CAQH CORE

Implementing the Phase III Operating Rules – U.S. Department of Veterans Affairs

Thursday,
November 5th, 2015
2:00-3:00pm ET

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Logistics – *How to Participate in Today's Session*

- Download a copy of today's presentation on the CAQH.org website
  - Navigate to the CORE Education Events page and access a pdf version of today's presentation under the list for today's event
- The phones will be muted upon entry and during the presentation portion of the session
- At any time throughout the session, you may communicate a question via the web
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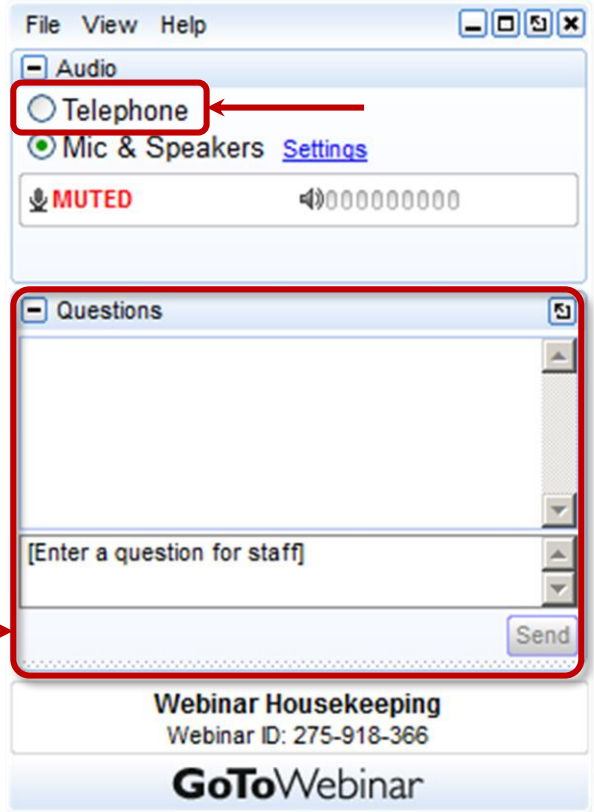

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Thank You Speakers!

CAQH CORE would like to thank our guest presenters for today's webinar.

Ruth-Ann Phelps, PhD
Director, eBusiness Solutions

Katie Knapp
Program Analyst, Industry Liaison

Susan Kersten
Project Manager, ePayments Project

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Session Outline

1. Welcome and Introduction
2. Update on Phase IV CAQH CORE Operating Rules
3. Phase III CAQH CORE Operating Rules – EFT & ERA
4. Outreach and Compliance for Operating Rules Implementation
5. Q & A

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Polling Question #1:
Use of EFT/ERA Transactions

Please indicate the extent to which your organization sends or receives health care payments through EFT (ACH Network only).

1. 1%-25% of the time
2. 26%-50% of the time
3. 51% - 75% of the time
4. Above 75% of the time
5. We neither send nor receive health care payments through EFT (ACH Network only)

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Update on Phase IV CAQH CORE Operating Rules

Erin Richter Weber
Senior Manager

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Scope of Phase IV CAQH CORE Rule Requirements

Reminder: Health Claims Attachments transaction not included; there is no formal HIPAA Health Claims Attachments standard(s).

Infrastructure Requirement	Prior Authorization	Claims	Enrollment/ Disenrollment	Premium Payment
Processing Mode	*Batch OR Real Time Required*	*Batch Required; Real Time Optional*	*Batch Required; Real Time Optional*	*Batch Required; Real Time Optional*
Batch Processing Mode Response Time	*If Batch Offered*	**X**	**X**	**X**
Batch Acknowledgements	*If Batch Offered*	**X**	**X**	**X**
Real Time Processing Mode Response Time	*If Real Time Offered*	*If Real Time Offered*	*If Real Time Offered*	*If Real Time Offered*
Real Time Acknowledgements	*If Real Time Offered*	*If Real Time Offered*	*If Real Time Offered*	*If Real Time Offered*
Safe Harbor Connectivity and Security	**X**	**X**	**X**	**X**
System Availability	**X**	**X**	**X**	**X**
Companion Guide Template	**X**	**X**	**X**	**X**
Other	N/A	Include guidance for COB in companion guide	Timeframe requirements to process data after successful receipt and verification of transaction	Timeframe requirements to process data after successful receipt and verification of transaction

