


A CAQH and WEDI Audiocast
Breaking Down Barriers:
Impact of CORE Phase II Certification on
Trading Partners



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Discussion Topics

- Level Setting
 - Today's data exchange environment
 - Health Reform/PPACA and Operating Rules
 - Moving from voluntary to mandated environment
- Overview
 - CAQH and CORE
 - Experience and Lessons Learned
 - Phase II CORE Operating Rules
- CORE Phase II Certification: Health Plan and Vendor Perspectives
- End-to-end CORE Certifications: Role of Trading Partners

Take-Aways

- Experiences and lessons learned
 - Five years of voluntary effort to create and adopt operating rules may be leveraged as industry moves toward a mandated environment
- End-to-end operating rule certification
 - Better enables provider access to administrative information through more predictable and consistent information exchange
 - Improve business partner relationships
 - Enhances the member experience
 - Optimizes organizational investment
 - Ensures at every stage of the care delivery process more robust data can be sent/received quickly, consistently and securely
- Trading partner engagement
 - Critical in achieving end-to-end value of certification
 - Helps drive adoption of CORE rules thereby creating tangible benefits for providers and patients and documented ROI for implementers

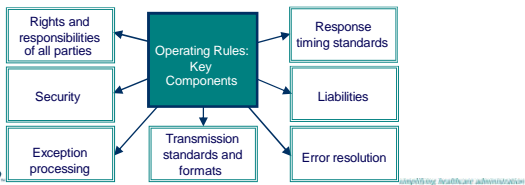



Today's Data Exchange Environment

- Beginning with the mandated specifications of HIPAA and the expansion and extension of those provisions through the recent Patient Protection and Affordable Care Act (PPACA), there is significant pressure on organizations to achieve internal business strategies, as well as meet industry-wide and legislative requirements
 - While improving infrastructure and lowering costs
 - Within the limitations of resource constraints
- Meaningful change must acknowledge these imperatives while aligning with the broader healthcare environment, e.g., HITECH, state initiatives, and clinical/administrative data integration
- Replication of effort should be avoided in all stages of the process, from development to implementation
 - Resources must be aligned to take greatest advantage of industry expertise and vision

What are Operating Rules?

- Agreed-upon rules for using and processing transactions do not exist in healthcare outside of individual trading relationships
- Operating rules encourage an interoperable network and, thereby, can allow providers to use the system of their choosing (*remaining vendor agnostic is a key CORE principle*)
- CORE certification (voluntary) informs the industry that entities are operating in accordance with the rules and support industry-wide standardization for administrative transactions

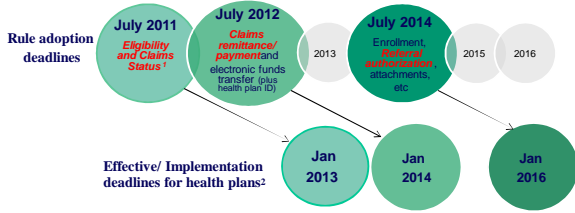


Operating Rules and Standards

- Standards establish expectations and outline the detailed technical framework for a transaction
- Focusing on business imperatives, operating rules build on the standards and more precisely describe the roles and responsibilities of each stakeholder
 - Rules also address gaps to deliver transactional value
- Operating rules **and standards are both essential:**
 - Need to co-exist and work together; operating rules should always support standards
 - Support different missions and objectives
 - Require different resources and skills set

PPACA Section 1104: Mandated Operating Rule Approach

Operating rule writing and mandated implementation as addressed by PPACA Section 1104



¹ Red italicized font indicates that CORE Phases I – III has placed a focus on these areas. Scope/definition of the Federal regulation is TBD
² Documentation of compliance will be identified by Federal regulation and is to include completion of end-to-end testing (i.e., certification and testing).

REMINDER: Reform requirements only apply to health plans so gaining trading partner involvement will be critical.



