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*Maintenance and Modifications for Standards and  
Operating Rules:  
Overview of Current Process for Operating Rules*

Testimony Provided To The  
Subcommittee on Standards  
National Committee on Vital and Health Statistics

April 27, 2011

# Testimony Overview

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- Testimony Themes
- Part I: Setting Strategy and Vision to Drive Maintenance and Modifications
  - What Works Today
  - Opportunities for Improvement
- Part II: Governance that Supports Practical Maintenance and Modification
  - What Works Today
  - Opportunities for Improvement
- Part III: Tactical Processes to Support Strategically Driven Maintenance and Modification
  - What Works Today
  - Opportunities for Improvement

# Themes for Modifications of Operating Rules and Standards

- The rapidly changing world of health information technology (HIT) for administrative simplification must support the vision for innovation and cost reduction, and cannot be myopic
  - The long-term strategic vision must be kept at the forefront
  - Processes and structures must go beyond the technical and be nimble, visionary and business-driven, to successfully meet today's challenges and deadlines; operating rules are tools
  - Alignment with clinical efforts is key
- Strong governance and solid funding are both critical
  - Processes are not enough – leadership drives change and an ongoing commitment to high-quality deliverables, including modified operating rules
  - Executive-level governance is required to maintain the focus on administrative simplification, results-oriented execution and visionary guiding principles

# Themes for Modifications of Operating Rules and Standards

- Tactical processes for updating operating rules must be guided by the strategic vision and governance
  - Processes must be able to adapt and capitalize on the rapidly changing environment and unfolding opportunities, while also implementing changes that meet the aggressive ACA deadlines
  - Processes should be able to embrace opportunities such as critical improvements in version cycle time, stakeholder involvement, industry alignment and quickly adhere to the ACA-established definition that operating rules build upon standards
- Consistent, yet iterative, coordination will be needed between authoring entities for operating rules and SDOs
  - Experience to date has resulted in greater adoption of standards, return on investment (ROI) and growing industry coordination

# Part I: Setting Strategy and Vision to Drive Maintenance and Modifications

- What works today
  - Integrated model that builds upon interdependencies: Rule Writing, Certification and Outreach/Education
    - Phases of rules and certification testing for all stakeholders touching transaction
  - Nimbleness and transparency are pillars to success
  - National, milestone-driven rules that build on standards and serve as strategic steps to larger vision
  - Strategic dialogs and research that drives to collaboration and alignment
  - Business cases to achieve agreement on vision and scope
  - Ongoing stakeholder input
  - Demonstrating results by tracking and publishing ROI
- Opportunities for improvement
  - Wider strategic analyses on a more established cycle
    - Mandatory and Voluntary tracks of rule development and modification. For example, the concept of "Base Rule" for Mandatory track and "Advanced Rule" for Voluntary track, with sunseting of 'Base" when time is appropriate
    - Addressing vested interests
  - More extensive ROI tracking, in real-world settings

# CORE Process for Evaluation of EFT and ERA Rule Opportunity Areas

Identify and agree on rule opportunity areas



Review evaluation criteria and business case



Prioritize rule opportunity areas using evaluation criteria



Present “top” rule opportunity areas to Rules Work Group

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

- CAQH CORE and NACHA research, and existing CORE rules
- WEDI White Papers
- ASC X12
- UHIN
- Minnesota State Administrative Uniformity Committee
- Washington State Healthcare Forum
- (previous NY effort) LINXUS
- Others? (if there are other industry efforts to be considered please contact CAQH CORE staff)

**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)

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# Part II: Governance that Supports Practical Maintenance and Modification

- What works today
  - Guiding Principles setting parameters for modifications, maintenance and development
  - Transparency and balance of CORE Operating Rule maintenance and modification
  - Decision makers are multi-stakeholder participant volunteers
  - Staff are held accountable, support CORE Participants and deliver value
  - Both volunteers and paid staff are needed
  - CORE voting is layered and tracked
- Opportunities for improvement
  - Transitioning CORE governance
  - Retaining new skill sets
  - Multi-stakeholder funding
  - Increasing stakeholder involvement
  - Single entity for authoring, modifying and maintaining mandated operating rules

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# CORE EFT and ERA Operating Rules Scope

ERA Focused	In Scope	Out of Scope
Operating rules that build on the ASC X12 v5010 835 TR3 by: <ul style="list-style-type: none"> <li>• Clarifying ambiguity</li> <li>• Filling gaps</li> <li>• Building on data content specifications</li> </ul>	X	
Operating rules that duplicate or conflict with the requirements of the ASC X12 v5010 835 TR3 (e.g., balancing, etc.)		X
EFT Focused: Thin Layer of Healthcare Operating Rules on EFT	In Scope	Out of Scope
Operating rules that build on the ACH CCD+ standard for EFT by: <ul style="list-style-type: none"> <li>• Clarifying ambiguity</li> <li>• Filling gaps</li> <li>• Building on data content specifications</li> </ul>	X	
Operating rules that duplicate or conflict with the requirements of the NACHA Operating Rules or the ACH CCD+ standard		X
Operating rules for the ACH CTX standard for EFT (given NCVHS recommendation for CCD+ and timeline)		X
Operating rules related to the ACH Network and/or connectivity from one depository institution account to another within the ACH Network		X
EFT & ERA Focused	In Scope	Out of Scope
Potential operating rules addressing infrastructure (e.g., acknowledgements)	X	

# CORE Transition Committee 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; will be an ongoing process
  - Begin inviting Committee members
- ✓ Q1 2011 Transition Committee
  - Review and discuss charge, general timeline, and process; announce Committee
- Q2 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
  - 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 including launch of new CORE governing structure

Note: CAQH CORE staff serves as secretariat; SDOs and others will serve as advisors

