CORE Town Hall Call

General Status Update

January 21, 2011
Discussion Topics: Focus of Today’s Call

• **Purpose:** To provide CORE participants with an *informal* update on CORE activities over the past several months.
  – No voting or decision-making will take place on this call.

• **Review and discuss:**
  – Update on entities that have recently become CORE certified for Phase I and II.
  – Current status on the CORE rules approval process for the potential Phase I and II CORE Rule enhancements to address NCVHS PPACA Section 1104 recommendations related to eligibility and claims status.
    • Including next steps to finish the CORE vote on the potential enhancements by end of February 2011.
  – Review potential ballot items for the all-CORE vote.
  – Highlights from the CAQH CORE testimony at the 12/03/10 NCVHS Subcommittee on Standards hearing.
  – Overview of the summary of the v5010 updates to the CORE Phase I and II Rules that has been available since April this year, and review on how to access edited rules on the CAQH CORE website.
  – Q & A.
CORE Phased Approach: Timeline Has Been Aggressive

*Oct 05 - HHS launches national IT efforts
Update: CORE Participants, Certifications and Endorsers

- CORE Phase I and II rule adoption and awareness is accelerating.
  - Over 85 million Americans are being impacted by CORE certifications.
    - CORE participating health plans cover 175 million lives.
  - Provider associations are highlighting the impact of the CORE rules when conducting membership outreach, e.g.:
    - Robust financial and coverage data: In/out of network variations, co-pay, base deductible, accumulated/YTD deductible, co-insurance and coverage for over 50 high-volume services.
    - System availability.
    - Real-time response and Connectivity.
    - Common flow and format to Companion Guides.
  - New or soon-to-be certified entities include United Healthcare, GE Healthcare, and HealthTrio; for full list go to:
  - Stakeholders continue to join as participating organizations.
    - Tufts Health Plan, The Clearing House, AHA, Kaiser Permanente, Bank of America, and Fifth Third Bank all recently became participants.
Update: CORE Participants, Certifications and Endorsers (cont’d)

- Measures of Success focused on tracking the impact of CORE certification continues.
  - Phase I cost, baseline and ROI:
    - For Phase I study see: [http://www.caqh.org/COREIBMstudy.php](http://www.caqh.org/COREIBMstudy.php)
    - For copies of templates used by study participants, contact CAQH staff.
  - Phase II cost, baseline and ROI:
    - For copies of templates used by study participants, contact CAQH staff.
- For information on your organization’s involvement in certification or the Measures of Success tracking, please contact CAQH CORE staff.
- Phase I and II rules are available for free on the CAQH website.
CORE Rule Writing Structure

*Quorums are required for official voting process.
## CORE Voting Process

<table>
<thead>
<tr>
<th>*CORE Body</th>
<th>Governing Procedures for Voting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 1: SUBGROUPS</strong></td>
<td>Not addressed in governing procedures, but must occur to ensure <em>consensus building</em> and to <em>gain feedback on detailed rules</em>.</td>
</tr>
<tr>
<td><strong>Level 2: WORK GROUPS</strong></td>
<td>Work Groups require a quorum that 60% of all organizational members of the Work Group be present at the meeting. Majority (50%) vote by this quorum is needed to approve a rule.</td>
</tr>
<tr>
<td><strong>Level 3: STEERING COMMITTEE</strong></td>
<td>Steering Committee requires for a quorum that 60% of the committee’s voting members be present at the meeting. Majority vote (50%) by this quorum is needed to approve a rule.</td>
</tr>
<tr>
<td><strong>Level 4: CORE MEMBERSHIP</strong></td>
<td>CORE membership requires for a quorum that 60% of all CORE voting organizations (defined as those members that create, transmit or use the transactions or are a member in good standing of CAQH) be present at the meeting. With a quorum, 66.67% vote is needed to approve a rule.</td>
</tr>
</tbody>
</table>

**NOTE:** *CAQH Board/CAQH does not have veto or voting power over the CORE rules*

If you do not know who your CORE Voting Representative(s) is, please contact Omni Adekanmbi at oadekanmbi@caqh.org or 202-778-8489.
The PPACA Section 1104: Key Operating Rule Deadlines

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

Rule adoption deadlines

July 2011
*Eligibility and Claims Status*

July 2012
*Claims remittance/payment* and electronic funds transfer (plus health plan ID)

July 2014
Enrollment, *Referral authorization*, attachments, etc

Effective dates

Jan 2013

Jan 2014

Jan 2016

Notes: (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 but NCVHS has recommended CORE Phase I and II, with enhancements for eligibility and claim status (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).
Status of CORE Rule Enhancements for NCVHS:
In 44 Business Days a Significant Amount Was Accomplished

• The September 30th NCVHS letter regarding Section 1104 of the Patient Protection and Affordable Care Act (PPACA) included a recommendation of the Phase I and II CORE Operating Rules for eligibility/benefits and claim status for the non-retail pharmacy sector.

