

simplifying healthcare administration

CAQH[®]

CAQH CORE and NACHA Provider Case Studies In EFT/ERA Implementation

February 26, 2015

2:00 – 3:00pm ET

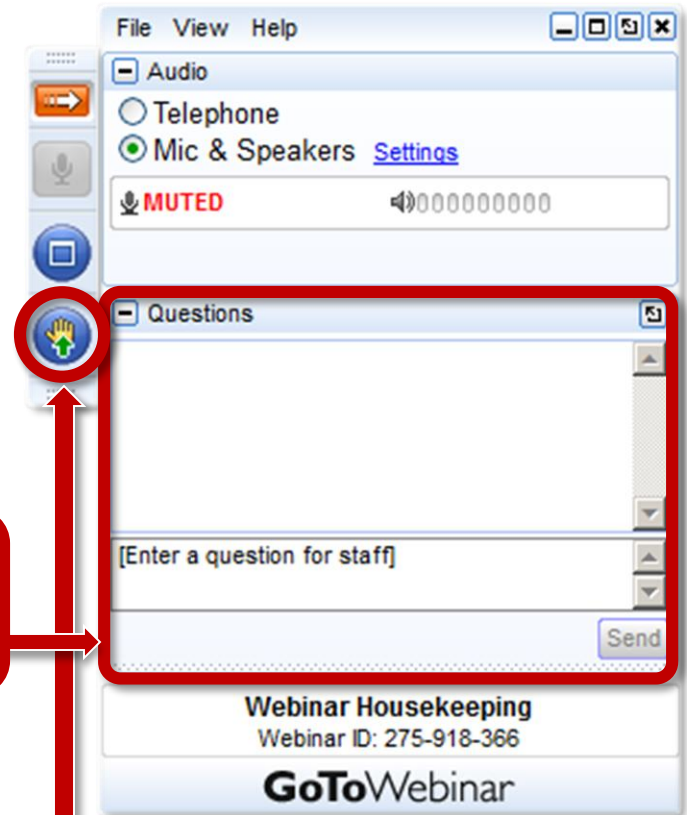
CORE[®]

Committee on Operating Rules
for Information Exchange

A CAQH Initiative

Participating in Today's Session

- Download a copy of today's presentation on the [CAQH.org website](http://CAQH.org)
 - 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
 - Submit your questions on-line **at any time** by entering them into the **Q&A panel on the right-hand side of the GoToWebinar desktop**
 - On-line questions will be addressed first
- There will be an opportunity today to submit questions using the telephone
 - **When directed by the moderator, press the "raise hand" button to join the queue for audio questions**



Polling Question #1:

Stakeholder Type

Which stakeholder type best describes your organization?

1. Health Plan
2. Vendor
3. Clearinghouse
4. Provider
5. Other

Session Topics

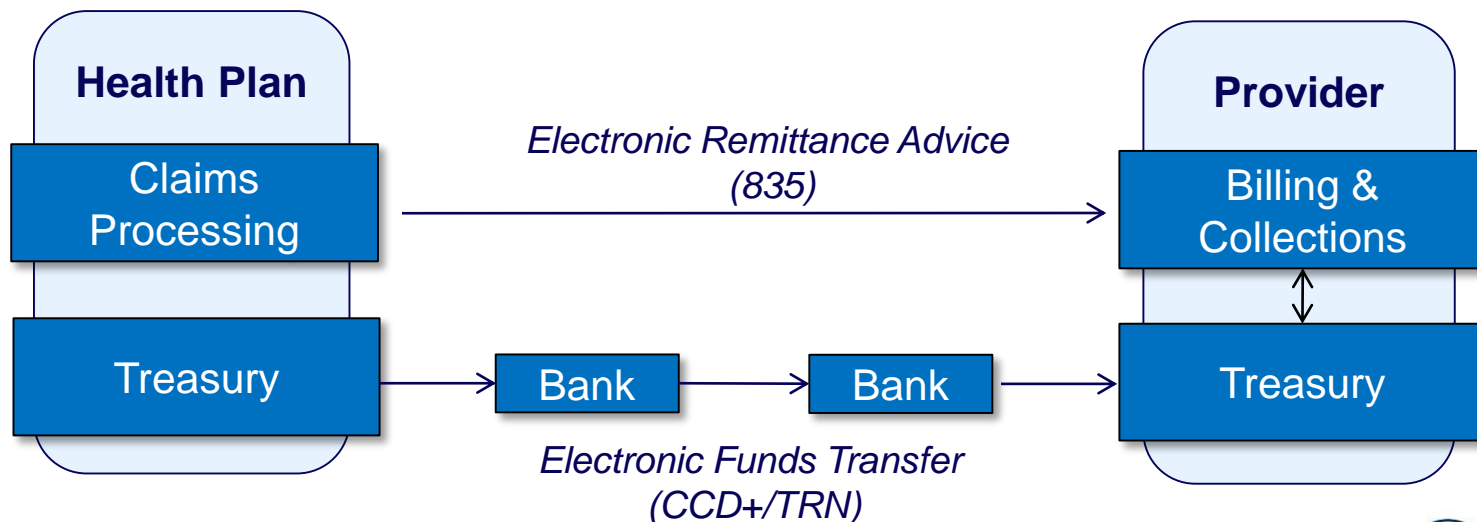
- Welcome Introduction
- CAQH CORE's Role in EFT/ERA
- NACHA and Guest Provider Presentations
- Q&A