7

CORE Adaptation to a Mandated Environment

- To support a mandated environment, aspects of CORE will need to be adapted, and additional resources secured to advance the effort
 - Leadership and infrastructure
 - Governance and organization structure
 - Expand number/type of participants
 - Financial re-structuring to support an unfunded mandate
 - Reassess voting process
 - Future scope, content and development of rules
 - Education and outreach



8

CORE
Committee on Operating Rules
for Information Exchange
A CAQH Initiative



9

An Introduction to CAQH and CORE

- CAQH, an unprecedented 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
- CAQH Solutions:
 - Help promote quality interactions between plans, providers and other stakeholders
 - Reduce costs and frustrations associated with healthcare administration
 - Facilitate administrative healthcare information exchange
 - Encourage administrative and clinical data integration
- Current Initiatives:
 - CORE® – Committee on Operating Rules for Information Exchange
 - UPD® – Universal Provider Datasource

CORE Mission

- CORE is a multi-stakeholder collaboration developing industry-wide operating rules, built on existing standards, to streamline administrative transactions
- MISSION: To build consensus among healthcare industry stakeholders on a set of operating rules that facilitate administrative interoperability between health plans and providers
 - Enable providers to submit transactions from the system of their choice (*vendor agnostic*) and quickly receive a standardized response from any participating stakeholder
 - Enable stakeholders to implement CORE phases as their systems allow
 - Facilitate stakeholder commitment to, and compliance with, CORE's long-term vision
 - Facilitate administrative and clinical data integration
- CORE is not:
 - Building a database
 - Replicating the work being done by standard-setting bodies, e.g., ASC X12 or HL7

CORE Goals

- Facilitate provider access to administrative information before or at the time of service, *using the electronic system of their choice*, for any patient or health plan



Note: See [NCHS Transition](#) for changes to CORE that will need to occur due to move from voluntary to mandated process

CORE Operating Rule Phases

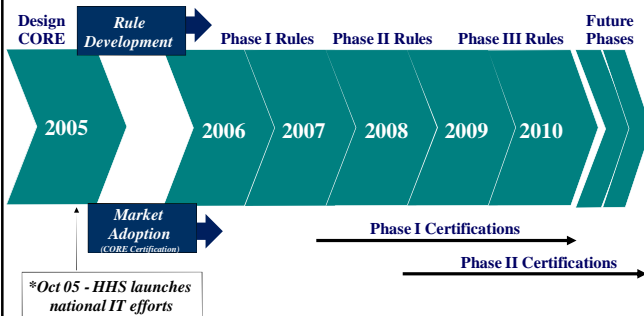
- CORE Phases are designed around a set of transaction-based data content rules coupled with infrastructure rules
 - Rules complement each other
 - Phases allow milestones to be established that encourage feasible progress in resolving industry business needs while minimizing barriers to adoption
- Transactions to which data content and/or infrastructure rules apply
 - Eligibility (270/271)
 - Claim Status (276/277)
 - *Payment/Remittance (835)
 - *Authorizations (278)
 - *Health ID Cards
- Infrastructure rules applied to transactions (Real Time and Batch)
 - Connectivity (i.e., communications protocol, security)
 - Acknowledgements
 - Response Time
 - System Availability
 - Companion Guide (flow and format)
 - AAA Error Code Reporting and Last Name Normalization

*Part of draft Phase III rules



13

CORE: Voluntary Operating Rule Approach



*Oct 05 - HHS launches national IT efforts

REMINDER: CORE rules are a baseline; Entities are encouraged to go beyond the minimum CORE requirements



14

Status: CORE Phases

- | | |
|--|--|
| <p>CORE Phase I
 ✓ Approved
 ✓ Implemented</p> | <p>CORE's first set of rules are helping:</p> <ul style="list-style-type: none"> • Electronically confirm patient benefit coverage and co-pay, coinsurance and base deductible information • Provide timely and consistent access to this information in real-time via common internet protocols (i.e., infrastructure rules) |
| <p>CORE Phase II
 ✓ Approved
 ✓ Implemented</p> | <p>CORE's second set of rules expand on Phase I to include:</p> <ul style="list-style-type: none"> • Patient accumulators (remaining deductible) • Rules to help improve patient matching • Claim status "infrastructure" requirements (e.g., response time) • More prescriptive connectivity requirements with digital certificates and submitter authentication |
| <p>CORE Phase III
 ✓ In development</p> | <p>CORE's third set of rules focus on:</p> <ul style="list-style-type: none"> • Claim status requirements (276/277) • Claim Payment/Advice (835), Prior Authorization/Referral (278) infrastructure requirements • Acknowledgements for v5010 (837) Health Care Claims • Standard Health Benefit/Insurance ID Card • More prescriptive connectivity requirements • More eligibility financials |