X = Required

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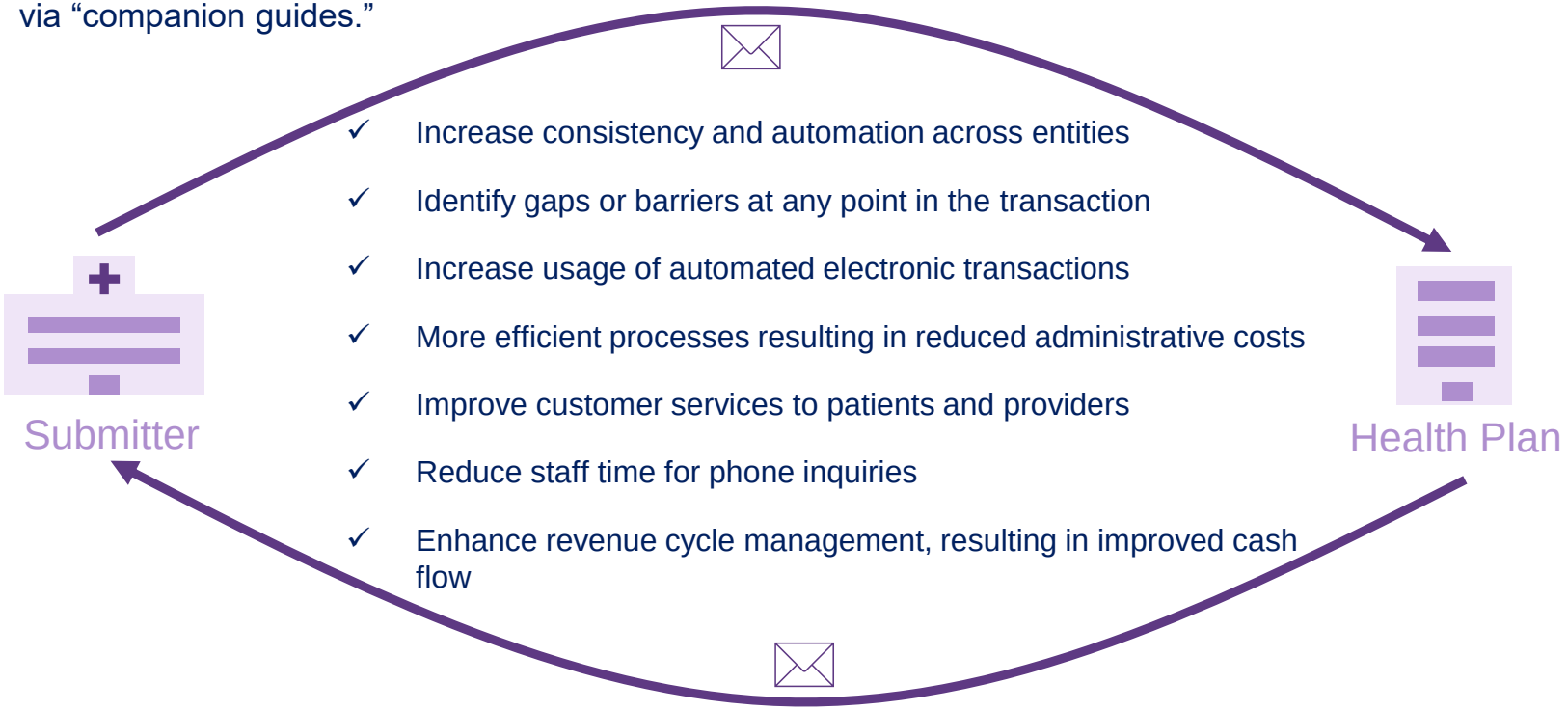
Impact of Phase IV CAQH CORE Operating Rules

Rules address four HIPAA transactions including Claims, Prior Authorization, Enrollment, and Premium Payment

- Offering at least one common method of **connectivity** (i.e., a “safe harbor”) among entities transmitting data electronically.
- A minimal amount of time for **system availability** to receive and send data.
- An **acknowledgement** to ensure the transaction has been received, has not been lost between entities, and will be addressed.
- Required **response times** for acknowledgement and processing for both real-time and large record “batch” submissions.
- A common format that entities must use when providing information about their proprietary data exchange systems via “companion guides.”



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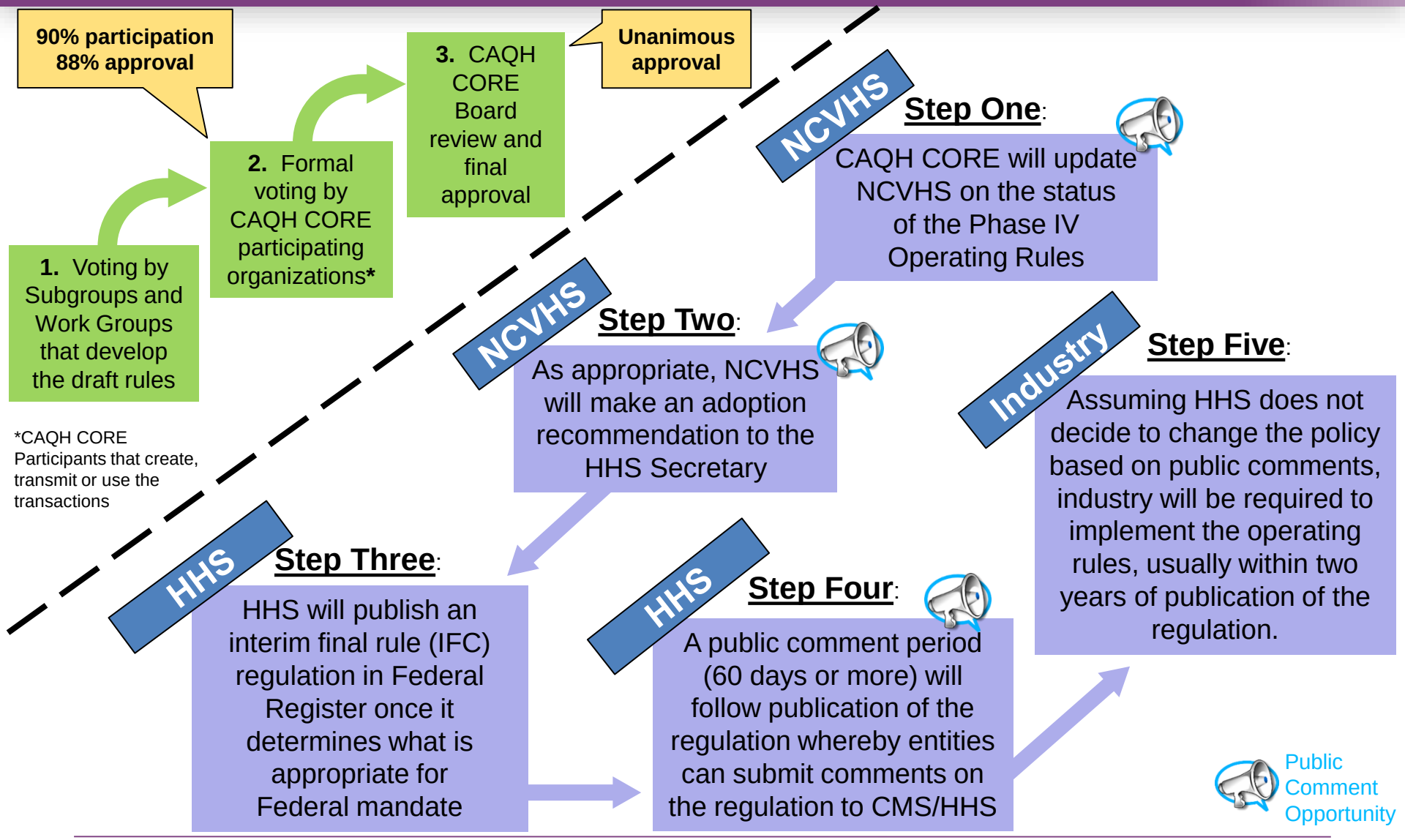
Phase IV CAQH CORE Voting Process and Next Steps



