2008 HIGHLIGHTS: STEADY GROWTH, MEASURABLE RESULTS, LASTING CONTRIBUTIONS

For nearly a decade CAQH® has consistently demonstrated that industry ingenuity can contribute meaningful solutions to improve the U.S. healthcare system. We started with highly regarded national education programs that communicated the appropriate use of antibiotics and the critical role that beta-blockers play in preventing future heart attacks. We developed and implemented a centralized approach to data collection that has now forever changed provider credentialing. We introduced an innovative e-prescribing initiative. Most recently, we launched a multi-stakeholder collaboration that is advancing system interoperability and driving consistent information exchange between health plans and providers. Through each, CAQH has created lasting impact.

Our work in 2008 further positioned CAQH as a nonprofit alliance that achieves what it sets out to accomplish. Both the Committee on Operating Rules for Information Exchange® (CORE) and the Universal Provider Datasource® (UPD) reached important milestones last year. CAQH solutions generated heightened interest and support from stakeholders throughout the industry. As a result, we were able to increase momentum toward realizing our vision of a healthcare system in which administrative processes are efficient and easily understood by patients, caregivers and providers.

CORE  CORE effectively moved beyond the proof-of-concept stage when it finalized the Phase II rules in September. In addition to offering connectivity and other data-exchange infrastructure standards, the Phase II rules address information critical to the healthcare revenue cycle. These data elements include more robust patient eligibility and benefits information, and year-to-date patient financial liability. Over 25 organizations committed to complete Phase II certification by the end of 2009 or Q1 2010. Another 20 organizations committed to endorsing the rules. The American Medical Association and the American Academy of Family Physicians endorsed the Phase II rules by year end.

Initiative momentum also spurred significant state and national interest in CORE last year, a testament to the real need for uniform electronic communication protocols. In 2008, state-sponsored, multi-stakeholder committees in Ohio and Texas recommended their respective legislatures consider adopting the CORE Phase I rules for exchanging electronic eligibility information between providers and payers. By the end of the year, CORE rules were being considered for use in national interoperability standards. The entire set of CORE Phase I rules, as well as three Phase II rules specific to eligibility, for example, were incorporated into the Healthcare Information Technology Standards Panel (HITSP) Patient Generic Health Plan Eligibility Verification Transaction. In addition, the joint WEDI/X12 Real-time Adjudication Communications Workgroup acknowledged the CORE Phase II connectivity rule as a potential national standard.

CORE experienced growth in both Phase I rules certification and endorsement in 2008. Of particular note, RxHub, now Surescripts, was the first e-prescribing entity to complete CORE certification. This achievement represents a necessary step toward synchronizing interoperability efforts throughout the healthcare marketplace. CORE rules certification last year also enabled a select number of electronic medical record (EMR) vendors to ensure that consistent patient administrative data can be integrated with clinical information into electronic records. That integration creates a more complete, robust picture of the patient for physicians and other healthcare professionals at the point of care.

We believe that the CORE rules have only begun to demonstrate their potential as a component of a successful national HIT strategy. The current healthcare reform efforts view information technology solutions as essential to achieving a more efficient industry. Within that framework and with the introduction of the Phase III rules in 2009, we anticipate industry adoption of CORE to accelerate at an even faster pace.

UPD  An additional 90 health plans, hospitals and other healthcare organizations signed on to streamline provider data collection through the UPD service in 2008—a 26 percent increase over 2007. On the provider side, more than 688,000 physicians and allied health professionals were using UPD to securely maintain their data and cut costs—107,000 more than the previous year. CAQH estimates that the online service was saving more than $76.5 million annually and had eliminated nearly 2 million legacy paper applications to date by the end of 2008.
We broadened that base of participation through a first-in-the-nation agreement between CAQH and a state hospital association. The Vermont Association of Hospitals and Health Systems (VAHHS) agreement makes it easier for its member hospitals to participate in the service and, therefore, more efficiently obtain provider information. CAQH is promoting the arrangement as a model approach to other hospital associations.

Two additional states, Maryland and Ohio, simplified the provider data-collection process by moving from their state form to the CAQH Standard Provider Credentialing Application as their required form. Those moves extended a trend in state adoption, increasing the total number of states mandating or designating the form for use by managed care organizations to 11.

In 2008 CAQH witnessed a jump in SanctionsTrack participation. A significant number of health plans signed on to the service that centralizes access to continuously monitored provider sanctions information from more than 400 national and state primary sources. CAQH will drive further adoption of the service in 2009 through a focused outreach effort promoting SanctionsTrack as a comprehensive tool for easily identifying sanctioned providers.

CAQH ensured that UPD growth in the future will be effectively supported when we transitioned management of the initiative to Affiliated Computer Services, Inc. (ACS) last summer. The respected Fortune 500 technology company is now providing all business processes, information technology, and customer care activities related to UPD. CAQH will work with ACS to modernize and enhance the service in 2009. In addition, we will introduce system functionality that enables providers to opt-in to participate in volunteer emergency response efforts, receive liability insurance quotes and access other programs to streamline practice management.

CAQH also took steps in 2008 to evaluate the quality of data entered into the UPD. We convened the Data Quality Task Force group to specifically assess the integrity, timeliness and accuracy of the information obtained through the service. CAQH will use the anticipated results to generate broader understanding about how UPD can reduce administrative costs related to provider directories, claims administration, network management and more.

**LOOKING FORWARD** The national dialogue about a more efficient healthcare system has focused increased interest in simplifying healthcare administration. Leading industry organizations have issued thoughtful recommendations for reducing costs and improving productivity during the past several months. When examined closely, those recommendations point to approaches consistent with our mission and specific improvements that CAQH is already addressing—confirming that we have been on the right track for some time.

CORE and UPD are targeting real business issues. They are producing real results in the marketplace today—results that can be tracked across a wide range of stakeholders. They have helped provider practices operate more efficiently and spend more time treating patients. Most importantly, our initiatives have demonstrated that cross-industry, public-private collaboration can contribute positive, lasting change.

We will take every opportunity to extend their impact in 2009. CAQH will continue to work closely with federal and state agencies, provider organizations, standards-setting bodies, and other leading healthcare entities to more broadly implement meaningful solutions that leverage the success of our initiatives.

Your leadership has been critical to the success that CAQH has achieved in moving the industry toward a significant reduction in the cost and frustration associated with healthcare administration. Given the current national discussion on healthcare reform, your leadership has never been more important. We look forward to working together to further position the CAQH initiatives as important solutions for achieving reform goals.

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