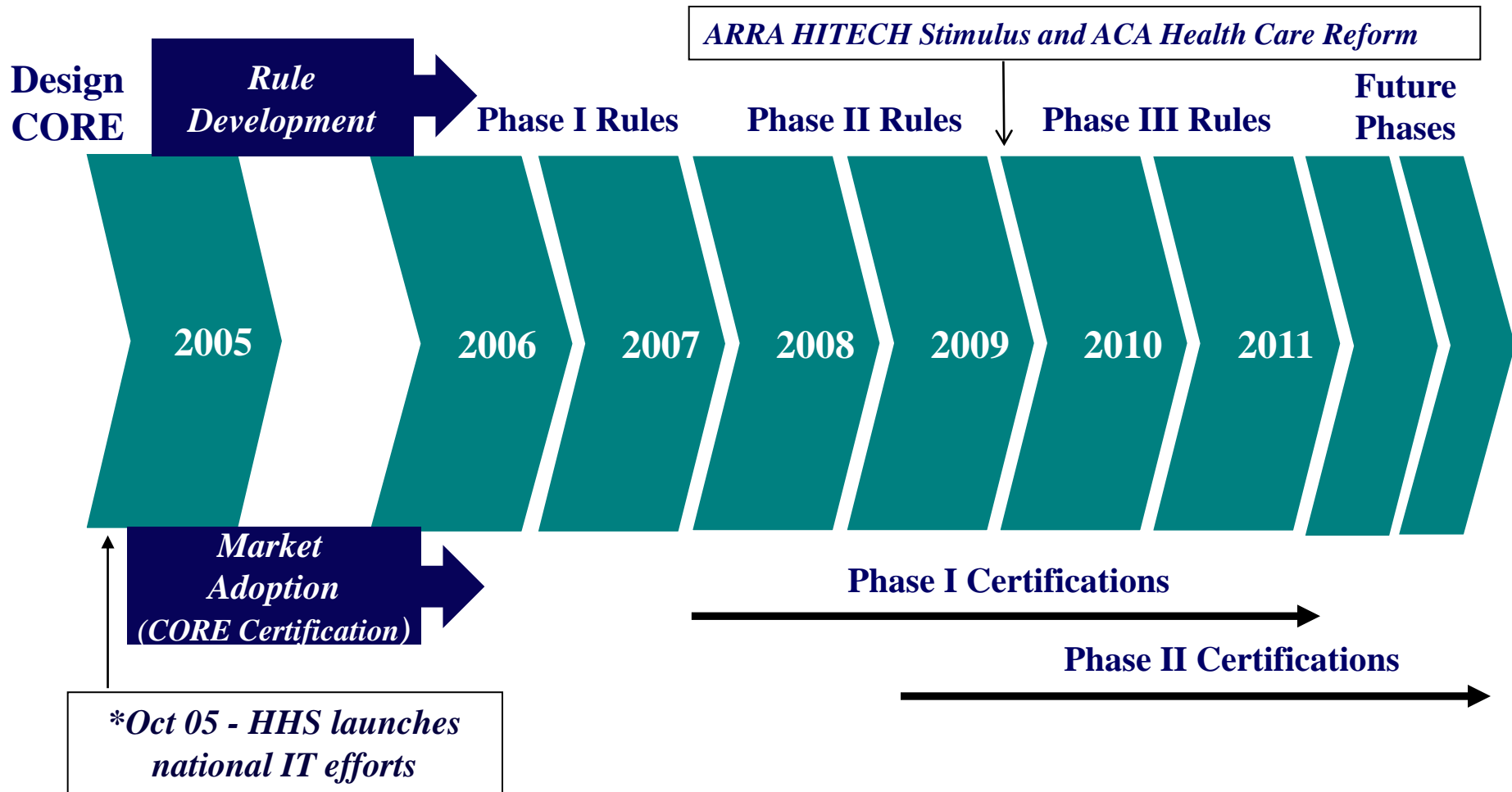
# Part III: Tactical Processes to Support Strategically Driven Maintenance and Modification

- The tactical processes for maintaining and modifying the CORE operating rules have several drivers. including:
  - The ACA, e.g., definition of operating rules.
  - The CORE process, e.g., substantive versus non-substantive edits, alignment with ONC efforts, guiding principles to not repeat the standards or its Implementation Guide, certification and testing, and priority setting.
  - The regulations that will be issued by CMS related to operating rules.
  - Additional strategic efforts that the industry decides to pursue to align efforts and promote ease of implementation
- What works today
  - Public access to current rules and modifications
  - High-level analyses and project plans that guide detailed modifications
  - Certification testing results that feed into rule maintenance and modification.
  - Administrative support for modifications
  - Operating rules can come before or after a modification to an associated standard if cost-benefit is achieved
  - Two to three year cycles *with practical certification policies and outreach activities to support adoption*

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# CORE Scope: Rules Development/Adoption Timeline



**REMINDER:** CORE Operating Rules are a baseline; entities are encouraged to go beyond the minimum CORE requirements.

# Part III: Tactical Processes to Support Strategically Driven Maintenance and Modification (cont'd)

- Opportunities for improvement
  - Modifications that speak to the strategic vision and alignment with other industry efforts
    - Dialog on layer of alignment sought, e.g. transport, envelope, metadata and payload
    - Clinical and administrative alignment play a critical role going forward, e.g. NHIN
  - Increased transparency, access and use of existing information
    - Standards and operating rules execution; state-national dialogs
  - Having more established participant review and feedback periods
    - Limited resources, aggressive timeline
  - Addressing the current process for standards modification and availability of public tools
    - Operating rules build upon standards
  - Evolving coordination with the Standards Development Organizations (SDOs)
    - Business needs guide the use of non-HIPAA standards, and can initiate their national use