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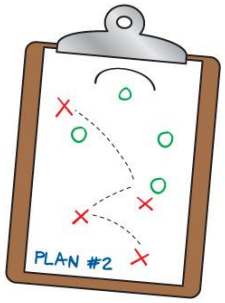
Future Activities: Phase IV Implementation Support

As with previous Phases, over the next few months CAQH CORE will roll out a set of Phase IV CAQH CORE Operating Rules education resources and implementation tools to support industry implementation of the new operating rules



Analysis and Planning Guide

Dedicated Phase IV Webpage

FAQ's

Informational Webinars with downloadable recording and presentations

"**Cheat Sheets**" and other unique Phase IV Tools

Staff Experts are always available to answer your questions

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Polling Question #2:
Phase IV CAQH CORE Operating Rules

Please indicate whether your organization intends to voluntarily implement the Phase IV CAQH CORE Operating Rules:

1. Yes, we plan on implementing all of them
2. Yes, we plan on implementing some of them
3. Need to learn more
4. Not at this time

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Phase III CAQH CORE Operating Rules

EFT & ERA

Erin Richter Weber
Senior Manager

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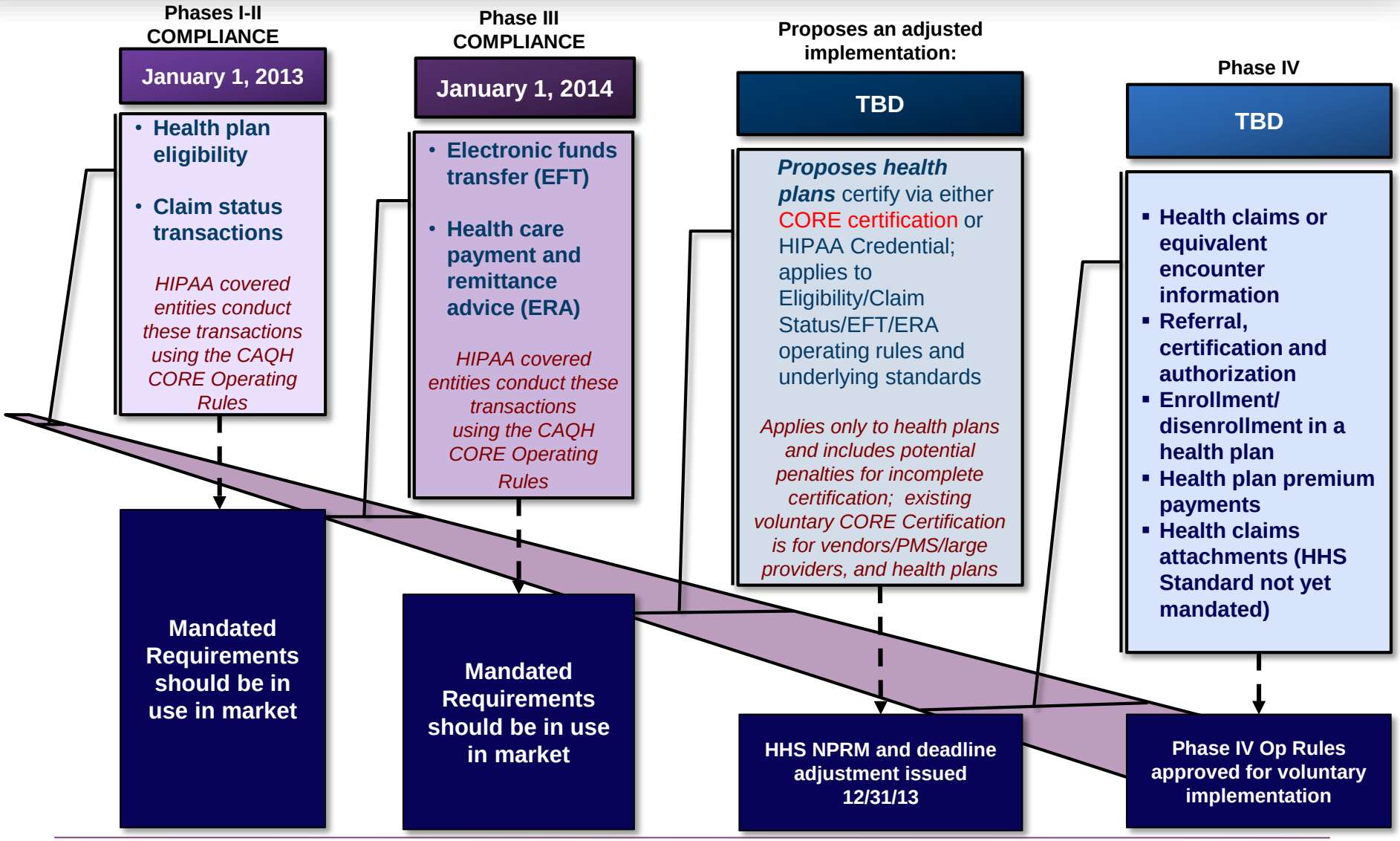
ACA Mandated Operating Rules and Certification Compliance Dates