CAQH CORE EFT & ERA Operating Rules

Scope and Key Rule Requirements

EFT and ERA Transaction Flow

- EFT and ERA Operating Rules represent the 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
- Together the transactions foster the goals of administrative simplification by moving the process of reimbursement from paper to electronic
 - ERA is an electronic transaction that enables providers to receive claims payment information from health plans electronically; ERA files are intended to replace the paper Explanation of Payment (EOP)
 - EFT enables providers to receive payments from health plans electronically



Mandated EFT & ERA Operating Rules:

Requirements Scope

Rule		High-Level Requirements
Data Content	<p><i>Uniform Use of CARCs and RARCs (835) Rule</i> <small>Claim Adjustment Reason Code (CARC) Remittance Advice Remark Code (RARC)</small></p>	<ul style="list-style-type: none"> Identifies a <u>minimum</u> set of four CAQH CORE-defined Business Scenarios with a <u>maximum</u> set of CAQH CORE-required code combinations that can be applied to convey details of the claim denial or payment to the provider
Infrastructure	<p><i>EFT Enrollment Data Rule</i></p>	<ul style="list-style-type: none"> 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 health plan to offer electronic EFT enrollment
	<p><i>ERA Enrollment Data Rule</i></p>	<ul style="list-style-type: none"> Similar to EFT Enrollment Data Rule
	<p><i>EFT & ERA Reassociation (CCD+/835) Rule</i></p>	<ul style="list-style-type: none"> 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 <i>NACHA Operating Rules</i> for financial institutions
	<p><i>Health Care Claim Payment/Advice (835) Infrastructure Rule</i></p>	<ul style="list-style-type: none"> 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](#).

CAQH CORE EFT & ERA Reassociation (CCD+/835) Rule

Problem Addressed: It has been challenging for providers to reassociate the remittance data with the payment information. Data from the health plan that the provider needs to make this reassociation has been incorrect, missing, or not delivered to the provider in a usable way.



How Will Operating Rules Benefit Providers?

EFT & ERA Operating Rules

The ACA mandated EFT & ERA Operating Rules ensure more streamlined provider enrollment and processing of the EFT & ERA transactions

- **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 will 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.

- **Timeframe**

- Both the ACA-mandate and Medicare required compliance with the EFT Standard and the EFT & ERA Operating Rules by **January 2014** – Hospitals and Health Systems should work with their trading partners to achieve these benefits **NOW!**

***Note:** EFT Standard (ACH CCD+Addenda) is a industry-neutral standard that is now a HIPAA-mandated transaction standard*

* [Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transactions](#)

CAQH CORE and NACHA Webinar: NACHA Case Studies

Eric Brodsky, Director of Billing and Operations
Midwest Center for Women's Health Care

