Operating Rule Implementation Topics:
Working with Trading Partners

Experiences from a Voluntarily CORE-certified Clearinghouse and Healthcare Provider

Tuesday, December 4, 2012
2:00 pm to 3:00 pm ET

InstaMed

Chris Seib
*Chief Technology Officer
and Co-Founder*

Performance Pediatrics

Leann DiDomenico
Administrative Director

CAQH CORE

Robert Bowman
CORE Manager

Participating in Today's Interactive Event

- Download a copy of today's presentation
- The phones will be muted throughout the entire session
- You will, however, be able to directly submit questions at any time using the GoToWebinar tool
  - To submit a question, type it into the Q&A pane on the right hand side of your desktop
- Panelists will respond to as many audience questions as possible during the last 20 minutes of the program

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Session Topics

- Introduction and Overview

- Administrative Simplification: Affordable Care Act (ACA) Section 1104

- Implementing Mandated Eligibility and Claim Status Operating Rules

- The Benefits of Provider Adoption: A Real-life Story

- Perspectives from a *Voluntarily* CORE-certified Clearinghouse

- Question and Answer

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Committee on Operating Rules for Information Exchange

- A multi-stakeholder collaboration established in 2005

- <u>Mission</u>: To build consensus among healthcare industry stakeholders on a set of operating rules that facilitate administrative interoperability between providers and health plans

  - Enable providers to submit transactions from the system of their choice (vendor agnostic) and quickly receive a standardized response
  - Facilitate administrative and clinical data integration

- Recognized healthcare operating rule author by NCVHS and HHS

CAQH CORE carries out its mission based on an integrated model

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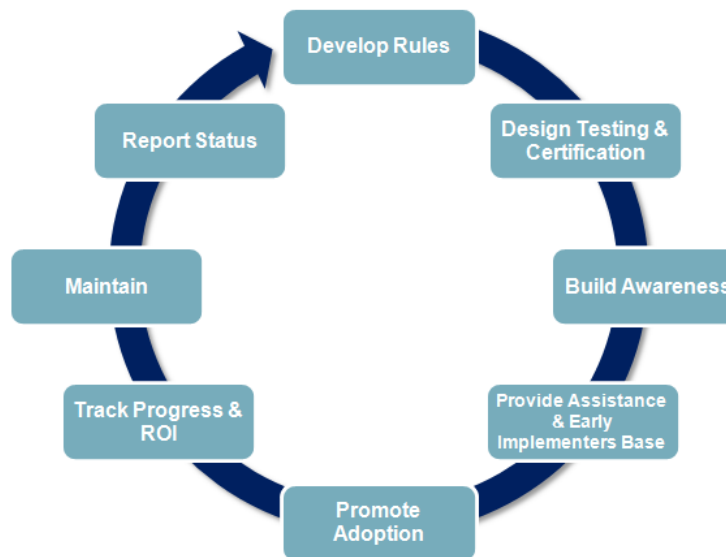
ACA Section 1104:

Mandated Eligibility and Claim Status Operating Rules

Timeline and Compliance

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ACA Mandated Operating Rules Compliance Dates:
Required for all HIPAA Covered Entities

Operating rules encourage an interoperable network and, thereby, are vendor agnostic

Implement by January 1, 2013

- Eligibility for health plan
- Claims status transactions

Implement by January 1, 2014

- Electronic funds transfer (EFT) transactions
- Health care payment and remittance advice (ERA) transactions

Implement by January 1, 2016

- Health claims or equivalent encounter information
- Enrollment and disenrollment in a health plan
- Health plan premium payments
- Referral certification and authorization
- Health claims attachments

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ACA Federal Compliance Requirements:
Highlights & Key Dates

Three dates are critical for industry implementation of the first set of ACA mandated Operating Rules