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ACA Mandated Phase III Operating Rules on Healthcare EFT Standard and EFT/ERA

Healthcare EFT Standard: April 2013 CMS announces CMS-0028-IFC should be considered the Final Rule, with Compliance Date of January 1, 2014

- ✓ Adopts the NACHA ACH CCD plus Addenda Record (CCD+) and the X12 v5010 835 TR3 TRN Segment as the HIPAA mandated Healthcare EFT Standard

Who Must Comply with Standards and Operating Rules? All HIPAA covered entities

- **Healthcare Providers** Covered ONLY if they transmit protected health information electronically (directly or through a business associate) in connection with a transaction covered by the HIPAA Transaction Rule
- **Health Plans** (including TPA, Long-term Care, Medicare, Medicaid, etc.)
- **Healthcare Clearinghouses**

* CMS-0028-IFC excludes requirements pertaining to acknowledgements.

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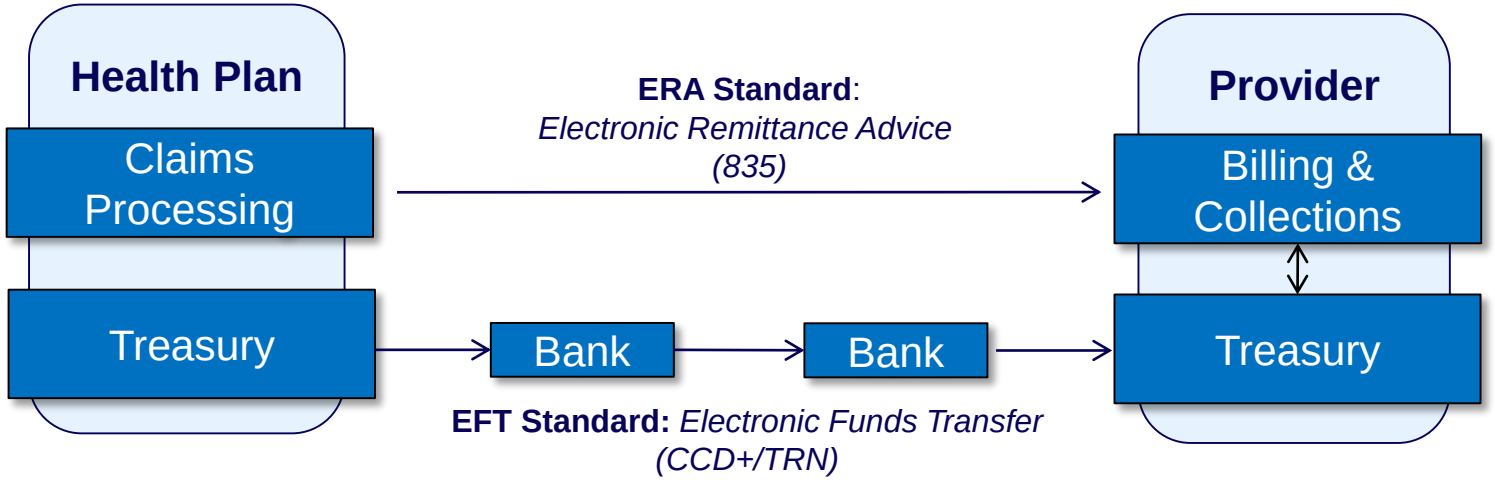
EFT and ERA Transaction Flow

Convergence of Financial Services and Healthcare

- Both transactions are sent using recognized electronic HIPAA standards
- Aim is to increase adoption of both standards in healthcare

Reimbursement Process Moves from Paper to Electronic

- ERA is an electronic transaction that enables providers to receive claims payment information from health plans electronically; ERA files replace the paper Explanation of Payment (EOP)
- EFT enables providers to receive payments from health plans electronically



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Mandated EFT & ERA Operating Rules *Requirements*

	Rule	High-Level Requirements
Data Content	***CAQH CORE 360: Uniform Use of CARCs and RARCs (835) Rule*** Claim Adjustment Reason Code (CARC) Remittance Advice Remark Code (RARC) Claim Adjustment Group Codes (CAGC)	• Identifies a *minimum* set of four CAQH CORE-defined Business Scenarios with a *maximum* set of CAQH CORE-required code combinations that can be applied to convey details of the claim denial or payment to the provider
Infrastructure	***CAQH CORE 380: EFT Enrollment Data Rule***	• Identifies a maximum set of standard data elements for EFT enrollment • Outlines a flow and format for paper and electronic collection of the data elements • Requires a health plan to offer electronic EFT enrollment
	CAQH CORE 382: ERA Enrollment Data Rule	• Similar to EFT Enrollment Data Rule
	CAQH CORE 370: EFT & ERA Reassociation (CCD+/835) Rule	• Addresses provider receipt of the CAQH CORE-required Minimum ACH CCD+ Data Elements required for re-association • Addresses 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
	CAQH CORE 350: Health Care Claim Payment/Advice (835) Infrastructure Rule	• Specifies use of the CAQH CORE Master Companion Guide Template for the flow and format of such guides • Requires entities to support the Phase II CAQH CORE Connectivity Rule. • Includes batch Acknowledgement requirements* • Defines a dual-delivery (paper/electronic) to facilitate provider transition to electronic remits

- CMS-0028-IFC excludes requirements pertaining to acknowledgements. The complete Rule Set is available HERE.

