Committee on Operating Rules
For Information Exchange
(CORE®)

Public Town Hall Call
06/28/11

Additional information/resources available at
www.caqh.org
Agenda

- **Brief Overview on the Scope of CORE** (for more information on CAQH and CORE contact Omoniyi Adekanmbi at oadekanmbi@caqh.org to set up an orientation call)

- **Update on Non-Rule Writing Activities**
  - New CORE Certifications, Participants and Endorsers in 2011
  - Phase II CORE Certification Measures of Success study
  - Overview of the CORE Transition Committee
  - Alignment with Federal efforts

- **Update on ACA Section 1104: Mandated Operating Rules**
  - Current milestones for Eligibility and Claim Status transactions and status
  - Current milestones for EFT and ERA transactions and status
  - Building on standards

- **Report on Current Mandated CORE EFT & ERA Rule Development Efforts**
  - Collaboration with NACHA & NCPDP, scope of EFT and ERA operating rules, rule opportunity evaluation process and key milestones
  - Results of the *Industry Survey on Potential CORE Rule Opportunity Areas for EFT & ERA Transactions* including background, high-level findings and next steps
  - Overview and status of five draft CORE EFT & ERA operating rules
Scope of CORE
Committee on Operating Rules for Information Exchange

- CORE is a multi-stakeholder collaboration developing industry-wide operating rules, built on existing standards, to streamline administrative transactions
  - Three pillars: Rule writing, certification and testing and outreach/education to support industry-aligned rules

- 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**:
  - Replicating the work being done by standard-setting bodies, e.g., ASC X12, HL7
  - Developing software or building a database
CORE Scope: What are Operating Rules?

- As defined in the Patient Protection and Affordable Care Act, the term refers to “the necessary business rules and guidelines for the electronic exchange of information that are not defined by a standard or its implementation specifications”

- Prior to CORE, national operating rules did 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)
Operating Rules and Standards Work in Unison: Both are Essential

• Operating rules should always support standards – they already are being adopted together in today’s market

• Benefits of operating rules co-existing and complementing standards are evidenced in other industries
  – Various sectors of banking (e.g., credit cards & financial institutions)
  – Different modes of transportation (e.g., highway & railroad systems)

• Current healthcare operating rules build upon a range of standards
  – HIPAA standards, e.g., require non-mandated aspects of v5010 ASC X12 given data such as in/out of network patient responsibility is critical to administrative simplification
  – Non-HIPAA healthcare standards, e.g., ASC X12 acknowledgements
  – Industry neutral standards, e.g., SOAP and WSDL

• Scope between rules and standards will be iterative as already demonstrated: Items required by the rules will, in some instances, be moved into the next version of a standard and removed from rules, e.g.,
  – ASC X12 v5010 includes some CORE Phase I data content requirements and thus in Jan 2012 CORE rules will no longer require these elements, e.g., status of coverage for a specific benefit
CORE Scope: Rules Development/Implementation Approach

- CORE Phases are designed around a set of transaction-based data content rules coupled with infrastructure rules
  - *Rules complement each other – real value is in the package of rules*
  - Phases establish milestones that encourage feasible progress in resolving industry business needs while minimizing barriers to adoption

- To date, the transactions to which data content and/or infrastructure rules apply include:
  - Eligibility
  - Claim Status
  - *Payment/Remittance*
  - *Authorizations*
  - *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 Operating Rules; note, CORE will pursue mandated and non-mandated operating rules*
# CORE Operating Rules Phased Development*

**CORE Phase I**  
- **Approved**  
- **Implemented**  
- **Certification Available**  

CORE’s first set of operating rules are helping:  
- Electronically confirm patient benefit coverage and co-pay, coinsurance and base deductible information  
- Provide timely and consistent access to this information in real-time (i.e., infrastructure rules – e.g., response time, connectivity safe harbor, companion guide)

**CORE Phase II**  
- **Approved**  
- **Implemented**  
- **Certification Available**  

CORE’s second set of rules expand on Phase I to include:  
- Patient accumulators (remaining deductible)  
- Rules to help improve patient matching  
- Claim status transaction “infrastructure” requirements (e.g., claim status response time)  
- More prescriptive connectivity requirements (e.g., digital certificates)