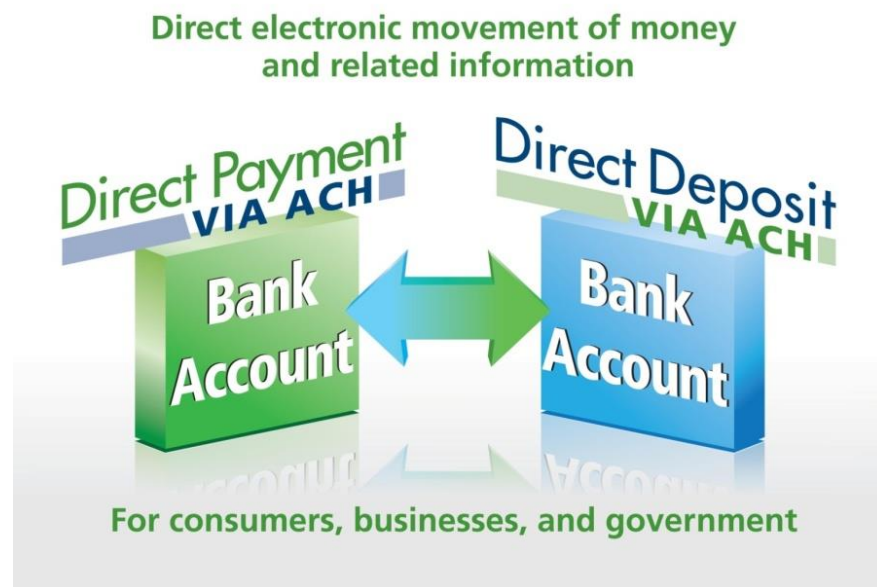
Leann DiDomenico, Administrative Director
Performance Pediatrics

Douglas Downey, VP Treasury
HCA Inc.

Priscilla C. Holland AAP, Senior Director Healthcare Payments
NACHA – The Electronic Payments Association

Brief Introduction to NACHA and the ACH Network

- NACHA is the private sector rule-making organization that administers the ACH Network.
- NACHA is the standards organization for the healthcare EFT standard
- Develops, maintains, and enforces the *NACHA Operating Rules*
- The ACH Network:
 - Facilitates global commerce by serving as a safe, efficient, ubiquitous and high-quality electronic payment system; it is best known for Direct Deposit and Direct Payment
 - Is accessible via more than 13,000 U.S. financial institutions
 - Process close to 22 billion ACH payments in 2013, moving almost \$39 trillion in value
 - Provides funds transfer and settlement of credit and debit card transactions