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How Operating Rules Benefit Providers:
EFT & ERA Operating Rules

Key Benefits

- **Standardized electronic enrollment for EFT/ERA**: Providers are able to enroll in both EFT and ERA electronically with all health plans using a consistent set of data elements
- **Potential reduction in manual claim rework**: With health plans more consistently using denial and adjustments codes per the CORE-defined Business Scenarios, providers have less rework
- **Reduction in A/R days:** Automated and timely re-association of EFT and ERA leading to efficiencies and reduced errors for payment posting

Savings Estimate

- Between $300 million and $3.3 billion over 10 years* for providers, including hospitals and health systems, and health plans

* Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transactions

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How to Maximize Benefits of Operating Rules: *Provider Actions*

1. Determine if you are conducting the applicable electronic transactions
   - If you conduct the X12 v5010 835 and ACH CCD+, these transactions must comply with the Operating Rules
   - Assess organizational readiness/compliance and Identify all systems and vendors that touch X12 v5010 835 and the Healthcare EFT Standard transactions
     - Use CAQH CORE Analysis and Planning Guide
2. Understand health plan agreements and options for payment and remittance information
   - Request healthcare EFT payments from your payers, both public and private, using the *Sample Provider EFT Request Letter*
3. Contact financial institution to request delivery of the EFT and payment-related information including the reassociation trace numbers
   - To help facilitate this request, CAQH CORE developed the *Sample Provider EFT Reassociation Data Request Letter*
4. If applicable, ensure vendor has updated its systems to align with the CAQH CORE Operating Rules
   - Encourage your vendor (and Health Plan) to become CAQH CORE Certified

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eBusiness Solutions
Veterans Health Administration

Outreach and Compliance for Operating Rules Implementation

Ruth-Ann Phelps, PhD – Director, eBusiness Solutions
Katie Knapp – Program Analyst, Industry Liaison
Susan Kersten – Project Manager, ePayments Project

VA | U.S. Department of Veterans Affairs
Veterans Health Administration
Revenue Operations

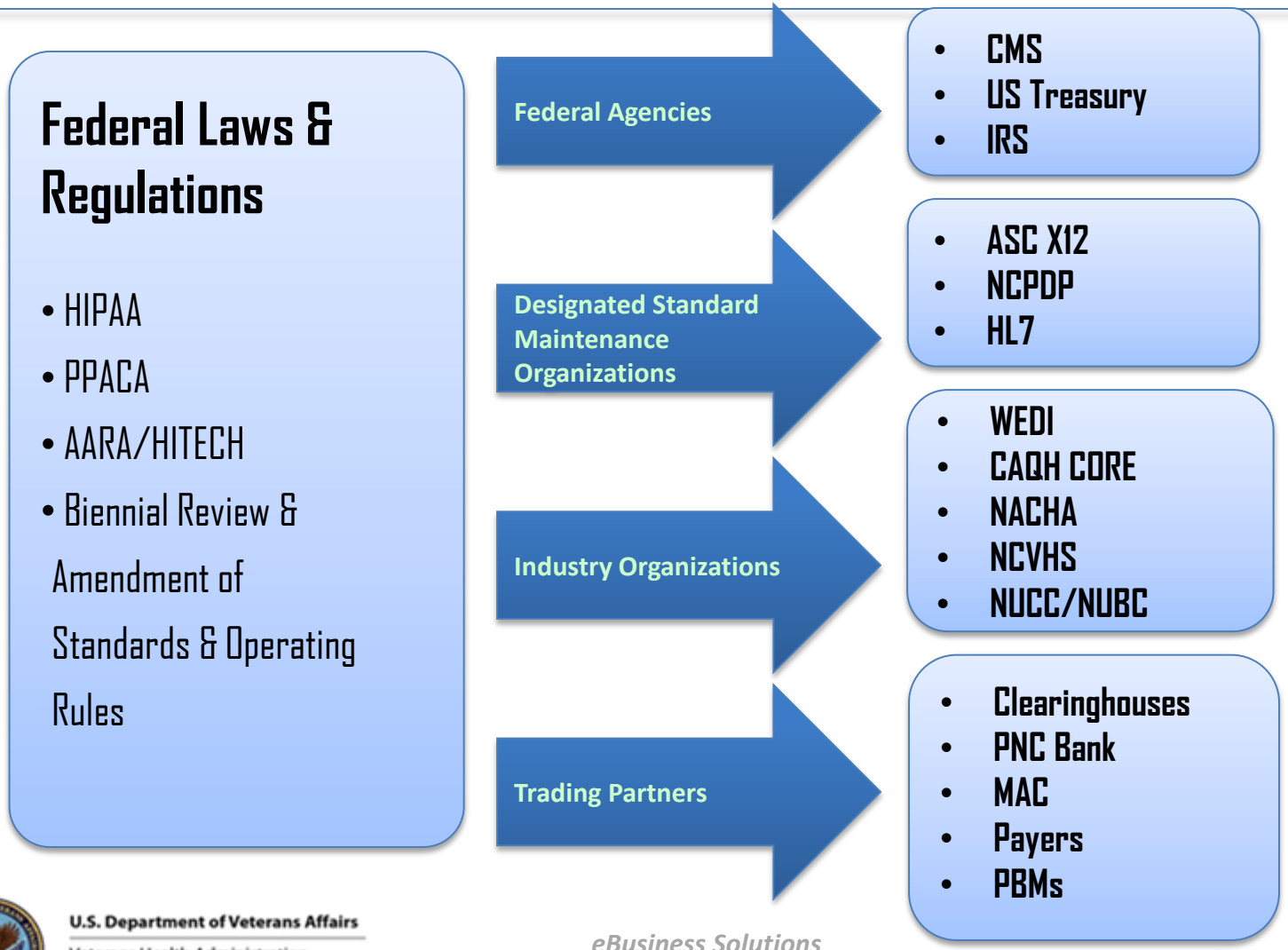
Topic Overview

- Context and role of VHA in industry
- Approach and adoption of ERA and EFT transactions
- Industry outreach and compliance initiatives
  - » Overview of methodology and approach to proactive outreach
  - » Outline of escalation procedures and steps to compliance
- Scenarios and success stories
- Current status of industry and outstanding issues
- Questions and answers

VHA eBusiness Solutions

eBusiness Solutions supports and streamlines VA revenue processes by providing technical expertise and is the business owner responsible for assuring VHA EDI infrastructure and VistA, the system of record, meet all industry compliance requirements and deadlines.