*There are **two types of penalties** related to compliance[1]*

Key Area	HIPAA Mandated Implementation	ACA-required Health Plan Certification	
Dates	**First Date** January 1, 2013 *Compliance Date*	**Second Date** December 31, 2013 *Health Plan Certification Date*	**Third Date** No Later than April 1, 2014 *Health Plan Penalty Date*
Description	**Who:** All HIPAA covered entities **Action**: Implement CAQH CORE Eligibility & Claim Status Operating Rules	**Who:** Health plans **Action:** File statement with HHS certifying that data and information systems are in compliance with the standards and operating rules[2]	**Who:** Health plans **Action:** HHS will assess penalties against health plans that have failed to meet the ACA compliance requirements for certification and documentation[2]
Applicable Penalties	**Amount:** Due to HITECH, penalties for HIPAA non-compliance have increased, now up to $1.5 million per entity per year	**Amount:** Fee amount equals $1 per covered life[3] until certification is complete; penalties for failure to comply cannot exceed on an annual basis an amount equal to $20 per covered life or $40 per covered life for deliberate misrepresentation	

[1] CMS OESS is the authority on the HIPAA and ACA Administrative Simplification provisions and requirements for compliance and enforcement. The CMS website provides information on the ACA compliance, certification, and penalties and enforcement process.
[2] According to CMS, regulation detailing the health plan certification process is under development, and they will release details surrounding this process later this year; CAQH CORE will continue to offer its *voluntary* CORE Certification program and will share lessons learned with CMS as the Federal process is developed.
[3] Covered life for which the plan's data systems are not in compliance; shall be imposed for each day the plan is not in compliance

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Mandated Eligibility & Claim Status Operating Rules:
Scope – 28 Days to Completion

		Mandated Eligibility & Claim Status Operating Rules *Compliance date January 1, 2013*	**Voluntary** Eligibility & Claim Status Operating Rule
Type of Rule	**Addresses**	**CAQH CORE Eligibility & Claim Status Operating Rules**	
Data Content: *Eligibility*	Need to drive further industry value in transaction processing	More Robust Eligibility Verification Plus Financials Enhanced Error Reporting and Patient Identification	"We are addressing the important role acknowledgements play in EDI by strongly encouraging the industry to implement the acknowledgement requirements in the CAQH CORE rules we are adopting herein." *HHS Interim Final Rule*
Infrastructure: *Eligibility and Claim Status*	Industry needs for common/ accessible documentation	Companion Guides System Availability	
	Industry-wide goals for architecture/ performance/ connectivity	Response Times Connectivity and Security	Acknowledgements*

*Please Note: In the Final Rule for *Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transaction,* CORE 150 and CORE 151 are not included for adoption. HHS is not requiring compliance with any operating rules related to acknowledgement, the Interim Final Rule.

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Mandated EFT & ERA Operating Rules:
January 2014 Compliance Deadline

- The second set of operating rules is issued via Federal regulation
  - August 2012: CMS published an Interim Final Rule with Comment, CMS-0028-IFC, which adopts Phase III CAQH CORE Operating Rules for the EFT and Health Care Payment and Remittance Advice (ERA) transactions *except for rule requirements pertaining to Acknowledgements*
  - The interim final rule comment period closed on October 9, 2012
    - CAQH CORE developed a model comment letter for organizations to use as appropriate

- Next Steps
  - For CAQH CORE:
    - Develop CAQH CORE resources to support industry implementation of the *CAQH CORE EFT & ERA Operating Rules* (in progress), including:
      - FAQs based on lessons learned in CORE rule writing and questions received through CAQH CORE Request Process
      - *Analysis & Planning Guide for Adopting the CAQH CORE EFT & ERA Operating Rules*
      - With CAQH CORE-authorized testing entity Edifecs , create site beta and alpha Voluntary CORE Certification Test Site for January 2013 (volunteer alpha testers needed)
      - If you have suggestions for additional implementation tools, please email core@caqh.org
    - Launch formal Maintenance Process for the CORE-required Code Combinations for CORE-defined Business Scenarios for CAQH CORE Rule 360
  - For HHS/CMS: Review comments on the IFC and provide notification of Final Rule
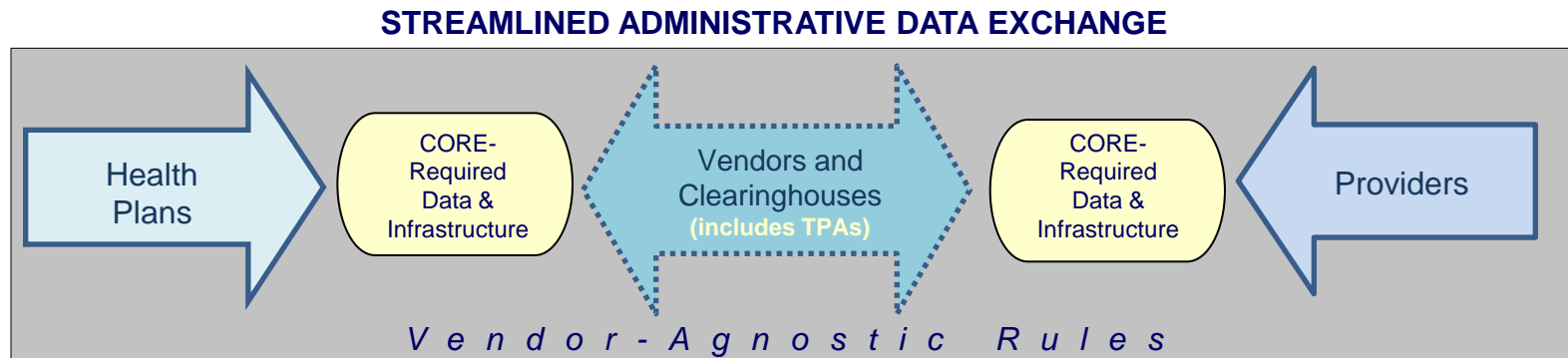   - CMS OESS indicated that no changes to IFC are expected