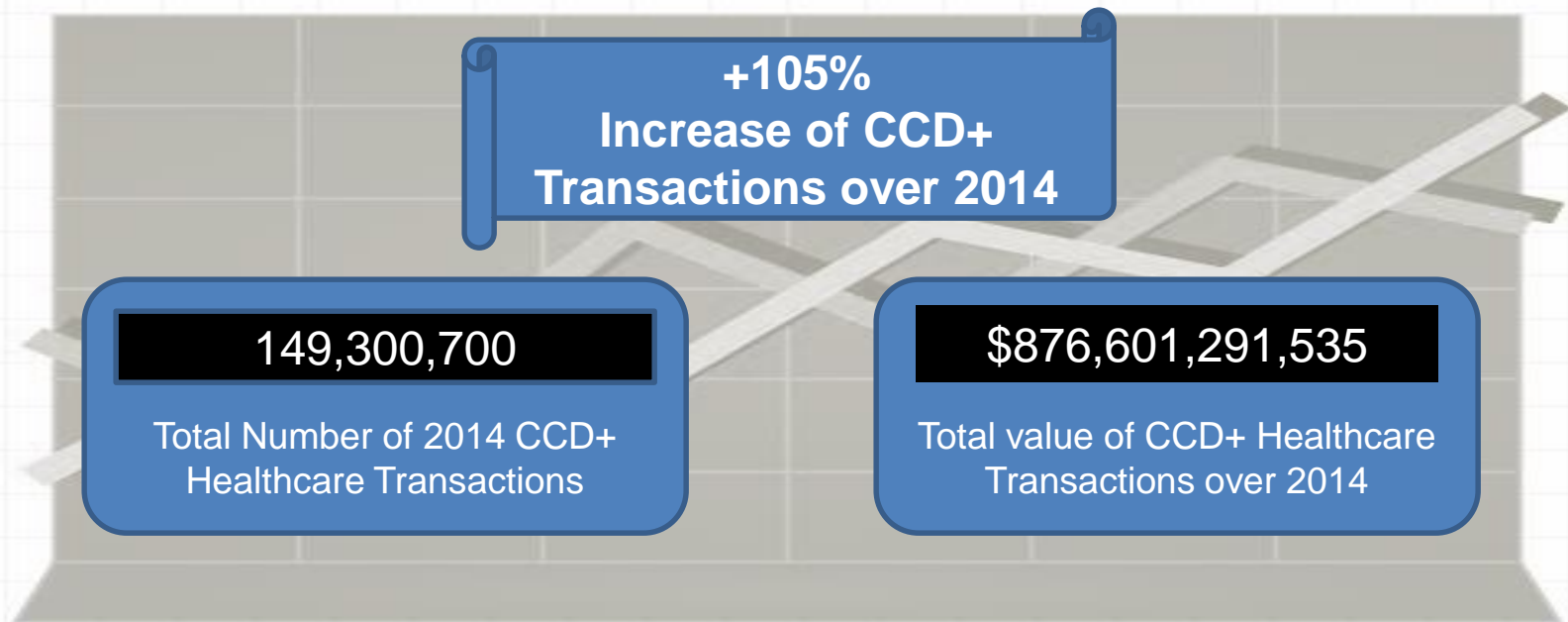


Healthcare EFT Standard – HIPAA Standard

- Patient Protection Affordable Care Act (ACA) mandated the identification of a healthcare EFT standard transaction and development of operating rules for HIPAA standard transactions
- 45 CFR 162.1602 identifies the healthcare EFT standard as the NACHA CCD+Addenda (effective Jan 1, 2014)
 - Addenda must be populated with the TRN Reassociation Trace Number as defined in the ASC X12 835 version 5010 TR3 Report (Implementation Guide)
 - The TRN data segment is carried in the healthcare EFT standard and the Electronic Remittance Advice (ERA) 835 and used to reassociate the payment with the ERA
 - All health plans must be able to deliver the healthcare EFT standard for claims reimbursement payments if it is requested by the provider
 - Allows for payments processed through other electronic payment methods including cards and wire transfer BUT they are not the healthcare EFT standard