Regulations Dictate Industry Practice



Early Adoption of ERA & EFT

- VA's ePayments system implemented in 2003 to replace paper checks and remittances

- National Automated Clearinghouse Association's Kevin O'Brien ACH Quality Award - 2004

EFT Strategy from the Start

- EFTs not initially mandated under HIPAA
- No specific standard established – Payers offered both CTX and CCD+
- VA made critical decision to **only accept** CCD+ EFTs
  - » Format allows ability to re-associate the EFT and ERA
  - » Initially limited Payers to which VA could connect
  - » CCD+ and TRN Segment specifically named as EFT Standard in PPACA

Industry Outreach & Compliance

- VA proactively measures Payer preparedness when there is significant shift in industry
- When Payer is not already electronically connected with VA – enrollment
- When a specific transaction issue is identified requiring resolution

Industry Outreach Approach

- Proactive Outreach
  - » Assess industry readiness
  - » Raise awareness with Payers regarding impending electronic data interchange (EDI) changes in regulations
- Escalation
  - » Written communications
  - » Select instances issues escalated to CMS
- Expand & Stabilize Electronic Connections
  - » Define Payer-specific approach
  - » Provide education
  - » Test with Clearinghouses and Payers to validate transactions
- Resolution & Compliance

Proactive Outreach

1. Identify and establish contact
2. Survey Payers to determine readiness and awareness of impending EDI changes
3. Compile results
4. Determine action items

Benefits of Proactive Outreach

- Identifying points of contact (POC) early opens the lines of communication
- Early engagement benefits both parties
- Not all Payers are aware, engaged and prepared for transaction standard changes

Escalation

1. First formal written communication
   - » Post-compliance letter to CEO
   - » Payer-specific content related to issue
   - » Explanation of what deadline was missed
2. Second formal written communication
   - » Payer-specific content related to issue
   - » Explanation of what deadline was missed
   - » Action required to avoid CMS involvement
3. Formal non-compliance complaint to CMS

CMS Complaint

- CMS online portal – https://htct.hhs.gov/aset
- Information used in previous letters and communications are entered
- NOTE: submissions can be anonymous

- CMS involvement
  - » Intermediary role
  - » Provides interpretation of the law

Benefits of Escalation

- Brings attention to management of a missed deadline
- Opens communication and assists Payer to achieve compliance
- Industry transaction knowledge assists Payer and other Providers
- CMS is facilitator with authority
- CMS helps interpret the law

Expand and Stabilize Transactions

1. Determine need to work with Payer and desired outcome
2. Engage Payer in process and provide education
3. Test with Clearinghouses and Payers to validate transactions

Benefits Expanding & Stabilizing

- Establish good faith with Payers
- Work is mutually beneficial
- Expand VHA electronic footprint
- Other Providers benefit from Payers' successful migration to electronic transactions
- Moves industry toward consistency and standardization – closer to objective of administrative simplification