15

CORE Certification

- Testing takes place with independent, CORE-authorized entities using stakeholder-specific test scripts by rule; test scripts are part of the operating rules
- End-to-end CORE Certification across a trading partner network can streamline provider access to important administrative information, creating significant operational efficiencies that help transform the patient experience



16

CORE: Five Years of Experience and Lessons Learned

- Milestone driven approach
 - Establishes a feasible road-map focused on value proposition
 - Federal mandated efforts are iterative, paralleling CORE phased approach
- Multi-stakeholder, consensus-based and transparent process
 - Clear guiding principles; anti-trust provisions
 - Consensus reached through discussion, surveying, straw polls, and transparent voting process
 - Documentation available to all CORE participants using a shared access tool
 - 115+ participating organizations, covering all segments of the industry
 - Includes SDOs, government, health plans, providers, vendors, etc. Health plans represent approximately 75% of the commercially insured
 - Recognizes interdependencies within individual organizations and across all stakeholders
 - Certified and committed entities represent 55% of the commercially insured

17

CORE: Five Years of Experience and Lessons Learned (cont'd)

- Has resulted in tangible outcomes in a compressed timeframe
 - Tracking of ROI (based on CORE Phase I rules)
 - 10-12% reduction in provider claim denials
 - Average savings of nearly \$3.00 per patient eligibility verification phone call
 - Accelerated use of electronic transactions by all stakeholders
 - Estimated cost savings of \$3 billion over three years
- Education and outreach vital
 - Awareness building, e.g. webinars, newsletters, provider association distribution
 - Demonstration projects, e.g. connectivity at HIMSS IHE, VeriSign pilot in MA
 - Trading partner tools
 - Coordination and recognition through alignment with state and Federal efforts:
 - Federal: HITSP, MITA, and NHIN
 - States: Colorado, Ohio, Texas, Virginia; Minnesota*, Washington*
- Budget and resource considerations
 - Expertise and time provided by representatives of participating organizations
 - Full-time staff supplemented by contracted experts
 - Commitment/involvement of senior executive leadership

18

BCBST Phase II CORE Certification: Health Plan Example

BlueCross BlueShield of Tennessee

- Basis for CORE Involvement
 - CAQH member
 - Support a number of efforts focused on administrative simplification
 - Technology continues to play an increasing role in transforming the healthcare system
 - BCBST CEO Vicky Gregg and executive leadership have been at the forefront of state and Federal efforts to streamline healthcare information exchange, working with
 - TN Governor's eHealth Advisory Council
 - Office of National Coordinator for Health Information Technology
 - AHIP (Current Board Chair)
 - New regulations, including medical loss ratios (MLR) specifying the amount of insurance premiums that can be applied to administrative costs, establish market pressures to further reduce the cost of administering healthcare
 - By working with CORE, BlueCross BlueShield of Tennessee is supporting a coordinated, all-payer e-health strategy which can help to enhance efficiency, reduce costs and produce meaningful benefits to not only member and network providers, but all stakeholders in the healthcare system

BlueCross BlueShield of Tennessee

- Company Overview
 - Not-for-profit health plan organization; State's leader in healthcare financing
 - Flagship network includes more than > 184 hospitals, 20,883 physicians, and 2,276 pharmacies
 - Serve more than 3 million members; Over 4 million people nationwide benefit from the services we provide
 - Provide benefits to over 24,000 customer companies
- CAQH member
- CORE Involvement
 - Participant since planning and inception
 - BCBST leadership views rules adoption/certification as excellent investment given improved connectivity and response increases use and demand for cost effective information exchange
 - Representatives sit on all CORE Work Groups (i.e., Policy, Rules, Technical) and actively participate in rule development
 - Co-present CORE at various industry events
 - Early adopter of CORE rules; Phase I and II CORE-certified; BCBST "Blue CORE" System