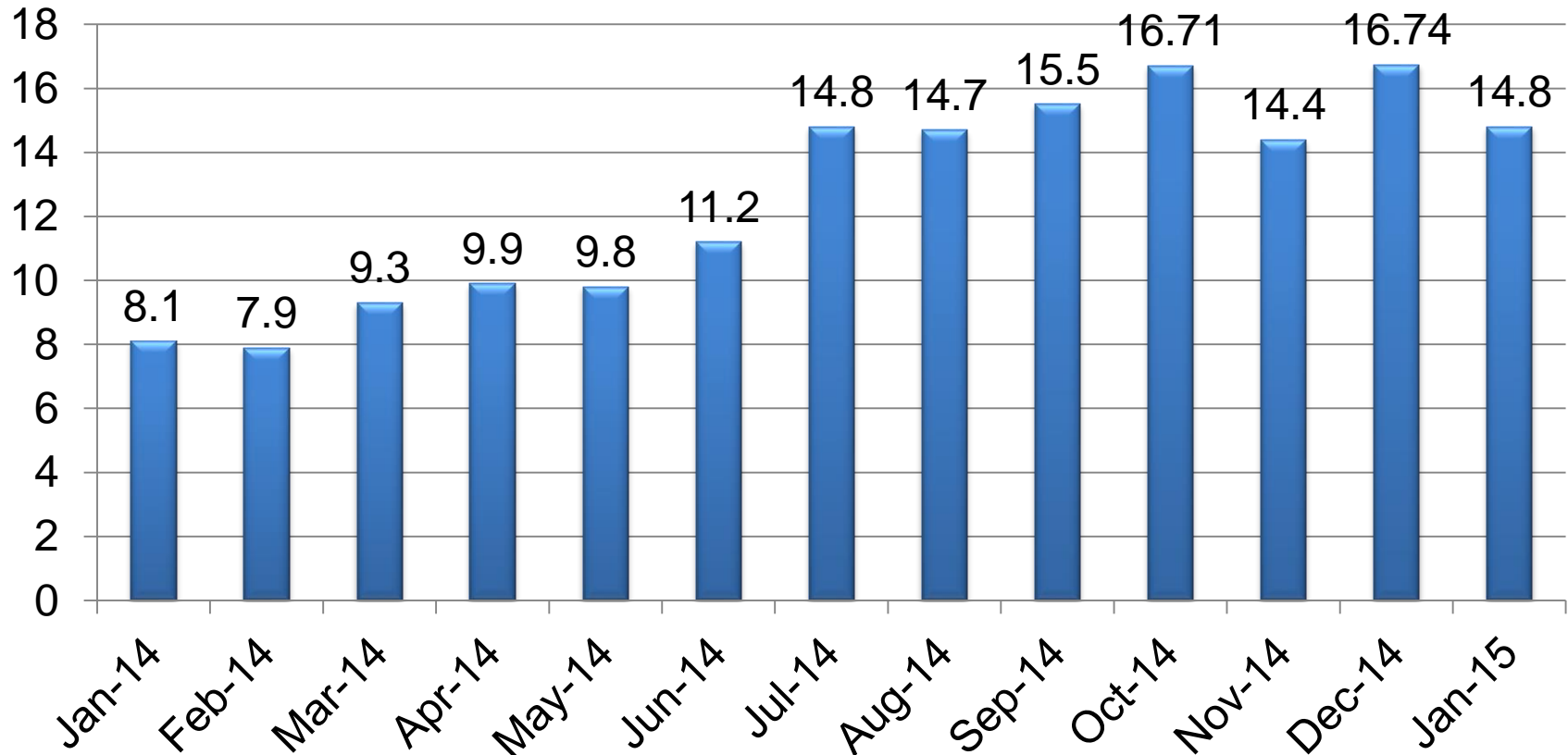
2014 Healthcare EFT Volume

- NACHA tracks the healthcare EFT volumes of CCD+ transactions using a specific identifier of “HCCLAIMPMT” in the ACH record.



2014 – 2015 Healthcare EFT Volumes

Volume in Millions



* July 2014 – Medicare system updates add volumes and values to ACH statistics.

Healthcare EFT Standard Value Proposition for Providers

- Receive health plan payments weeks faster to bill and collect remaining patient payment responsibility (i.e., deductibles) sooner
- Easy claims payment reconciliation with the EFT trace number included in the ERA
- Reduce posting errors
- Reducing administrative work and days in accounts receivable
- Reduce account receivable processing by moving from paper checks to EFT via ACH and ERA
- The 2013 U.S. Efficiency Index Report indicates that a provider will save an estimated \$1.53 per payment received by EFT via ACH over check payments.

NACHA Case Studies

- Three case studies have been developed discussing the benefits received by the organizations in switching from paper checks and explanation of benefits (EOBs) to the healthcare EFT standard and electronic remittance advice (ERA)
- Case studies are posted on the NACHA Healthcare Payments Resource page - <https://healthcare.nacha.org/ProviderResources>
- 1st case study is a single micro practice
- 2nd case study is a mid-size provider practice with 56 providers, 19 medical locations, and a central business office
- 3rd case study is a large hospital group with 165 locally managed hospitals and 115 freestanding surgery centers in 20 states

Polling Question #2:

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)**

ERA/EFT Implementation and Benefits from a Provider *Micro Practice Case Study*

Leann DiDomenico

Administrative Director

Performance Pediatrics

Performance Pediatrics

Practice Overview

- About Performance Pediatrics
 - Primary care pediatric “micro practice” in Plymouth, MA
 - Part of an Independent Physician Association (IPA)
- ERA/EFT adoption
 - ERA: 95% of remittances
 - EFT: 95% of payments
- Practice management system
 - Office Practicum practice management system
 - InstaMed integrated clearinghouse transactions with Office Practicum

Performance Pediatrics' Experience: *Before ERA/EFT*

- Manual Administrative Processes
 - Remittances
 - Manual posting
 - Manual reconciliation with payment
- Operational Results
 - Delays in cash flow with slow processes
 - Higher risk of errors with manual processes
- Driver of Change
 - Looking to administrative efficiency to thrive as an independent practice

Performance Pediatrics' Experience: *Implementing ERA/EFT*

- Initiating Implementation
 - Clearinghouse promoted ERA/EFT enrollment in conjunction with payers on its network
 - Worked with clearinghouse to enroll in ERA/EFT with multiple payers at once and test transactions
 - Automatically set up to receive ERA/EFT from additional payers that connect to the clearinghouse in the future
 - Easier to receive transactions through clearinghouse:
 - Receive ERA/EFT from multiple payers in one place
 - ERAs are easier to read



Tip: It is in the provider's benefit to receive ERA/EFT, so contact your clearinghouse or payers to inquire about ERA/EFT.

- Challenges with Implementation
 - Working with payers that use different systems can lead to technical issues
 - Time spent to enroll in EFT when enrolling directly with the payer
 - Errors or fixes needed in payment amounts must be manually updated
 - Use InstaMed reporting to identify errors and assist with fixes



Tip: Use an integrated system with your PMS to receive ERA/EFT



MIDWEST CENTER
FOR
WOMEN'S HEALTHCARE
Exceptional care one patient at a time.