Industry Outreach and Compliance

2013 - present

551 Payer Readiness Surveys

61 Non-compliance Letters

18 CMS Complaints

EFT Outreach and Compliance

2013 - present

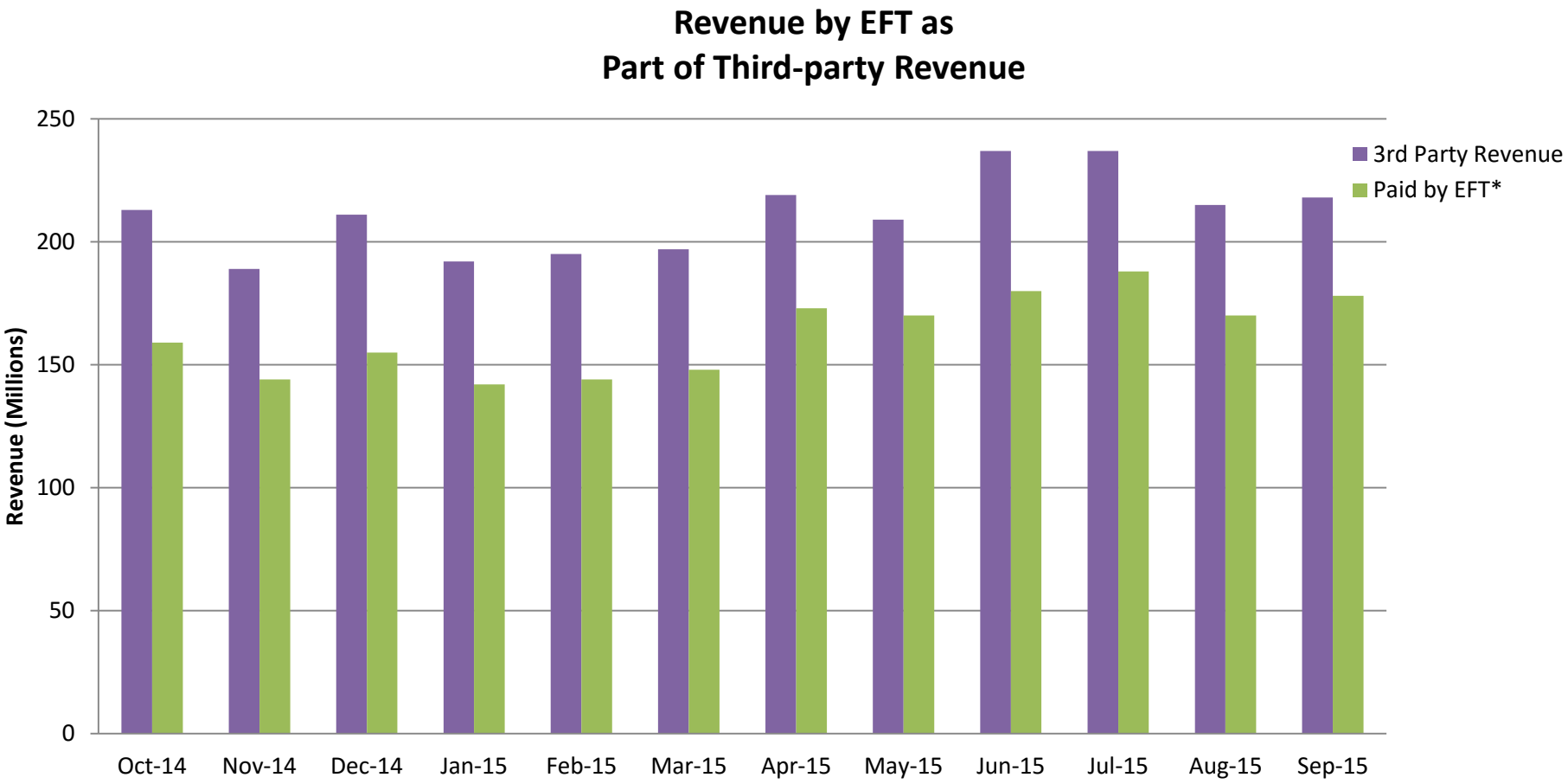
355 Payer Readiness Surveys

4 Non-compliance Letters

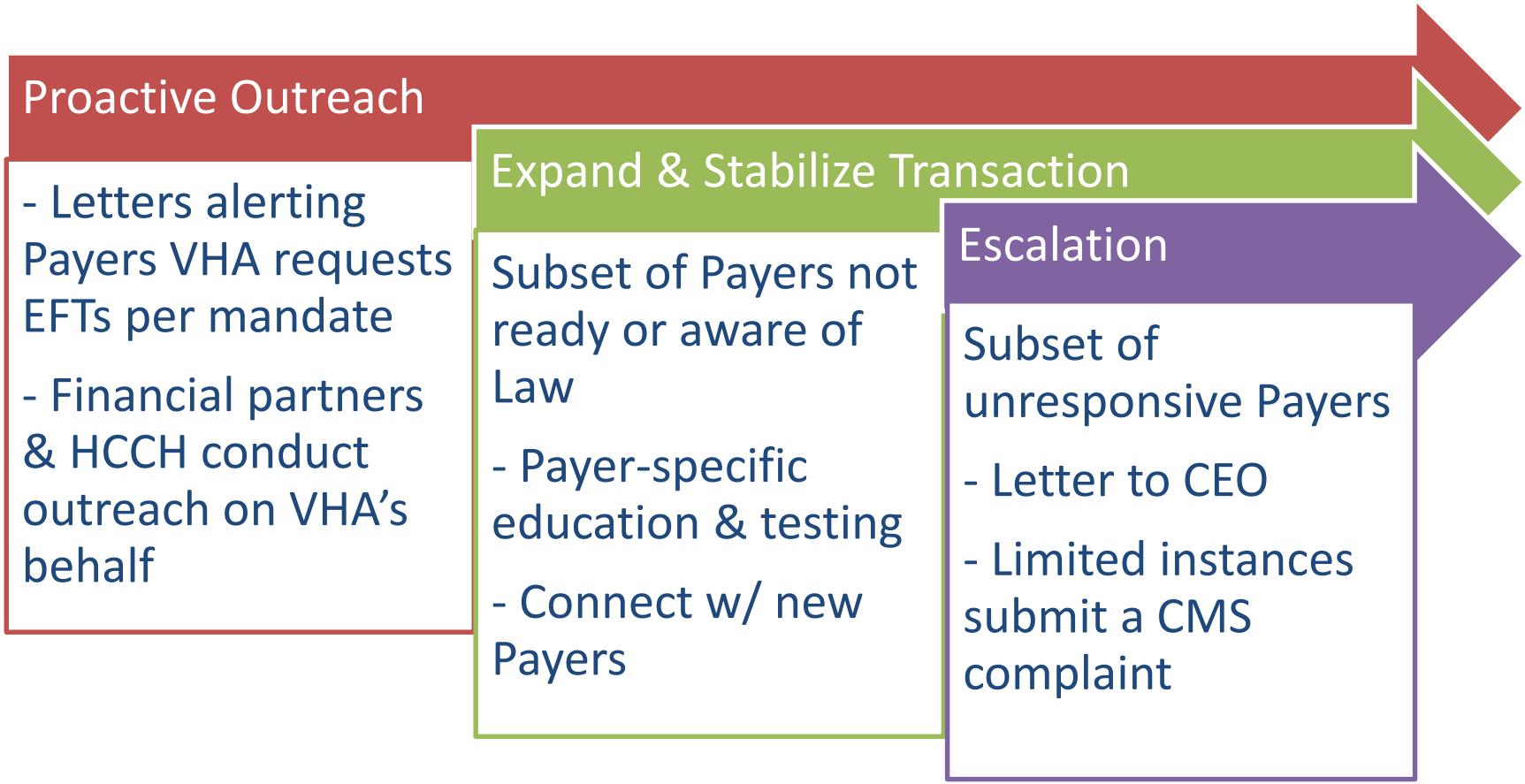
2 CMS Complaints

EFT Volume

VHA September 2015 81.5%
National Treasury Goal 70% by 2017



Healthcare EFT Standard & Operating Rules



Convoluted ERA/EFT Enrollment Practices

Escalation

Experienced when enrolling new VA Providers, Payers have DIS-enrolled others

Some Payers using proprietary and internal codes or PINs rather than Federally Mandated NPIs

