other trading partners)
  - Greater growth in these vendors’ use of transactions compared to EDI overall
  - Included decline in overall EDI claims status inquiry rates
  - CORE connectivity use increased 6-fold
  - Monthly eligibility tracking by a national application service vendor has reported Harvard Pilgrim eligibility accuracy greater than aggregated national commercial rate*

Note: Based on application vendor data; CORE rules do not guarantee accuracy of information

The Harvard Pilgrim Experience:
Provider Satisfaction

- Providers reported increased satisfaction after the implementation of CAQH CORE Operating Rules for Eligibility and Claims Status transactions
  - Enjoyed use of the channel of choice; all trading partners accrued the benefits related to transaction content, response time and system availability
  - Our ability to combine ASC X12 standards with CAQH CORE Operating Rules resulted in more actionable data, particularly noted is the information on remaining deductible
  - Applying CAQH CORE Operating Rules related to name normalization and error code reporting further increased the likelihood of identifying a given patient and provided concrete direction to adjust the inquiry to improve response results

* Note: Based on application vendor data; CORE rules do not guarantee accuracy of information
### The Harvard Pilgrim Health Care Experience: Operational Results

- Increased adoption of electronic eligibility and claims status inquiry over time
- Slower growth or reduced paper/phone/fax use – increase in CORE-enabled transaction rates could not be absorbed through paper/phone/fax

#### Harvard Pilgrim Health Care: Future CAQH CORE Implementation Plans

- Complete remaining work to meet mandated eligibility and claim status operating rule requirements by January 2013
  - Small effort with Phase I and Phase II CAQH CORE Operating Rules already in place; project implementation January 1 to September 30, 2012
- In 2012, implement many of the voluntary CAQH CORE Operating Rules for eligibility and claims status inquiry that are not part of January 2013 mandate
  - Develop infrastructure to support expanded set of CAQH CORE service types from new benefit adjudication system for 2013 implementation
  - Meet claim history availability operating rule
  - Meet reporting of patient financial responsibility
- Assess and select options in 2012 to meet 2014 EFT/ERA Operating Rule mandates
  - Harvard Pilgrim does not yet support EFT
  - 70% of claims currently reported in ERA
- Assess consolidation of Harvard Pilgrim’s HTS channel with CORE SOAP connectivity channel (same standards)

#### Harvard Pilgrim Health Care: Future Plans

- Efforts beyond payer-to-trading partner connectivity – convergence of clinical and administrative connectivity to enable community wide information exchange
  - Based upon the January 2012 completed CAQH CORE Connectivity PKI Pilot with NEHEN, CAQH CORE, Symantec and Harvard Pilgrim to prototype transport new for HIE
    - Demonstrate a sustainable trust relationship for the safe and secure exchange of health information, i.e. the establishment of a trust community
    - Test use of common root certificate with multiple certificate users
    - Operationally improve the usability and management of digital certificates

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**Note:** The charts and graphs provide a visual representation of eligibility and claims status inquiry data, showing trends and comparisons between electronic and non-electronic methods. The data includes CORE and non-CORE transaction rates.
Implementation Perspective: A Clearinghouse View

Erik J. Newlin
Xerox State Healthcare, LLC

About Xerox

Xerox serves programs across the entire healthcare ecosystem – from providers and payers to employers and government agencies. We reduce waste and inefficiencies, and transform data and documents into knowledge that people can access and share – enabling wise decisions that improve health and drive success.

- A CAQH CORE participating organization and an active participant in CAQH CORE Operating Rules development

Xerox State Healthcare Organizational Chart: A Division of Xerox

- Commercial side of ACS EDI Gateway
- Eligibility connectivity to hundreds of payers nationwide
- Claims front end (payer) for several commercial payers
- CORE certified product: eGateway

- Government side of ACS EDI Gateway
- EDI front end (payer) for 7 Medicaid entities
- EDI services for an additional 6 Medicaid entities
Xerox EDI Direct: Business Services Profile

• Xerox EDI Direct provides electronic data interchange (EDI) and related transaction clearing services for the healthcare industry

• Xerox EDI Direct Services
  – With a HIPAA-driven approach to healthcare transaction clearing, we specialize in translating and processing high-volume ASC X12 5010 transactions in a secured environment.
  – Eligibility Gateway (Xerox EDI Direct eGateway)
    • Real Time and Batch transaction processing of ASC X12 270/271 transactions
    • Over 420 Medicare, Medicaid and commercial payer connections
    • Claim Status and Prior Authorization transaction processing for select payers
  – Claims Gateway
    • Transaction clearing, specializing in ASC X12 healthcare claims transactions
    • Reporting services
    • Online remittance advice
    • Technical support
    • Web data exchange
    • Claim management tools