**CORE Phase III**  
- **In development**  

CORE’s third set of rules focus on:  
- Claim status data content requirements (276/277)  
- Infrastructure requirements for Claim Payment/Advice (835) and Prior Authorization/Referral (278)  
- EFT and Health Care Claim Payment/Advice  
- 277 Claim Acknowledgement for Health Care Claims (837)  
- Standard Health Benefit/Insurance ID Card  
- More prescriptive connectivity requirements  
- Additional eligibility financials

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*NOTE: All CORE Operating Rules, Policies, and Test Suites are developed and approved by CORE Participants.*
REMINDER: CORE Operating Rules are a baseline; entities are encouraged to go beyond the minimum CORE requirements.

CORE Scope: Rules Development/Adoption Timeline

Design CORE

Rule Development

Phase I Rules

Phase II Rules

Phase III Rules

Future Phases

2005

2006

2007

2008

2009

2010

2011

ARRA HITECH Stimulus and ACA Health Care Reform

Phase I Certifications

Phase II Certifications

Market Adoption (CORE Certification)

*Oct 05 - HHS launches national IT efforts
Update on Non-Rule Writing CORE Activities
Examples: New Participants, Certifications and Endorsers in 2011

**Participants:**
- Allina Health Systems
- Allscripts
- Federal Reserve Bank
- HCA, Inc
- Healthcare Billing and Collection Service (HBCS)
- Kaiser Permanente
- NYU Langone Medical Center
- OneHealthPort
- The Clearing House
- Tufts Health Plan
- US Bank
- US Dept of Treasury

**Certifications:**
- Ingenix: Phase I & II
- Montefiore Medical Center: Phase II
- Passport Health Communications: Phase II (Q3)
- UnitedHealthcare: v5010 Phase I & II

**Endorsers:**
- American Academy of Family Physicians
Phase II CORE Certification Measures of Success

• Health Plans, vendors and providers that are pursuing Phase II CORE Certification (or Phase I & II together) are invited to participate in an implementation cost and effort study.

• CAQH has contracted with IBM to conduct the study and analysis.

• Over two 3-month measurement periods, volunteers will be asked to record certification expenses and related effort i.e., IT expenses (hardware/software), staff expense, certificate expense (seal and test fees) and time required to complete certification.
  – If appropriate, IBM staff will visit your location to assist with project plan for tracking.
  – Standard measurement protocol plus two data collection templates.

• Cost data already available for a number of Phase II-Certified health plans.

• Please contact Ezra Rosenberg at erosenberg@caqh.org if interested in participating in the study.
CORE Transition Committee

- In 2010 the CAQH board made a public commitment to increase industry participation in operating rules development and adoption given CORE’s goal to support the changing environment in which operating rules are mandatory.
  - Note: The CAQH Board has never voted on any CORE rule.
- At the beginning of 2011, the CORE Transition Committee was launched to make recommendations regarding multi-stakeholder governance of CORE.
- The Committee is charged to develop a three-year governance plan that outlines structure and revenue models for CORE.
  - Will propose ideas to enhance current CORE multi-stakeholder approach to increase participation by states, physicians, hospitals and other providers.
  - Will preserve the CAQH CORE integrated approach to rule-writing, certification, outreach and education and reinforce CAQH CORE commitment to support ACA Section 1104 mandate.
- It is anticipated that the Committee will complete its work and implement its recommendations by the fourth quarter of 2011; CAQH is committed to supporting CORE through its transition.
# CORE Transition Committee Members