ERA/EFT Implementation and Benefits from a Multi-Provider Practice Case Study

Eric Brodsky

Director of Billing and Operations

Midwest Center for Women's HealthCare





MIDWEST CENTER
FOR
WOMEN'S HEALTHCARE
Exceptional care one patient at a time.

- **56 Providers of OB/GYN Care**
- **19 Care Centers Throughout the North and Northwest Chicago Suburbs**
- **1 Central Business Office/Corporate Headquarters**
- **Over 250 Employees**



Midwest Center for Women's Health Care: *Implementing ERA/EFT*

- First worked with the insurers it billed most
 - Aetna, United, Humana, Cigna and Blue Cross-Blue Shield
 - Then worked to convert smaller insurers
- ERA/EFT adoption
 - ERA: 90% of remittances
 - EFT: 90% of payments
- Goal is to receive all payments electronically



Midwest Center for Women's Health Care:

Benefits of ERA/EFT

- Cost savings related to staffing
 - Staffers are able to process EFT payments more easily because each payment is linked to a unique ERA number, making it easy to identify the service and patient covered by the payment.
 - The size of the practice and number of claims billed have increased significantly over 7 years but with EFT and ERA no additional staff were needed.
- Faster patient billing
 - Because insurer payments via EFT are received and processed more quickly, patients also receive their bills quicker.
 - Patients are more likely to pay their bill if they receive their bill in a timely manner.
- Reduced billing errors
 - Electronic payments increase accuracy, leading to fewer mistakes and less verification.



Midwest Center for Women's Health Care:

Tips for EFT Conversion

- Pay attention to new and renewing contracts with payers
 - Find out what their policies and procedures are for EFT and ERA, and make sure you have a contact person for any EFT/ERA questions.
- Work closely with your clearinghouse
 - Many clearinghouses are not actively promoting EFT conversion. As a result, healthcare practices must be proactive about getting information about EFT conversion and making sure they take the necessary steps to enroll.
- Watch out for virtual cards
 - Some providers have expressed concerns over virtual card payments, which are used by some health plans or their vendors to reimburse providers. With virtual cards, a provider is charged an average processing fee of 3 percent of the transaction value, plus a transaction charge to accept virtual card payments.
 - According to CMS, under HIPAA a provider has the right to choose to receive the HIPAA healthcare EFT for claims reimbursements and is not required by HIPAA to accept virtual card payments.
 - It is important for provider groups to establish a policy on handling of virtual card transactions their practice.



ERA/EFT Implementation and Benefits from a Large Hospital Group Case Study

Doug Downey
VP of Treasury
HCA Inc.

Hospital Corporation of America (HCA)

- Founded in 1968
- 165 locally managed hospitals
- 115 freestanding surgery centers
- Operate in 20 states and England
- More than 200,000 employees
- Roughly 4 to 5 percent of all inpatient care delivered in the United States is provided by HCA facilities

HCA

- EFT payments
 - Steadily converting checks to EFT for more than 20 years
 - 2005 - processed more than 3.5 million check payments from health plans. By 2013 processed less than 2.5 million check payments (30% reduction)
 - With the healthcare EFT standard in place, this group expects its EFT conversions to accelerate now that health plans are required to provide the healthcare EFT payment option and expects to reduce the number of check payments by another million over the next 3 years
 - 2014 – Processed almost 89,000 EFT payments (\$3.8B) and re-associated the EFT and ERA for “perfect” payment posting
 - 2015 – Expectation is for transaction volume and dollars received to more than double

HCA:

Benefits of EFT/ERA

- Healthcare EFT standard
 - HIPAA standard requires that all health plans deliver claim payments electronically if they are requested by provider.
 - Prior to the healthcare EFT standard many health plans did not offer claim payments via ACH.
- 70% reduction in processing costs with healthcare EFT standard
 - Automation of the payment posting and reconciliation.
 - 83% match on day 0
 - 97% match by day one
 - 98% match by day two
 - Elimination of errors from manual posting.

Polling Question #3: ***EFT/ERA Implementation***

Has your use of EFT (ACH) for health care payments saved your organization time/money?