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Third Set of Mandated Operating Rules:
January 2016 Compliance Deadline

- Remaining operating rule mandate, effective **January 2016**, will address the following transactions:

  - Health claims or equivalent encounter information

  - Enrollment and disenrollment in a health plan

  - Health plan premium payments

  - Referral, certification and authorization

  - Claims attachment

- September 2012: Secretary of HHS designated CAQH CORE as author for all remaining ACA mandated operating rules

  - CAQH CORE will use its open process to develop a set of draft rules for consideration to fulfill the third set of Federally mandated operating rules; research and planning underway for rule development and activities like public surveys

  - All CORE Guiding principles will be followed, e.g. build on existing standards, align with other Federal health IT initiatives, address content and infrastructure

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Implementing Mandated Eligibility and Claim Status Operating Rules

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Implementing Mandated Operating Rules:
The Importance of Trading Partner Collaboration

STREAMLINED ADMINISTRATIVE DATA EXCHANGE

- Providers, health plans and clearinghouses work together in a variety of ways to exchange transaction data

- The scope of an entity's mandated operating rules implementation project will depend upon the electronic data flows between trading partners; understand your agreements

- Vendors play a crucial role in enabling provider clients to realize the benefits of industry adoption of CAQH CORE Operating Rules; engage them

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Implementing Mandated Operating Rules:
The Vendor's Role in Provider Adoption

All **HIPAA covered** entities must implement
Federally mandated operating rules

- *Voluntarily* CORE-certified vendors can accelerate provider adoption of mandated operating rules, drive ROI and end-to-end interoperability across a trading partner network
  - Improves data flow consistently in varied settings that use various vendors
  - Providers realize documented benefits* of implementing CAQH CORE Operating Rules
    - Reduction in claims denials of 10-12%
    - Increased electronic verifications by 24%
    - Improve vendor connectivity turnaround times
- *Is your Practice Management System (PMS) in conformance?* Providers <u>must</u> engage vendors to ensure their systems can provide the benefits that operating rules offer!

* IBM assessed results achieved by Phase I CAQH CORE Operating Rules early adopters (represents 33 million covered lives and 1.2 million providers)

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The Benefits of Provider Adoption:
A Real-life Story

Leann DiDomenico
Administrative Director
Performance Pediatrics

Performance Pediatrics:
Practice Overview

Performance Pediatrics

– Primary care pediatric "micro practice" in Plymouth, MA

– Part of an Independent Physician Association (IPA)

Electronic Clearinghouse Transactions

- Eligibility: submits 157 per month *(about 2/3 or all appointments)*

- ERA: 70% of remittances*

- EFT: 65% of payments*

Practice Management System and Clearinghouse

- InstaMed integrated clearinghouse transactions with *Performance Pediatrics' PMS*

*CAQH CORE Operating Rule conformance testing has not yet been conducted for clearinghouse EFT and ERA transactions

Performance Pediatrics

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Performance Pediatrics' Experience:
Before Working with a Clearinghouse