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Organization</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Association</td>
<td>American Hospital Association (AHA)</td>
<td>Linda Fishman, SVP Health Policy and Analysis</td>
</tr>
<tr>
<td>Hospital</td>
<td>Montefiore Medical Center</td>
<td>Joel Perlman, Executive Vice President</td>
</tr>
<tr>
<td>Provider Association</td>
<td>Medical Group Management Association (MGMA)</td>
<td>Robert Tennant, Senior Policy Adviser Health Informatics</td>
</tr>
<tr>
<td>Practicing Provider (with Association leadership)</td>
<td>American Medical Association (AMA)</td>
<td>Barbara L. McAneny, MD, AMA Board of Trustees</td>
</tr>
<tr>
<td>Health Plan (National)</td>
<td>WellPoint</td>
<td>AJ Lang, SVP/CIO</td>
</tr>
<tr>
<td>Health Plan (National)</td>
<td>UnitedHealthcare</td>
<td>Tim Kaja, SVP Physician &amp; Hospital Service Operations</td>
</tr>
<tr>
<td>Health Plan (Regional)</td>
<td>Blue Cross and Blue Shield of North Carolina</td>
<td>King Prather, Senior Vice President &amp; General Counsel</td>
</tr>
<tr>
<td>Health Plan Association(s)</td>
<td>America’s Health Insurance Plans</td>
<td>Carmella Bocchino, Executive VP of Clinical Affairs &amp; Strategic Planning</td>
</tr>
<tr>
<td>Practice Management System/Vendor (large office)</td>
<td>GE Healthcare</td>
<td>George Langdon, VP eCommerce, Mailing &amp; Clinical Data Services</td>
</tr>
<tr>
<td>Practice Management System/Vendor (small office)</td>
<td>Allscripts</td>
<td>Mitchell Icenhower, VP of Solutions Management</td>
</tr>
<tr>
<td>Bank</td>
<td>JP Morgan</td>
<td>Martha Beard, Managing Director, Treasury &amp; Securities Services</td>
</tr>
<tr>
<td>State Entity</td>
<td>Minnesota Department of Health</td>
<td>David Haugen, Director of the Center for Health Care Purchasing Improvement</td>
</tr>
<tr>
<td>State Coalition/Association</td>
<td>National Governors Association (NGA)</td>
<td>Ree Sailors, Program Director, Health Division Center for Best Practices</td>
</tr>
<tr>
<td>CORE Chair</td>
<td>IBM &amp; CORE</td>
<td>Harry Reynolds, IBM Payer Transformation</td>
</tr>
</tbody>
</table>

**Notes:**
(1) CAQH CORE staff serves as secretariat; SDOs and others will serve as advisors
(2) The new CORE governance may or may not include Transition Committee members or a similar mix of entities
High-Level Timeline and Milestones

✓ Q4 2010 CAQH leadership:
  • Gain CAQH Board input on Transition Committee charge, timeline and composition
  • Update CMS on status of Transition Committee
  • Begin inviting Committee members

✓ Q1 2011 Transition Committee
  • Review and discuss charge, general timeline, and process; announce Committee

✓ Q2-Q3 2011 Committee
  • Gain agreement on assumptions and evaluation approach
  • Review and outline potential revenue and governance models
  • Update CAQH Board, CORE participants and others as appropriate
  • Agree upon recommended budget (cost and revenue) and governance model(s) and critical steps to evolution

✓ Q3 2011 Committee
  • When ready, solicit external feedback; make adjustments on proposed models based on feedback and seek commitments from critical players

✓ Q4 2011 Committee
  • If viable, initiate CORE transition
  • Launch new CORE governing structure
## Industry Alignment Is Critical: Examples

Activities within CORE are developed to support and integrate with state, regional and national efforts

| National | • Collaboration with the financial services industry due to its payment / EFT operating rules, e.g., joint research, collaborative testimonies)  
• HIPAA v5010 has non-required / recommended fields that are required by CORE to add to ROI (e.g., financial data elements)  
• Standards supported by CORE are both healthcare-specific and industry-neutral  
• Close coordination with government agencies, such as CMS, ONC and Veterans Administration, e.g., VA one of the first CORE-certified providers, CORE connectivity designed to align with National Health Information Network (NHIN) |
| State / Regional | • CORE Operating Rules have been recommended to legislature by state-sponsored, multi-stakeholder committees (e.g., TX, OH, and CO)  
• State Health Information Exchanges (HIEs) are considering how to implement CORE  
• States are submitting potential operating rules to CORE, e.g. WA, MN |
Why Alignment with Other National Initiatives:
Examples