If outreach doesn't yield positive action – VA files a CMS complaint

EFT & Credit Card Fees

Escalation

Payers offered option to charge EFT fees and/or pay Providers via credit card as way to meet EFT mandate

2-5% EFT and credit card processing fees are passed to Provider and give Payer “kick backs” and “points”

VHA is refusing to accept credit card payments or pay EFT transaction fees

Current Status and Outstanding Issues

- Payers shouldn't require electronic claim as condition for ERA or EFT
- Sending ERAs & EFTs for subset of plans is not meeting compliance
- Regulations should prohibit Payer fees for credit card and EFT payments
- Simplify and streamline standard enrollment processes

Summary

- Stay informed
- Know the rules – seek clarification
- Ask for help – take action

- Stay organized and track progress
- Use available resources
- Be open to work through challenges

- Make contact
- Survey for preparedness
- Proactively document requests for EFTs

Thank You

- Ruth-Ann Phelps, PhD

  Director eBusiness Solutions
- Katie Knapp, Program Analyst
  Industry Liaison
- Susan Kersten, Project Manager
  ePayments Project

Contact katherine.knapp@va.gov

Polling Question #3:
Implementation of Phase III CAQH CORE Operating Rules

Has implementation of the Phase III CAQH CORE Operating Rules saved your organization time/money?

1. Yes, a substantial amount
2. Yes, somewhat
3. No
4. Do not know
5. We have not implemented the Phase III Operating Rules/Not applicable

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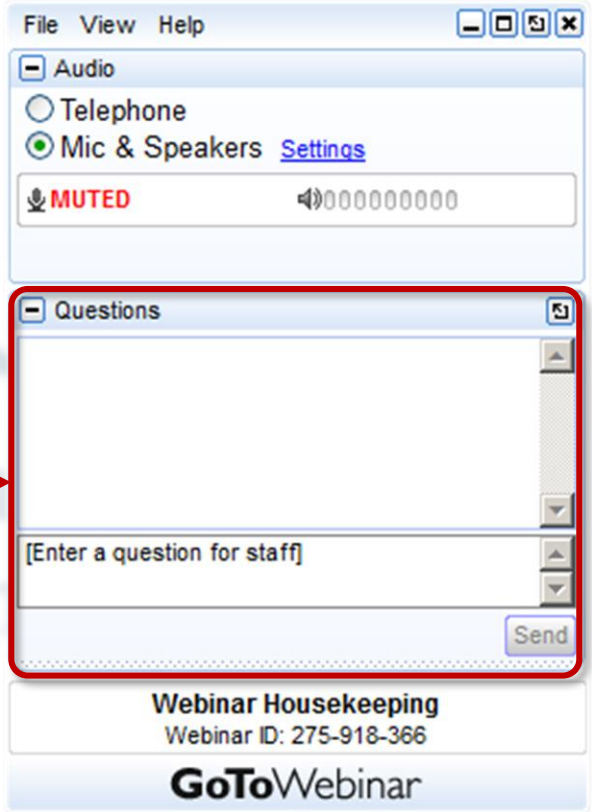
Audience Q & A

Please submit your questions

Enter your question into the “Questions” pane in the lower right hand corner of your screen.



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Key Takeaways

- EFT and ERA Operating Rules represent the convergence of financial services and healthcare -- both transactions are sent using recognized electronic HIPAA standards, and the aim is to increase adoption of both standards in healthcare. Together the transactions foster the goals of administrative simplification by moving the process of reimbursement from paper to electronic.

- Key benefits for providers include being able to enroll in both EFT and ERA electronically with all health plans using a consistent set of data elements; less rework for providers due to health plans more consistently using denial and adjustments codes per the CORE-defined Business Scenarios, and automated and timely re-association of EFT and ERA leading to efficiencies and reduced errors for payment posting.

- Key components of proactive outreach include Identifying points of contact (POC) early to open lines of communication; early engagement will benefit both parties, and ensuring all Payers are aware, engaged and prepared for transaction standard changes.

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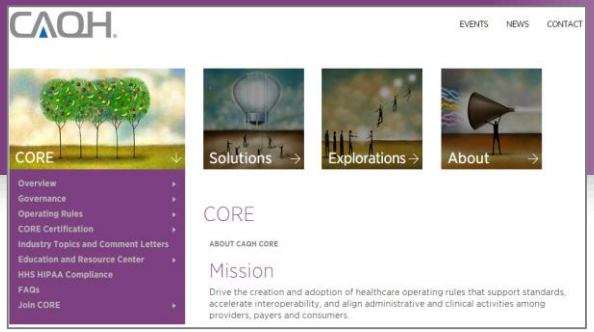
Engage with CAQH CORE!



CAQH CORE Website

or contact us at CORE@CAQH.org

Participate in the CAQH CORE Code Combinations Task Group (CCTG) or the Enrollment Data Task Group

Become a CAQH CORE Participating Organization

Explore Voluntary CORE Certification

Register for our educational webinars

Dedicated webpages:

- ✓ Code Combination Maintenance
- ✓ EFT/ERA Enrollment Maintenance
- ✓ Voluntary CORE Certification
- ✓ CAQH CORE Phase IV Operating Rules

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CAQH CORE

Thank you for joining us!

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