- **Manual Administrative Processing**
  - Eligibility
    - Checked payer websites to manually verify eligibility for each patient
  - Claims
    - Created each claim manually then posted manually for electronic submission or had to drop to paper and mailed them
    - Long delays between submission and receiving responses
    - Identify denials faster and can fix and resubmit quickly
  - Remittances
    - Manual posting
    - Manual reconciliation with payment

- **Operational Results**
  - Administrative time equal to one FTE spent on claims and remittance processing
  - Delays in cash flow with slow processes
  - Higher risk of errors with manual processes

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Performance Pediatrics' Experience:
After Working with a Clearinghouse

- Electronic Exchange of Administrative Transactions with a CAQH CORE-certified Clearinghouse (InstaMed)

  – Submit and receive clearinghouse transactions with CAQH CORE-certified payers by leveraging InstaMed's integration with our practice management system

- Benefits Realized

  – Obtain detailed eligibility information in real-time
  – Receive payer payments weeks faster to bill and collect remaining patient payment responsibility (i.e., deductibles) sooner
  – Freed up front desk resources to focus on other areas
  – Continue to improve patient satisfaction by being able to quickly identify the patient responsibility in the response
  – Easy payer payment reconciliation with the EFT trace number included in the ERA

- Operational Results

  – Saving 40+ hours of administrative work per week
  – Receiving payer payments two to three times faster
  – Reduced days in A/R by 40 to 70%

Source: Performance Pediatrics Case Study with InstaMed

Perspective from a *Voluntarily* CORE-certified Clearinghouse

Chris Seib

Chief Technology Officer
and Co-Founder
InstaMed

About InstaMed

InstaMed's Healthcare Payments Network transforms the business of healthcare by connecting healthcare providers, payers and patients for highly secure and mission critical communications, administrative transactions and payments

- Powers healthcare payments for 200,000+ providers nationally, e.g. 400+ hospitals and 100+ billing services

- Integrated with 40+ PMS

- Processes $30 billion in healthcare payments annually at a rate of $1,000+ per second

Early Adopter of CAQH CORE Operating Rules

- The *InstaMed Platform and Network* was one of the first Phase I and Phase II CORE-certified clearinghouses

- Supporter of CAQH CORE Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA) Operating Rules

CAQH CORE Participating Organization

- Member of the CAQH CORE EFT and ERA Subgroup

- Participant in CAQH CORE measurement studies

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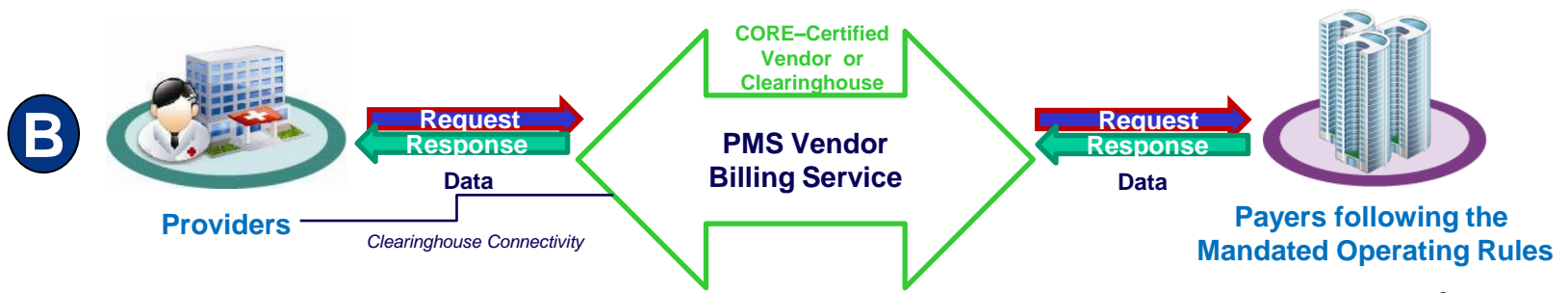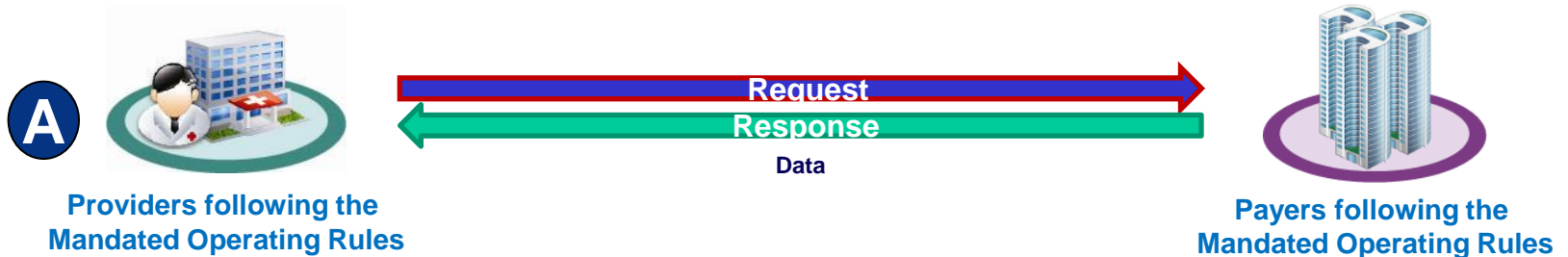for Information Exchange
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Value of a Multi-Stakeholder Network