- Collaborated with NHIN initiative in an effort to align standards for healthcare connectivity
  - Payoff of such alignment between such national initiatives is the potential for leveraging cross-over of clinical and administrative transactions, as appropriate, and to have informed expertise when determining next milestone

- Building a proactive, ongoing dialog to help inform future direction that considers ecosystem
  - Partnering with CMS in the refinement of MITA to ensure alignment with the administrative simplification needs of Medicaid;
    - Upcoming demonstration at the August 2011 Medicaid Management Information Systems (MMIS) Conference in Austin, TX
  - Participated in HIMSS11: ONC/FHA Interoperability Showcase Demonstration
    - Illustrated claim status transactions (ASC X12 276/277) from the CHIC HIE-Bridge (a Health Information Exchange that shares the location of patient records from facilities in northern Minnesota and Wisconsin) to Medicare via Noridian (a Medicare contractor) over the NHIN using the CORE Phase II Connectivity Rule
  - Continued collaboration with the CMS Electronic Submission of Medical Documentation (esMD) Project
CORE and ACA Section 1104 Mandated Operating Rules
Mandated Operating Rule Approach

Operating rule writing and mandated implementation timeframe per ACA legislation

Adoption deadlines to finalize operating rules

- **July 2011**: Eligibility and Claim Status
- **July 2012**: Claims payment/advice and electronic funds transfer (plus health plan ID)
- **July 2014**: Enrollment, Referral authorization, attachments, etc.

Effective dates to implement operating rules

- **January 2013**:
- **January 2014**:
- **January 2016**:

Notes:
(1) Per statute, documentation of compliance may include completion of end-to-end testing (i.e., certification and testing).
(2) NCVHS is the body designated by HHS to make recommendations regarding the operating rule authors and the operating rules.
Section 1104: Current Milestones of Eligibility & Claim Status

**Status**

- Two non-profit candidates recommended by NCVHS to fill rule development role:
  - CAQH CORE for non-pharmacy
  - National Council for Prescription Drug Programs (NCPDP) for pharmacy

- Phase I and II CORE Operating Rules recommended by NCVHS as base for 1st rule set; CORE worked with industry to determine what else could be added in short timeframe, e.g., state requirements, draft CORE Phase III Operating Rules

- Expectation that key goals will move forward, e.g.,
  - Voting on operating rules must continue to be transparent and multi-stakeholder
  - Desire of providers to have shared governance of operating rule entity
  - This remains an unfunded mandate, and an “adjusted” CAQH CORE would need to transition over a period of time
  - Mandated rules are one part of process
Section 1104: Current Milestones of *Electronic Funds Transfer* (EFT) & *Electronic Remittance Advice* (ERA)

### December 2010: NCVHS Subcommittee on Standards held Hearings on EFT and ERA; Authoring entity applications due Jan. 31, 2011

### Feb. 9 & 10, 2011: NCVHS Full Committee Meeting to discuss applications and Issuance of NCVHS recommendations to HHS in February and March

### 2011: CMS will move forward informed by ongoing NCVHS recommendation

### July 2012: ERA and EFT Rule Adoption Deadline

### Status

- **In December 2010,** three organizations proposed to be authors for the ACA EFT and ERA operating rules including CAQH CORE; ten organizations provided testimony regarding next steps for EFT and ERA operating rules:
  - Majority of the testifiers expressed similar recommendations

- **CAQH CORE and NACHA** proposed to work in collaboration to meet the needs of the ACA for EFT and ERA
  - Healthcare and financial industry operating rules would complement one another

- **February 17, 2011:** NCVHS recommended NACHA as healthcare EFT SDO and its ACH CCD+ standard format

- **March 23, 2011:** NCVHS recommended CAQH CORE be the authoring entity in collaboration with NACHA
  - Fully vetted rules to be submitted to NCVHS by August 1, 2011
  - CAQH CORE to establish mechanisms for greater direct engagement of SDOs, and broader provider participation
  - Clarify the scope, focus and limitations between operating rules and standards