1. Yes, a substantial amount
2. Yes, somewhat
3. No
4. Do not know
5. We do not conduct this transaction

HEALTHCARE EFT STANDARD AND ERA ENROLLMENT CHALLENGES

Perceived Barriers to EFT via ACH

- Time spent in EFT enrollment with each health plan
 - Prioritize payers and enroll with most active health plans first. Generally 20% of the plans will deliver 80% of the value. Start with them and then have staff enroll with a limited number of other health plans each week as time allows.
 - Work with a healthcare clearinghouse to enroll with the health plans that they support.
 - Utilize the CAQH EFT Enrollment Utility – free to providers, makes provider EFT enrollment information available to health plans selected by the provider.

CAQH EFT and ERA Enrollment Solution Overview

The diagram illustrates the enrollment workflow. It begins with a landing page for 'Solutions EFT ENROLLMENT' which provides an overview of the process. This leads to a multi-step form: Step 1: Provider Info, Step 2: Bank Account Details, Step 3: Payer Step 4: Submit. A 'Bank Account Details' pop-up window is shown over Step 2. The process then leads to a 'Manage Providers' table with columns for Provider Name, Address, Associated NPI, Enrollment Status, and Notes. A 'View Details' pop-up window is shown over the table, displaying information for a specific provider.

Provider Name	Address	Associated NPI	Enrollment Status	Notes	Select
123 Provider Entity TIN: 654113216 NPI: 654113216	123 Street Cityville, MD, 20904	123456777 123456777 123456777	Enrollment requested as of: 08/26/2012		
123 Provider Entity TIN: 654113216 NPI: 654113216					

View Details

Pay To Entity Information: 1 of 1

Name: 123 Provider Entity Phone: (202) 555-1212 Associated NPIs: 2316548202
 Address: 123 Street TIN: 654113216 2316548203
 Cityville, MD 20904 NPI: 654113216 2316548204

Authorized Agent Name: FName LName Phone: (202) 555-1212
 Address: 123 Street Email: name@domain.com
 Cityville, MD 20904

Financial Institution Information

Routing Number: 052000113
 Account Number: 2316548201
 Account Type: Checking
 Bank: Citicorp
 City, State: Cityville, MD

- Web-based data entry for provider EFT and ERA enrollment information.
- Alignment with CORE ERA / EFT Operating Rules for definition of the standard enrollment data set and supporting documents.
- Web-based access portal for health plan customers.
- Provider adoption campaigns / integration with UPD to electronically promote the CAQH EFT and ERA enrollment utility to UPD provider users.
- Provider support center.
- Voided check and other uploaded document processing.
- Pre-note transactions via ACH partners to validate bank account information.

Why is the CAQH Solution Better for Providers?

- **One-Stop Shop** – Single, easy-to-use point of entry for providers to enroll in EFT and ERA and manage enrollment information with multiple payers.
- **No Cost** – No charge for providers to use; participating health plans pay a low annual subscription to cover the costs to build and run the service.
- **Secure** – Robust encryption, firewalls and strong password requirements to safeguard sensitive data and ensure that providers have complete control of their data.
- **Flexible** – Focused on enrollment; allows providers to use whichever downstream payment processing or remittance advice presentment solution that they prefer.
- For more information or to setup an account go to solutions.caqh.org

EFT Payment Options – Providers right to choose

- The healthcare EFT standard is now a HIPAA standard transaction.
- Under HIPAA 45 CFR 162.925 (a) (1) if a provider requests the delivery of the healthcare EFT standard for claims reimbursements, the health plan must do so.
 - Health plan may not delay or offer incentive for a provider to receive the claims reimbursement payments using other payment options.

Charging to Deliver the Healthcare EFT Standard

- CMS issued FAQ 9778 on March 28, 2014
 - If a provider requests that a health plan conduct the electronic funds transfer (EFT) and remittance advice transaction in standard format (by using the ACH network), then the health plan must comply with the HIPAA standard for this transaction. And if a provider requests that a health plan transmit payments consistent with the HIPAA standard, the health plan is not permitted to delay or reject a transaction because the transaction is a standard transaction ([45 CFR 162.925](#)).
 - The health plan also cannot incentivize a provider to use an alternate payment method other than the adopted standard or adversely affect the provider for using the standard transaction (**i.e. charging excessive fees**).
 - Regardless of the method a provider chooses to receive health care payments from health plans, the provider should carefully analyze their agreements for any added fees.
- <https://questions.cms.gov/?isDept=0&search=9778&searchType=faqId&submitSearch=1&id=5005>