- Leveraging a network delivers automated *interoperability*, allowing all stakeholders to connect easily while enabling efficient electronic data exchange and connectivity

- CAQH CORE Operating Rules enable interoperability; multi-stakeholder participation helps to drive the ROI

NETWORK

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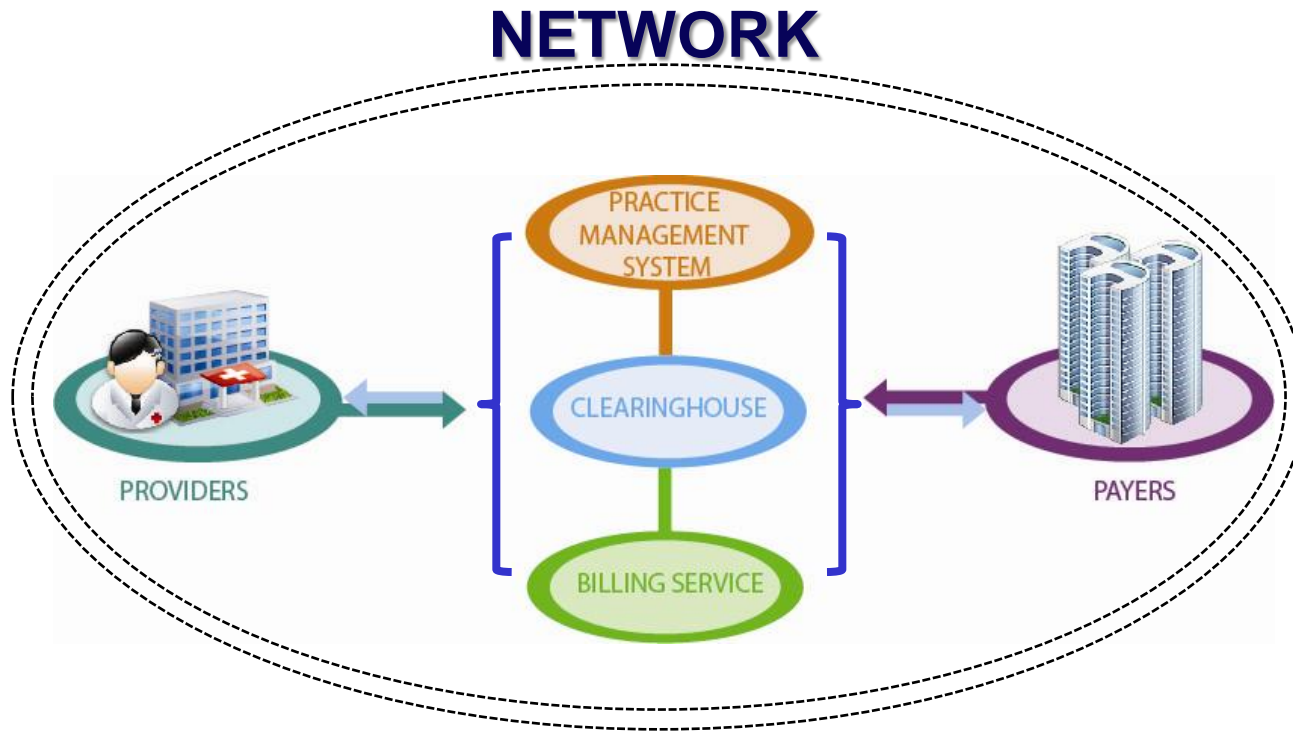
Trading Relationship Models for Providers