- **April - August 2011:** CORE EFT & ERA Operating Rule development via the EFT & ERA Subgroup and Rule Work Group
EFT and ERA: Operating Rules Build On Standards

- NCVHS has recommended that HHS adopt the *NACHA ACH CCD+ format*, in conformance with the NACHA Operating Rules, as the standard format for the healthcare EFT standard when EFT and ERA are sent separately*

- *NACHA ACH CCD+ Standard* is an ACH standard for EFT. CCD is a Corporate Credit or Debit entry which is used to make/collect payments to/from corporate organizations

- ERA operating rules build upon the existing HIPAA-adopted ASC X12 005010X221 Health Care Claim Payment/Advice (835) Technical Report Type 3

- Operating Rules can address gaps in standards, such as additional content available by using standard but not required, or identify infrastructure needed to ensure electronic transaction flow among standards

* NCVHS recommended standard, see [February 17, 2011 NCVHS Recommendation to HHS Secretary](#)
Update on CORE EFT & ERA Rules
(Mandatory Rule Development)
Preparation for Mandated Operating Rules: CORE EFT and ERA Rules Development

• CORE, in collaboration with NACHA, has convened a Subgroup pursuant to NCVHS’ letter of direction to produce a fully vetted set of EFT and ERA operating rules for consideration by August 2011
  – Subgroup meets weekly and is comprised of CORE participating organizations; EFT and ERA Subgroup reports to the CORE Rules Work Group
    • EFT rule development focus
      o Create a thin layer of healthcare specific EFT operating rules that complements the existing NACHA Operating Rules, and address reassociation of ERA and EFT
      o Builds upon the NACHA ACH CCD+ Standard*
    • ERA rule development focus
      o Identify priority rule areas, rule options, and detailed rule requirement via research review, surveys, feedback on findings, etc., including reassociation of ERA and EFT
      o Builds upon the v5010 ASC X12 835 Payment/Remittance Advice standard

• CORE Operating Rules for EFT and ERA
  – Will build upon existing CORE operating rules, including draft ERA infrastructure rules
  – Will support existing standards and consider business rules that are unique or intrinsic to healthcare claim payment transactions

* NACHA ACH CCD+ Standard is an ACH standard for EFT. CCD is a Corporate Credit or Debit entry which is used to make/collect payments between two organizations.
CORE EFT and ERA Subgroup Roadmap and Timeline

April 2011
Subgroup review research, discuss rule opportunity areas and agree on criteria to create scope of rule(s)

April–May 2011
Subgroup applies evaluation criteria to rule opportunity areas to agree to scope of rule(s) and Rule Options

May–June 2011
Subgroup agrees to rule requirements, i.e., the level of detail within identified Rule Options and begin “drafting” rule(s); Gain Rule Work Group feedback

July 2011
Subgroup writes rule language addressing agreed-upon rule requirements; Review with Work Group and conduct Rule Work Group Ballot

August 2011
Update on Industry vetted operating rules received by NCVHS

Feedback loopsto Subgroups/Work Groups from public CORE Town Hall calls and crystallization of criteria against rules and ACA developments
# EFT & ERA Operating Rules: High Level Scope

## ERA Focused

<table>
<thead>
<tr>
<th>Operating rules that build on the ASC X12 v5010 835 TR3 by:</th>
<th>In Scope</th>
<th>Out of Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Clarifying ambiguity</td>
<td></td>
<td>X</td>
</tr>
<tr>
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<td></td>
<td></td>
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<tr>
<td>• Building on data content specifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating rules that duplicate or conflict with the requirements of the ASC X12 v5010 835 TR3 (e.g., balancing, etc.)</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

## EFT Focused: Thin Layer of Healthcare Operating Rules on EFT

<table>
<thead>
<tr>
<th>Operating rules that build on the ACH CCD+ standard for EFT by:</th>
<th>In Scope</th>
<th>Out of Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Clarifying ambiguity</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>• Building on data content specifications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating rules that duplicate or conflict with the requirements of the NACHA Operating Rules or the ACH CCD+ standard</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Operating rules for the ACH CTX standard for EFT (given NCVHS recommendation for CCD+ and timeline)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Operating rules related to the ACH Network and/or connectivity from one depository institution account to another within the ACH Network</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