• Throughout October to early December CAQH staff collected feedback and suggestions from the states (see page 6 of CAQH’s 12/03/10 NCVHS testimony for more detail), providers and other key stakeholders on potential enhancements. The appropriate CORE Subgroups and Work Groups then met to discuss the potential enhancements to the Phase I and II CORE Rules due to NCVHS recommendation.

• Per the CORE voting process, in late-November/early December both the Rules Work Group and Technical Work Group held ballots on potential enhancements to the CORE Rules. The table on the next slide outlines the approved enhancements and their status in the CORE process.

• **CORE Goal**: Per the PPACA Section 1104 timeline, CORE will aim to finalize a set of CORE-approved Phase I and II rule enhancements by the end of February 2011.
Status of Enhancements to the Phase I & II CORE Rules

<table>
<thead>
<tr>
<th>Potential Rules Approved by Work Groups</th>
<th>Status</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Use of 277CA for acknowledging v5010 837 claims (<em>Complete draft Phase III Rule</em>)</td>
<td>Approved by Rules Work Group</td>
<td>1.CORE Steering Committee Review 2.<em>All-CORE vote</em></td>
</tr>
<tr>
<td>2. Uniform use of claims status category and claims status codes (<em>Complete draft Phase III Rule</em>)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Replace 997 functional acknowledgement with 999 implementation acknowledgement (<em>Modifications to Phase I/II CORE Rules based on v5010 updates</em>)</td>
<td>Approved by Technical Work Group</td>
<td></td>
</tr>
<tr>
<td>4. Four enhancements to the Phase II CORE Connectivity Rule for NCVHS as proposed by the Connectivity &amp; Security Subgroup including: i. Updates to rule to support all X12 v5010 administrative transactions adopted and not adopted under HIPAA ii. Enhancements to support the Draft Phase III CORE rules, e.g. 835 transaction iii. Enhancements to address optional and required field inconsistencies in the Phase II CORE Connectivity Rule iv. Enhancements to address Phase II CORE FAQ, errata and clarifying language</td>
<td>Approved by Technical Work Group</td>
<td></td>
</tr>
<tr>
<td>5. Test scenarios/scripts for items #1 and #2 above</td>
<td>Approved by the Certification/ Testing Subgroup</td>
<td>1.Technical Work Group ballot (in process) 2.CORE Steering Committee Review 3.<em>All-CORE vote</em></td>
</tr>
</tbody>
</table>

**Other**

**NOTES:**
1. NCVHS and HHS will ultimately decide on a final set of mandated operating rules for eligibility/benefits and claim status.
2. Since the last CORE Town Hall the Rules Work Group decided not to re-ballot the Draft Phase III CORE Eligibility and Data Content (270/271) Rule and agreed with the Companion Guide Subgroup there was not sufficient time to consider an enhancement related to the WEDI/ASC X12 Companion Guides and associated documents.
Potential Ballot Items for All-CORE Vote

1. Enhancements to the Phase I and II CORE Rules including:
   a. Use of 277CA for acknowledging v5010 837 claims (Complete draft Phase III Rule)
   b. Uniform use of claims status category and claims status codes (Complete draft Phase III Rule)
   c. Replace 997 functional acknowledgement with 999 implementation acknowledgement (Modifications to Phase I/II CORE Rules based on v5010 updates)
   d. Minor enhancements to the Phase II CORE Connectivity Rule
   e. Certification Test Suite for enhancements #1 and #2 above

2. Phase I and II CORE Rules updated for v5010 HIPAA adopted TR3s and associated HIPAA adopted errata
CAQH CORE Testimony at the 12/03/10 NCVHS Subcommittee on Standards Hearing – Eligibility and Claim Status

- **Update on Eligibility and Claim Status Operating Rules.**
  - Response to NCVHS Recommendations.
    - Increased Involvement with States and State Medicaid Programs.
    - Provider Outreach.
    - Potential Enhancements to Phase I and II CORE Rules.
  - Response to NCVHS Implementation Issues.
    - Companion Guides.
    - Standards and Operating Rules – work in unison.
    - Transparency.
    - Governance.
    - Certification.
    - DSMO Participation.