- Clearinghouses and PMS vendors play a crucial role in helping provider clients meet Federally mandated Operating Rules

  – Large providers work directly with their vendors to achieve end-to-end interoperability

  – Small providers rely on their vendors to meet administrative simplification goals

A

Request
Response
Data

Providers following the Mandated Operating Rules

Payers following the Mandated Operating Rules

B

Request
Response
Data

Providers

Clearinghouse Connectivity

CORE–Certified Vendor or Clearinghouse

PMS Vendor Billing Service

Request
Response
Data

Payers following the Mandated Operating Rules

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Trading Relationship Models for Payers

- Health plans work with clearinghouses in a variety of ways
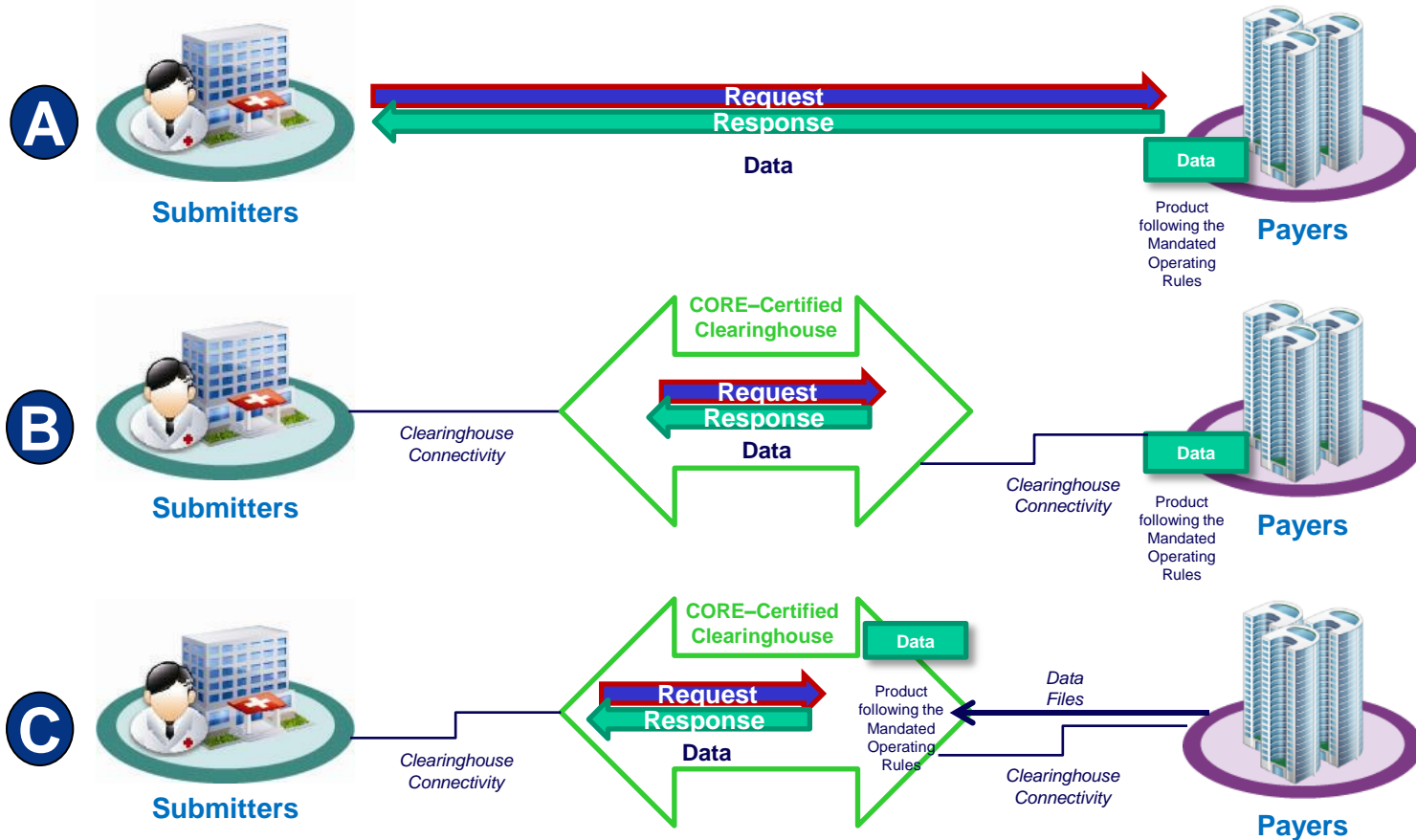
Working With InstaMed:
Practice Management Systems (PMS)