Health Plan Phase II CORE Certification: BCBST

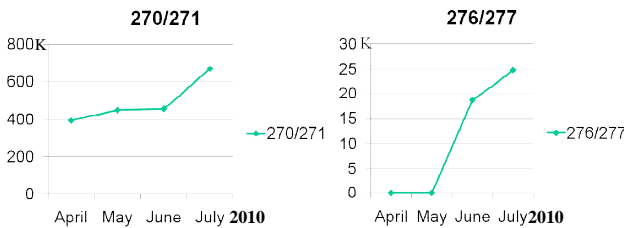
- Time to Implement
 - 12 months
- Resources
 - Developers, business consultants, applicable system administrators and a project manager
 - Labor/resources also incorporate development of non-CORE system enhancements included as part of the CORE Phase II build
- Planning Considerations
 - Made sure enhancements on top of existing services did not adversely affect current functionalities
 - CORE Phase II development viewed as an opportunity to implement non-CORE system enhancements/functionality
 - Reviewed and tested system to ensure capacity for increases in transaction volume
 - Assessed subject matter expert knowledge-base and arranged for inter-departmental coordination, education and training as needed to augment required skill sets (e.g., communication protocol development)

Health Plan Example: Phase II Certification Impact

- New Features/Support
 - Real time claim status inquiry transactions
 - Communication protocol alignment with Federal efforts (i.e., SOAP/WSDL)
- Enhancements
 - Higher accuracy - improved patient matching
 - 30% increase in first pass identification
 - Increased application performance
 - Recent testing during the migration of a large volume trading partner from a legacy system to the BCBST Blue CORE System, trading partner noted improved performance, format and features
 - Increase in transaction volume (*refer to next slide for details*)

BCBST Blue CORE System (Phase II) Transactions

Figures shown in thousands:



- Notes:
- BCBST Blue CORE System (Phase II) goes live April 2010.
 - The overall BCBST volume is greater given transactions are also exchanged between BCBS plans via an internal network with operating rules in alignment with CORE.

Emdeon Phase II CORE Certification: Vendor/Clearinghouse Example

25



Emdeon

- Basis for CORE Involvement
 - Emdeon's mission is to make healthcare more efficient
 - The company has played a leading role in raising awareness of potential savings from administrative simplification through the launch of the U.S. Healthcare Efficiency Index in 2008
 - As an intermediary between healthcare payers and providers that supports every key administrative function in the U.S. healthcare system, there is tremendous value in having certified trading partners on each end of the information exchange (*refer to visual on next slide*)
 - A "seat at the table" provides Emdeon with a voice in development of operating rules that are effective in meeting industry needs and practical to implement
 - Clearinghouse CORE-Certification allows Emdeon to support its providers and payers in their own certification efforts
 - CORE participation helps Emdeon continue its leadership in facilitating the flow of information between healthcare payers and providers and bridging the gaps caused by disparate information exchange practices

26



Emdeon Company Overview

Emdeon's 5 Billion Exchanges

The nation's largest health "intermediary" facilitating intelligent communications among healthcare payers, providers, pharmacies and patients.



27



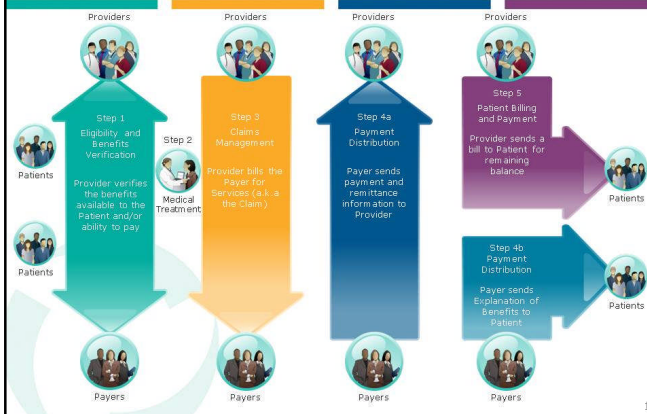
Emdeon

- CORE Involvement
 - Significant CORE participation since inception
 - Chaired a rule writing Subgroup
 - Served as beta tester for both Phase I and II testing site developed by Edifecs
 - Early adopter of rules
 - One of the first organizations to be Phase I CORE-certified
 - Phase I /II CORE-certified Clearinghouse
 - Emdeon Real Time Exchange and Batch Verification
 - Recently testified at Federal-sponsored hearings on mandated operating rules