Xerox EDI Direct: Transaction Profile

• Transaction Processing Volumes
  – 7 million ASC X12 270/271 Eligibility transactions monthly
  – 100,000 ASC X12 276/277 Claim Status transactions monthly

• EDI Direct Relationships
  – 850+ providers using web portal
  – 420 direct and indirect health plans – Medicaid, Medicare and Commercial
  – 19 national clearinghouses and vendors

Xerox EDI Direct eGateway: Product Profile

• Xerox EDI Direct eGateway is a Phase I and Phase II CORE-certified clearinghouse service
  – Achieved early conformance with CAQH CORE Operating Rules
  – CORE Clearinghouse Certification awarded in 2007 for Phase I and 2010 for Phase II

• Xerox EDI Direct’s eGateway is an EDI eligibility web service that supports interactive and Batch eligibility transaction processing, along with other related ASC X12 transaction processing, through a variety of communication methods
  – Supports high volume ASC X12 270/271 processing for trading partner clients
  – ASC X12 276/277 and ASC X12 278 transactions supported for select payers
  – Provides access to a growing list of payers including Medicare, Medicaid states and many commercial payers
  – Secure connectivity with payer eligibility systems
    • Data transmission via FTP, HTTP over SSL protocol and others
    • User authentication standards in place
Xerox EDI Direct eGateway:
Trading Partner Relationships

- Health Plan-facing
  - Receives and returns Eligibility v5010 270/271 and Claim Status v5010 276/277 transactions via direct and indirect connections with health plans in accordance with contracted agreements

- Trading Partner-facing (Clearinghouse/Vendors)
  - Supports Batch and Real Time eligibility verification services via HTTPS, FTPS and SFTP
  - Provides data services for other clearinghouse service vendors for payer routing

- Provider-facing
  - Supports Real Time provider eligibility verification services through web portal solution to 420+ payers
  - Transmits v5010 270/271 Eligibility and v5010 276/277 Claim Status transactions on behalf of providers

Xerox EDI Direct: Implementation Challenge Areas

- Availability of Skilled Resources
  - Challenge: Internal Competing priorities
  - Solution: Reprioritized projects and reallocated resources

- Connectivity Methods
  - Challenge: Only had HTTPS connectivity method implemented.
  - Solution: Needed to add additional required connectivity methods and resources to become certified

- CAQH CORE Real Time Response Requirement*
  - Challenge: Difficult to measure Request Response Time from transaction originator (provider) to transaction destination (payer), e.g. transaction may have multiple hops
  - Solution: Leverage CAQH CORE Request Process and CAQH CORE’s role as designated Eligibility and Claim Status operating rule author to communicate industry compliance concerns to CMS

  * CAQH CORE Operating Rule 156 and CAQH CORE Operating Rule 250

Xerox EDI Fiscal Agent Services: Business Profile

- Transaction Processing Volumes
  - 10 million ASC X12 270/271 Eligibility transactions are processed monthly through Xerox EDI Fiscal Agent Services for 7 Medicaid entities

- Medicaid State Program Relationships (Health Plan Perspective)
  - 13 State Medicaid Programs and District of Columbia
    - AK, CA, CO, DC, HI, MS, MT, ND, NH, NM, TX, VA, WY
    - Currently working toward certification
    - Leverage our experience with the Operating Rules to assist our State Medicaid client base
    - Involves some common systems, various custom systems, etc.
Xerox EDI Fiscal Agent Services:
Approach to Operating Rule Readiness

• What Xerox is doing to get ready...
  – Established Executive Steering Committee comprised of key staff
  – Organization-wide training with a focused delivery (not a one-size-fits-all approach)
  – Client education
  – Engagement and participation with organizations that are assisting in the adoption of mandated operating rules and standards per ACA Section 1104, i.e. CAQH CORE Work Groups, standard setting bodies and federal agencies
  – Full assessment of systems, and business functions that are affected
  – Remediation