## EFT & ERA Focused

<table>
<thead>
<tr>
<th>Potential operating rules addressing infrastructure (e.g., acknowledgements)</th>
<th>In Scope</th>
<th>Out of Scope</th>
</tr>
</thead>
</table>
Coordination: Example of CORE Process for Evaluation of EFT/ERA Rule Opportunity Areas

Identify and agree on potential rule opportunity areas

Review evaluation criteria

Prioritize rule opportunity areas using evaluation criteria

Select “top” rule opportunity areas; conduct similar process for rule options for each selected area

Consider existing industry efforts and applicability to CORE EFT and/or ERA operating rules and align where possible, e.g.

- Existing CAQH CORE rules
- CAQH CORE and NACHA research
- WEDI
- ASC X12
- UHIN
- Minnesota State Administrative Uniformity Committee
- Washington State Healthcare Forum
- (previous NY effort) LINXUS

Potential rule opportunity evaluation criteria:

- Be within scope of the operating rules as defined by ACA Section 1104
- Support CORE Guiding Principles, e.g. align with Federal HIT efforts
- Balance between anticipated industry benefit relative to the industry adoption cost (ROI)
- Can be developed within the NCVHS time frame (08/01/11 deadline)
High Priority Rule Opportunity Areas

Survey Results

Five Rule Opportunity Areas ranked as “High Priority” by >65% of respondents:

• Identify a set of data elements required for a standardized healthcare EFT enrollment
• Uniform use of CARCs and RARCs (reconfirmed)
• Require the accurate identification of the health plan making the EFT payment or the funding of the payment by the health plan through a third party
• Develop operating rules that address the elapsed time between sending of both EFT and ERA by payers and receipt of both EFT and ERA by payees
• Enable providers to specify preference for EFTs and ERAs to be based on Tax Identification Number (TIN) or National Provider Identifier (NPI) to ensure payment gets deposited to correct bank account and the correct posting to accounts receivable

Survey Comments

Survey comments supported two new Rule Opportunity Areas not previously included in survey:

• Apply findings of a crosswalk of the ACH CCD+ standard and the ASC X12 v5010 835 Table 1 data elements
• Identify a set of data elements required for a standardized healthcare ERA enrollment

Subgroup Agreement on Top Seven “High Priority” Rule Opportunity Areas to Pursue for Rule Development
(Over 115 organizations responded to survey)
Key Milestones for Operating Rule Development

<table>
<thead>
<tr>
<th>Milestone Number</th>
<th>Milestone Description</th>
<th>Example: CARCs and RARCs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Done)</td>
<td>Agreement on High Priority Rule Opportunity Areas</td>
<td>Address uniform use of CARCs and RARCs</td>
</tr>
<tr>
<td>2 (Done)</td>
<td>Agreement on a CORE Rule Option/Approach to address each High Priority Rule Opportunity Area</td>
<td>Address uniform use of CARCs and RARCs through a targeted set of common or problematic business scenarios with a minimum specified set of commonly used code combinations (1 of 4 potential identified approaches)</td>
</tr>
<tr>
<td>3 (In-process)</td>
<td>Agreement on detailed Rule Requirements for each CORE Rule Option/Approach</td>
<td>Develop list of the specific business scenarios and code combinations to be addressed in an operating rule to address uniform use of CARCs and RARCs by building on existing efforts (e.g. WEDI, Washington State, CMS, MN, etc.). Findings from detailed research help drive requirements.</td>
</tr>
<tr>
<td>4 (Four draft rules being reviewed by Subgroup &amp; one draft rule ready for review by Rules Work Group)</td>
<td>Draft operating rule for straw poll and adjust for Rules Work Group Review</td>
<td>Develop formal CORE Operating Rule for review by Rules Work Group Ballot that details requirements for use of problematic business scenarios with a minimum specified set of commonly used code combinations to address uniform use of CARCs and RARCs; addressed roles of entities, in-scope, out of scope, etc.</td>
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</tbody>
</table>