28



Emdeon Supports Every Key Administrative Function in the U.S. Healthcare System



Clearinghouse Phase II CORE Certification: Emdeon

- Time to implement
 - 6.5 months to become CORE Phase II certified, including planning, business and system changes, testing, preparation and review with CAQH
- Resources
 - 400 hours of technical staff time, including testing time
 - 280 hours of business staff time
- Planning Considerations
 - In its role as an intermediary, Emdeon already supported all HIPAA transactions so modifications were not extensive
 - Additional time was required to implement a new communication protocol (SOAP and WSDL already implemented)

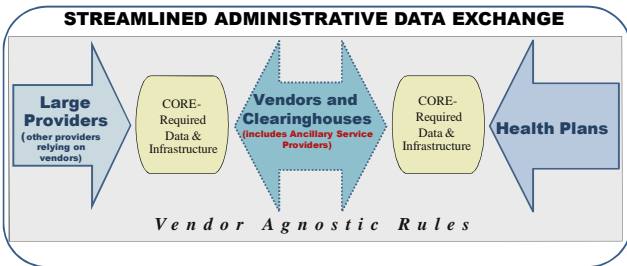
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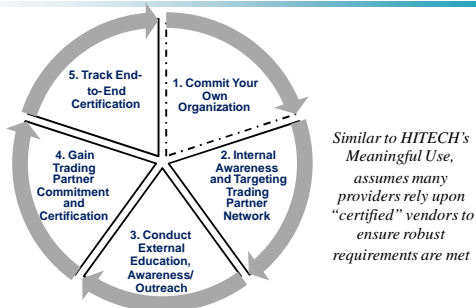
End-to-End Certifications and Role of Trading Partners

End-to End CORE Certifications: Streamlined Administrative Transaction Flow

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



Steps of Enabling End-to-End CORE Certification



Similar to HITECH's Meaningful Use, assumes many providers rely upon "certified" vendors to ensure robust requirements are met

Step 4: Trading Partner Commitment and Certification

Real World Examples

What the Stage Entails:

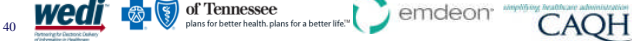
- Assist trading partner in effort to commit and become certified
 - Vendor/ clearinghouses may act as a "proxy" for health plan or large provider clients
 - Health plans can encourage trading partners to become certified or potentially make it a contractual obligation

Examples:

- **BCBST:**
 - During provider network visits and in-person meetings encourages CORE certification, e.g., state of Tennessee is aware of CORE due to BCBST
 - Aligned BCBST managed Medicaid work with CORE
 - Seven vendor/clearinghouse and 2 provider trading partners currently CORE-certified
- **Emdeon:**
 - CORE certification allows Emdeon to support its payer and provider customers in their own certification efforts
 - Worked with large national payer customer to help achieve certification, including providing a testing environment

Available CAQH Tools:

- Have clear documentation on how trading partners can work together (e.g., clearinghouse serving as proxy) to achieve CORE-certification and connectivity



40

Step 5: Tracking End-to-end Certification

Real World Examples

What the Stage Entails:

- Help track post-certification outcomes to increase data available to organizations assessing the value proposition of CORE

Examples:

- **BSBST**
 - Contributed time, resources, and/or data and facilitate conversations with key trading partners and stakeholders to get them involved in tracking outcomes
- **Emdeon**
 - Participated in CORE-IBM Study and provided measurement reports and metrics on time and resources
 - Ongoing participation in workgroups

Available CAQH Tools:

- Retained IBM to work with CAQH staff and CORE-certified entities to develop process and data collection tools to track both cost and ROI of CORE-certification
 - Tracking tools are available by stakeholder type
 - IBM visited many provider and health plan offices
- Facilitate Work Groups regarding tracking CORE impact and communicating results to the industry



41

Why Trading Partners Are Critical

- Enhances opportunities that can be gained as a result of a mandated environment
 - Federal PPACA mandate only impacts health plans but real opportunity exists when end-to-end certifications occur
- Enables real-time and consistent batch turnaround
- Significantly reduces need for customized solutions
- Streamlines exchange between health plans and providers
- Positions alignment with other Federal efforts, e.g. HITECH
- Builds trusting relationships – and encourages ideas on administrative/clinical alignment, e.g. connectivity



42

Q & A

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of Tennessee

plans for better health, plans for a better life.



emdeon

CAQH