• What are the differences in approach between Commercial & Governmental health plans?
  – Functionally they are very similar (i.e. claims are still received, and ultimately they are either paid or denied).
  – Funding process is VERY different
    – Shared cost model involving both State and Federal funds
      – State: Appropriation process is very different from state to state
      – Federal: Typically starts with an Advanced Planning Document (APD) which is reviewed and approved by CMS

Xerox EDI Fiscal Agent Services:
Implementation Challenge Areas

• Availability of Skilled resources
  – Challenge: Internal competing priorities for ex. ASC X12 5010, ICD-10
  – Solution: Reallocation of resources

• Client education
  – Challenge: Varying degrees of knowledge
  – Solution: Ongoing outreach

• CAQH CORE Batch Response Time Requirement*
  – Challenge: Difficult to achieve response time requirement due to time zone differences, e.g. East Coast to Alaska
  – Solution: Leverage CAQH CORE Request Process and CAQH CORE’s role as designated Eligibility and Claim Status operating rule author to communicate industry compliance concerns to CMS for this situation

*CAQH CORE Operating Rule 155

Getting Your Organization Ready for Operating Rules

• Working with Providers and Trading Partners
  – Develop an Outreach Plan to all parties affected
  – Ensure regular communication leading up to the January 1, 2013 adoption of the Operating Rules

• What steps should providers be taking to maximize the capabilities of their clearinghouse relationship?
  – Determine whether or not their practice management system (PMS) conforms to the CAQH CORE Operating Rules for Eligibility and Claim Status
  – Ask your PMS vendor when your product and version will be CORE compliant
    – Understanding version and product is critical to success
  – Visit your clearinghouse vendor’s website and sign up for related publications
    – Opt in to receive newsletters and bulletins that will keep you up-to-date on upcoming changes within your practice management system to accommodate CORE Operating Rule compliance
Lessons Learned: What Our History Tells Us

- Take advantage of the free tools and operating rule updates located on the CAQH CORE website
  - Suggest to CAQH CORE what else you would like industry to have available for its use and/or to participate in as a resource
- Open the lines of communication with your trading partners; ensure all stakeholders impacted upstream and downstream, from inquiry to passing of response, are informed of your implementation status
  - About how health plans can work with clearinghouses to conform with the rules, e.g. establishing health plan to provider connections
  - How to determine what clearinghouse services are best for their organization
- Get involved with CAQH CORE
  - Encourage your company to become a CAQH CORE Participating Organization
  - Get actively involved in a CAQH CORE Work Group to ensure you have a voice in future healthcare operating rule development: Today's healthcare operating rule making process impacts your future business!

Industry Implementation Dialog: Examples and Ideas for Additional Activities/Topics

- Examples
  - Policy: Application of operating rules to Medicare Supplement
  - Technical: Turnaround time for real-time response
  - Other: Interpretations of ASC X12 standard supported by operating rules
    - These are always responsibility of standard setting organization not CAQH CORE, so CAQH CORE points entities to ASC X12
- Given CAQH CORE is the operating rules author and CMS OESS is the regulator, the two are periodically discussing identified technical and policy challenges (and creative solutions) so industry needs are met and best practices can be shared very quickly
  - Please email CORE@caqh.org if you would like CAQH CORE to do additional actions, e.g. have a session focused the key questions being posed by other industry organizations
  - FAQs are excellent tools that will added to as industry works towards implementation: See [HERE](https://www.cms.gov) for CMS FAQs; CAQH CORE listing of FAQs

Question & Answer
Ongoing Outreach and Education Activities

- CAQH CORE collaboration with industry on implementation
  - Reviews and responds to incoming implementation inquiries received via CORE@caqh.org through a formal and structured Request Process
  - Aiming to ensure that outstanding policy and technical questions are addressed
    - CAQH CORE communicates questions/potential issues related to industry adoption of mandated operating rules/directives to CMS in recurring dialogue and meetings with CMS; CAQH CORE also address questions to contact OAS for issues under OAS authority
    - Identifying additional methodologies; ideas welcome
  - Supports voluntary CORE Certification, in conjunction with it’s CORE-authorized Certification Testing Vendor

- Industry implementers can
  - Suggest additional venue types to CAQH CORE to help implementation challenges
  - Find general interpretation support under the Listing of FAQs at the CAQH website
  - Take advantage of free education opportunities and archives of past sessions at the CORE events page of our website
  - Attend our next public Town Hall Call meeting on June 12, 2012
  - Rely on CAQH CORE Implementation Tools and related resources, e.g. Implementation Analysis & Planning Guide