* Claim adjustment reason codes (CARC) and remittance advice remark codes (RARC)
Draft EFT & ERA Operating Rules Under Subgroup Review

- After extensive research, surveying and Subgroup discussions, the EFT & ERA Subgroup is currently in the process of reviewing and straw polling four draft EFT & ERA operating rules:
  - Draft Phase III CORE EFT & ERA Reassociation (CCD+/835) Rule
  - Draft Phase III CORE Uniform Use of CARCs and RARCs (835) Rule
  - Draft Phase III CORE EFT Enrollment Data Element Rule
  - Draft Phase III CORE ERA Enrollment Data Element Rule
- One draft ERA Operating Rule (developed during initial Phase III rule development and already approved for Rules Work Group ballot) will also be reviewed by the Rules Work Group as part of the CORE EFT & ERA Operating Rule Set:
  - Draft Phase III CORE ERA Infrastructure (835) Rule
- Once the new draft rules are approved by the Subgroup, the draft EFT & ERA operating rules will go to the Rules Work Group for review and balloting
Cross Industry Collaboration & Needs

• CAQH CORE and NACHA: Rule writing partnership
  – Due to the mandated healthcare operating rules on ERA and EFT, there is a convergence of financial services and healthcare so the partnership has pursued additional activities, e.g., extensive research on EFT and ERA rule opportunity areas
  – During the development of the EFT & ERA operating rules, the CORE participants identified key areas where either new or modified NACHA Operating Rules could address current issues in using the NACHA CCD+ when doing EFT healthcare payments over the ACH Network and will convey these opportunities to NACHA

• CAQH CORE and NCPDP: Medical and Pharmacy alignment
  – For each Rule Requirement, Subgroup will discuss applicability to Retail Pharmacy and, for each rule, determine applicability of one of the following statements/approaches:
    • Reference to a specific NCPDP pharmacy effort is included; include high-level detail on how the two efforts (CAQH CORE and NCPDP) are coordinated to focus industry improvement in the shared area of interest addressed in the specific rules
    • Pharmacy is addressed in the operating rule directly (or via reference to NCPDP effort/document as noted above)
    • Pharmacy is excluded from the operating rule as it is not applicable and/or further research needs to be conducted
High-Level Overview:
Draft EFT & ERA Reassociation (CCD+/835) Rule

• Problem space addressed by the draft rule:
  – Challenges with provider reassociation of remittance data to payment data because the necessary data required by the provider are either incorrect, missing, or not available, or have not been requested in a way that is meaningful to the provider or its financial institution

• Scope of the draft rule:
  – Applies to entities that use, conduct or process the v5010 835 and the CCD+ transactions

• High-level rule requirements:
  – Address provider receipt of the CORE-required Minimum ACH CCD+ Data Elements required by providers for successful reassociation
  – Address elapsed time between the sending of the v5010 835 and the CCD+ transactions
  – Requirements for resolving late/missing EFT and ERA transactions
  – Recognition of the role of NACHA Operating Rules for financial institutions

Notes: (1) All draft rules are subject to change based on EFT & ERA Subgroup and Rules Work Group feedback
(2) Detailed research (e.g. crosswalk of 835-to-CCD+, review of state-based efforts, analysis of ~100 EFT & ERA enrollment forms), Subgroup surveys and discussion informed development of draft rules and is documented
High-Level Overview: Draft Uniform Use of CARCs and RARCs (835) Rule

• Problem space addressed by the draft rule:
  – Providers do not receive the same uniform and consistent CARC/RARC/CAGC code combinations for the same or similar business scenarios from all health plans and, as a result, are unable to automatically post claim payment adjustments and claim denials accurately and consistently
  – Focus on business scenarios with a minimum set of code combinations that target 80% of the major provider usage problems/high volume code combinations (i.e. what CARC-RARC combination would best fit the business reason behind a denial or adjustment)

• Scope of the draft rule:
  – Applies to entities that use, conduct or process the v5010 835 transaction