- Go to NCVHS website for copies of testimonies from all organizations.
CAQH CORE Testimony at the 12/03/10 NCVHS Subcommittee on Standards Hearing on EFT & ERA

- Testimony on Electronic Funds Transfers (EFT) and Electronic Healthcare Payment and Remittance Advice (ERA).
  - CORE Phase III work, partnerships, internal infrastructure and mission speaks to CORE’s commitment to EFT and ERA operating rules.
  - Operating rules and standards work together in unison.
  - NACHA and CORE have been working together since CORE’s inception. NACHA has committed to partner with CORE as the healthcare and financial industries outline EFT and ERA operating rules.
  - CAQH and NACHA conducted in-depth interviews with key stakeholders including providers, health plans, vendors, clearinghouses and banks to confirm key issues and opportunities with EFTs and ERAs including:
    - Enrollment challenges with EFT
    - More accurate and standard ERAs
    - Re-association challenges between EFTs and ERAs
    - Need for more industry education
- In the process of responding to application to become an authoring entity for EFT and ERA operating rules for non-retail pharmacy.
Response to NCVHS Recommendations: CORE Governance Transition  
(See CORE written testimony to NCVHS, Appendix A)

- The CAQH Board of Directors approved a modification to the CORE Governing Procedures to remove the right of the CAQH Board to veto the operating rules approved by the CORE process (April, 2010) – this veto was NEVER used.

- At its November 2010 meeting the CAQH Board agreed to transition CORE to a formal multi-stakeholder governance structure, including state representation.
  - A CORE Transition Committee is being designed to guide this process, with a composition and charge that speak to the goal of developing a new long-term industry model.
  - This Transition Committee is not the new CORE Governing Board; it is a Committee focused on developing models for how to govern and fund CORE going forward.
  - While this governance transition is being accomplished, CAQH is fully committed to supporting CORE efforts with appropriate resources to meet the timelines and deliverables of Section 1104.
CORE: Operating Rules and Standards

• v5010 HIPAA adopted TR3s and associated HIPAA adopted errata:
  – The CORE rules are helping position organizations to exchange electronic administrative information per the v5010 requirements.
  – During 2005-2008 the CORE Phase I and Phase II rules were written in anticipation of v5010 requirements that will go into effect in January 2012.
  – Since April, a revision summary of the v5010 updates has been available and shared with Work Groups; detailed edits and the actual updated rules are on CAQH CORE website.
  – Adjustments are being made to the CORE testing process to support v5010.

• CORE supports HIPAA and other standards:
  – CORE does not re-define or constrain requirements in the implementation guides for the standards; or add, modify or delete any requirements.
  – Operating rules bolster adoption of the standards.
  – CORE supports industry-neutral, as well as non-HIPAA, required healthcare standards.
Status of the v5010 HIPAA Adopted TR3s and Associated HIPAA Adopted Errata Updates

- The [Phase I and II CORE Rule v5010 updates](#) are published and available for review on the CAQH website.

- High-level findings to date:
  - Substantive updates, although very limited in scope:
    - Phase I and II Eligibility Data Content Rules (remove sections that are no longer needed as they are now required in v5010).
    - Phase II AAA Error Code Rule (replace 2 AAA error codes).
  - Non-substantive updates:
    - Replace references to v4010 with v5010.
    - Support non-required aspects of v5010, e.g., Acknowledgements (999 Implementation Acknowledgment replaces the 997).

- **NOTE**: Under voluntary certification, entities already Phase I or II certified will NOT be required to recertify due to HIPAA compliance attestation.

- Next Steps for v5010 Updates:
  - CORE Steering Committee will review the v5010 updates as part of the CORE voting process for the enhancements to the Phase I and II CORE Rules.
  - The all-CORE vote will include a ballot item on the v5010 updates to the current CORE Phase I and II Rules.
Questions?
Appendix
# CORE Phase I/II Operating Rules & Enhancements

Status as of January 12, 2011

<table>
<thead>
<tr>
<th>Rules</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase I/II Enhancements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Data Content | For 10 key services:  
• Coverage information  
• Static financials (co-pay, co-insurance, base deductibles)  
• In/out of network variances | For 40 more services provide: Phase I requirements + YTD deductible | |
| Infrastructure | • Connectivity via internet  
• Acknowledgements (transactional)  
• Real-time and batch turnaround times  
• System availability  
• Companion Guide flow/format | • Connectivity: Phase I + plug and play method (e.g., SOAP) and digital certificates  
• Patient identification | • Minor enhancements to the Phase II Connectivity Rule |
| Claim Status | | | |
| Data Content | • N/A | • N/A | • Five common business scenarios and the consistent use of 12 claim status categories and 75 claim status codes |
| Infrastructure | • N/A | • Connectivity via internet  
• Acknowledgements (transactional)  
• Real-time and batch turnaround times  
• System availability  
• Companion Guide flow/format | • Claim acknowledgement (where claim is in the system)  
• Minor enhancements to the Phase II Connectivity Rule |

**Notes:**
1. All CORE Rules have been updated for v5010 HIPAA adopted TR3s and associated HIPAA adopted errata as has the CORE certification testing site.
2. Every rule above includes associated certification test scenarios/scripts.