- Improve integration
  - Simplify and accelerate development projects
  - Accelerate integration with other systems that follow the CAQH CORE Operating Rules (previously it was difficult for a PMS to build connections)
- Generate more revenue
  - Supporting transactions that follow the CAQH CORE Operating Rules is a differentiator among vendors
- Enhance product offering and customer satisfaction
  - With expanded integration, allow customers to access more data in a standardized format
  - Simplify customer workflow seamlessly
- Results
  - Increase sales by 25% by offering more integration capabilities
  - Deploy application with additional transactions in a compressed timeframe
  - Submit cleaner claims and receive fewer rejections for customers, accelerating payments by 1-2 weeks
  - Save customers 40 hours per month by managing transactions electronically

* Source: InstaMed Network with 40+ PMS integrations

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Working With InstaMed:
Payers

- Reduce administrative costs to meet reform mandates
  - Reduce call center volume of eligibility, claim and claim status inquiries from providers
  - Save time on provider claim rejection responses by receiving cleaner claims
  - Access all data from any web-based computer
  - Generate standard claim and eligibility responses automatically with real-time access to data
  - Reduce print and mail costs by delivering ERA/EFT

- Increase provider network satisfaction
  - Send fewer rejected claim responses to providers
  - Allow providers to have access to more data
  - Address provider network's challenge of identifying and collecting member responsibility
  - Pay providers faster and simplify reconciliation by delivering ERA/EFT
  - Enable providers to use a single, standardized format for all payers

- Improve bottom line
  - Reduce operational costs by 40%-60%

*Source: InstaMed Network of 30+ health plans

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InstaMed Lessons Learned:
Working with Operating Rules

- One Network

  – Enable all stakeholders to manage data exchange easily

- Integration and usability

  – Enable users to log in to one system for all administrative transactions and data

  – Interoperability simplifies day-to-day processes for all stakeholders

- Security and reliability

  – Leverage a secure, private cloud network to ensure maximum uptime including mirrored data centers with real-time data replication

    ⭐ *Tip: Ask vendors to prove they have complete redundancy and regularly test the failover*

  – Ensure network regularly undergoes independent audits of technical, administrative and physical layers of security and regulative compliance

    ⭐ *Tip: Ask vendors to describe data center monitoring and alerting procedures*

    ⭐ *For more tips to ensure your data is protected in the cloud, visit:*
    http://www.instamed.com/blog/true-availability-best-practices-on-the-cloud

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InstaMed Lessons Learned:
Working with Operating Rules

- Implementation
    - Understand the scope of your clearinghouse's conformance with CAQH CORE Operating Rules
    - Treat it as a project – roll it out
    - Integrate as an essential part into the business process
    - Consider human factor from a training perspective
    - Focus on the top 10 payers with the most volume
    - Monitor the effectiveness and usage

        ⭐ *Tip: Engage with your vendor and/or clearinghouse to map out a timeline of when they will support the mandated CAQH CORE Eligibility and Claim Status Operating Rules*

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Question & Answer

Testing and Certification:
Trading Partner Listing and Voluntary CORE Certification

- Testing with your trading partners is a critical aspect to making your operating rules implementation a success
  - HIPAA covered entities can quickly communicate their organization's readiness* to testing their conformance with trading partners by adding their company information to the CORE Partner Testing page of the CAQH website
  - *If you are ready to test with trading partners, **take 5 minutes and add your organization to the CAQH CORE list!***

- Since its inception, CAQH CORE has offered a *voluntary* CORE Certification to health plans, vendors, clearinghouses, and providers
  - Learn more about *voluntary* CORE Certification here
  - *Voluntary* CORE Certification provides verification that your IT systems or product operates in accordance with the federally mandated operating rules