• High-level rule requirements:
  – Identifies four Business Scenarios with specific CARCs/RARCs/CAGCs combinations that can be applied to convey details of the claim denial or payment to the provider
  – Draft Business Scenarios include:
    • Additional Information Required – Missing/Invalid/Incomplete Documentation
    • Additional Information Required – Missing/Invalid/Incomplete Data from Submitted Claim
    • Billed Service Not Covered by Health Plan
    • Benefit for Billed Service Not Separately Payable

Notes: (1) All draft rules are subject to change based on EFT & ERA Subgroup and Rules Work Group feedback
(2) Detailed research (e.g. crosswalk of 835-to-CCD+, review of state-based efforts, analysis of ~100 EFT & ERA enrollment forms), Subgroup surveys and discussion informed development of draft rules and is documented
High-Level Overview:
Draft EFT & ERA Enrollment Data Element Rules

- Problem space addressed by the draft rules:
  - Separate, non-standard provider ERA and/or EFT enrollment required by payers; key elements excluded from many enrollment forms includes those:
    - With a strong business need to streamline the collection of data elements (e.g., TIN vs. NPI provider preference for payment)
    - Essential for populating the ACH CCD+ Standard and the ASC X12 v5010 835
- Scope of the draft rules:
  - EFT Enrollment Rule: Applies to entities that enroll providers in EFT
  - ERA Enrollment Rule: Applies to entities that enroll providers in ERA
- High-level rule requirements:
  - Identify a set of standard data elements for enrollment
  - Outline a strawman template/form for collection of the data elements
  - Require health plan to offer online EFT and/or ERA enrollment

Notes: (1) All draft rules are subject to change based on EFT & ERA Subgroup and Rules Work Group feedback
(2) Detailed research (e.g., crosswalk of 835-to-CCD+, review of state-based efforts, analysis of ~100 EFT & ERA enrollment forms), Subgroup surveys and discussion informed development of draft rules and is documented
High-Level Overview: Draft ERA Infrastructure (835) Rule

• Problem space addressed by the draft rules:
  – HIPAA provides a foundation for the electronic exchange of claim payment information, but does not ensure that today’s paper-based system can be replaced by an electronic, interoperable system

• Scope of the draft rules:
  – Applies to entities that use, conduct or process the v5010 835 transaction

• High-level rule requirements:
  – Entities must be able to support the Phase II CORE Connectivity Rule
  – Requires use of the 999 Implementation Acknowledgement for Functional Group Acknowledgement
  – Specifies a common companion guide for the flow and format of such guides
  – Addresses the need for providers to be able to conduct a parallel 835 implementation process whereby the health plan will continue to deliver its proprietary claim payment remits while the provider assures itself that the 835 can successfully replace the proprietary remits

Notes: (1) All draft rules are subject to change based on EFT & ERA Subgroup and Rules Work Group feedback
(2) Detailed research (e.g. crosswalk of 835-to-CCD+, review of state-based efforts, analysis of ~100 EFT & ERA enrollment forms), Subgroup surveys and discussion informed development of draft rules and is documented
Next Steps:
Draft CORE EFT & ERA Operating Rules

• EFT & ERA Subgroup:
  – Complete initial Subgroup reviews of all draft rules
  – Complete EFT & ERA Subgroup straw polls on draft rules
  – Agree to send draft rules to the Rules Work Group

• Rules Work Group:
  – Complete ballot on the draft CORE EFT & ERA operating rules
  – Update NCVHS on progress
Getting Involved with CORE
Thank You For Joining Us: Stay Involved

• Participate in CORE Operating Rules Development
  – Join your industry colleagues as a contributor to CORE rule development by becoming a CORE participating entity

• Attend a Future Town Hall Call (open to public)
  – Tuesday, August 9th, 3:00-4:00 pm ET
  – Tuesday, September 20th, 3:00-4:00 pm ET

• Implement the CORE Operating Rules: Become CORE-Certified
  – Pledge your commitment to conduct business in accordance with Phase I and/or Phase II CORE Operating Rules
  – Quickly realize operational efficiencies resulting from secure, timely and consistent delivery of eligibility, benefit and claim status information

• Participate in our industry outreach activities and education programs
  – Join our Speakers Bureau

• Join us at another CORE Education Event