* Includes other key IT system/service vendors that support them, such as Practice Management Systems

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CAQH CORE Education Resources

- This presentation and recording will be available on our website
  http://www.caqh.org/CORE_Education_Events.php

- View the upcoming *Free* CAQH CORE Education Events
  - CAQH CORE Town Hall Call – December 11, 2012
  - Other joint CAQH CORE Education Sessions
    - *"CAQH CORE Infrastructure Operating Rules – Ask Any Question"*
      Friday, December 7, 2012 | 2:00pm - 3:30pm ET
    - *"Open Mic Session with CMS' Office of E-Health Standards and Services(OESS) - Ask Any Question"*
      Thursday, December 13 | 3:30pm-5:00pm ET
    - NeHC, Tuesday, **December 18, 2012 | 3:00pm - 4:30pm ET**

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Thank You for Attending Our Webinar

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Appendix

Mandated Eligibility & Claim Status Operating Rules

- Rules Addressing the **ASC X12 270/271 Eligibility & Benefits Transactions**
  - Data Content Related Rules
    - CAQH CORE 154 & 260: Eligibility & Benefits Data Content Rules
    - CAQH CORE 258: Normalizing Patient Last Name Rule for Eligibility
    - CAQH CORE 259: AAA Error Code Rule for Eligibility
  - Infrastructure Related Rules
    - CAQH CORE 150: Batch Acknowledgements Rule for Eligibility (999)*
    - CAQH CORE 151: Real Time Acknowledgements Rule for Eligibility (999)*
    - CAQH CORE 152: Companion Guide Rule
    - CAQH CORE 155: Batch Response Time Rule for Eligibility
    - CAQH CORE 156: Real Time Response Rule for Eligibility
    - CAQH CORE 157: System Availability Rule
    - CAQH CORE 153 & CAQH CORE 270: Connectivity Rules

- Rules Addressing the **ASC X12 276/277 Claim Status Transactions**
    - CAQH CORE 250: 276/277 Claim Status Infrastructure Rule*

*NOTE: In the Final Rule for *Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transaction,* requirements pertaining to use of Acknowledgements are NOT included for adoption. Although HHS is not requiring compliance with any operating rule requirements related to Acknowledgements, the Final Rule does note "we are addressing the important role acknowledgements play in EDI by strongly encouraging the industry to implement the acknowledgement requirements in the CAQH CORE rules we are adopting herein."

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CAQH CORE EFT & ERA Operating Rules: *Overview*

Rule		High-Level Requirements
Data Content	***Uniform Use of CARCs and RARCs (835) Rule***	• 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	***EFT Enrollment Data Rule***	• Identifies a maximum set of standard data elements for EFT enrollment • Outlines a straw man template for paper and electronic collection of the data elements • Requires health plan to offer electronic EFT enrollment
	ERA Enrollment Data Rule	• Similar to EFT Enrollment Data Rule
	EFT & ERA Reassociation (CCD+/835) Rule	• Addresses provider receipt of the CAQH CORE-required Minimum ACH CCD+ Data Elements required for reassociation • 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
	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

Complete *CAQH CORE EFT & ERA Operating Rules Set* available HERE.

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CAQH CORE Implementation Tools

- The Analysis & Planning Guide for Adopting the CAQH CORE Eligibility & Claim Status Operating Rules provides guidance for Project Managers, Business Analysts, System Analysts, Architects, and other project staff to complete systems analysis and planning

- Phase I & Phase II CORE Certification and Master Test Suites:
  - Initially developed for *voluntary* CORE Certification; same concepts; provides guidance on the stakeholder types to which the rules apply and working with trading partners

- CAQH CORE Trading Partner Testing Readiness
  - Organizations that are ready to test operating rules implementation with trading partners are encouraged to add a contact to the new page highlighting readiness for the January 1, 2013 Eligibility and Claim Status Operating Rules implementation deadline

- General/Interpretation Questions: Other tools & resources, information requests can be submitted to the CAQH CORE Request Process at CORE@caqh.org
  - All responses complete formal review process by CAQH CORE experts based on request type/complexity
  - More than 650 unique requests (every item is tracked and logged) processes in 2012

- FAQs: CAQH CORE has a list of FAQs to address typical questions regarding the operating rules; updated FAQs being loaded to website as appropriate given mandates

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