Health Plans Non-Compliance

- What can a provider do if a health plan does not offer claims reimbursement payments via ACH?
 - Talk to the compliance officer at the health plan about complying with the healthcare EFT standard
 - 45 CFR 162.925 (a) (1) if an entity requests a health plan to conduct a transaction as a standard transaction, the health plan must do so
 - 45 CFR 162.1602 identifies the NACHA CCD+Addenda as the HIPAA healthcare EFT standard
 - File a HIPAA Complaint with CMS
 - Information on how to file a complaint and how complaints are handled - <https://healthcare.nacha.org/node/445>
 - https://htct.hhs.gov/aset/ASET_home.jsp

RESOURCES

Healthcare Payments
Resource Page -
<https://healthcare.nacha.org>

or



[Home](#)[About](#)[Federal Health Reform](#)[Healthcare EFT Standard](#)[For Financial Institutions](#)[For Healthcare Providers](#)

WEDI Offers EFT and ERA Guidance

The Workgroup for Electronic Data Interchange (WEDI) has developed a whitepaper, [EFT and ERA Enrollment Process](#), that offers for implementation of the EFT/ERA enrollment process.

Truncate the TRN Number?

If the conditional TRN04 data segment is used it should be truncated if the overall TRN Reassociation Trace Number data segment exceeds 80 characters.

Healthcare EFT Standard Frequently Asked Questions

Questions about the healthcare EFT standard? Find answers to your questions on our [FAQs page](#).

<https://healthcare.nacha.org/>

Collaboration

...a catalyst for improved efficiencies
and innovation.

Healthcare legislation will impact every financial institution in the United States. NACHA is working in partnership with CASH COPE to help improve the efficiency of the healthcare payments process.

Financial
Institutions



Healthcare
Entities

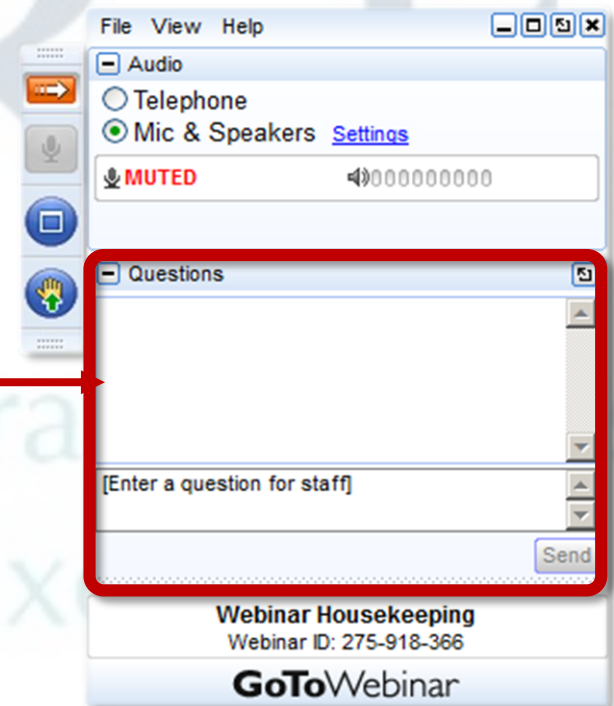
NACHA Resources

- Healthcare Payments Resources Website
 - Provides a repository of information on a wide variety of topics for both financial institutions and the healthcare industry. Includes links to many other resources, as well as customized information to help “translate” concepts from one industry to the other (FAQs, reports, presentations).
 - <http://healthcare.nacha.org/>
- Healthcare EFT Standard Information
 - Located within the healthcare industry tab of the above website, specific information can be found on the healthcare EFT standard.
 - <http://healthcare.nacha.org/>
- Healthcare Payments Resource Guide
 - Publication designed to help financial institutions in implementing healthcare solutions. It give the reader a basic understanding of the complexities of the healthcare industry, identify key terms, review recent healthcare legislation, and discuss potential impacts on the financial services industry.
 - Order from the NACHA eStore “Healthcare Payments” section: www.nacha.org/estore.
- ACH Primer for Healthcare Payments
 - A guide to understanding EFT payment processing. Introduces the healthcare industry to the Automated Clearing House (ACH) Network, explains ACH transaction flow and applications, and includes two “next steps checklists,” one each for origination and receipt. (Free pdf publication)
 - <https://healthcare.nacha.org/ACHprimer>

Q&A

Please submit your question:

- **Via the Web:** Enter your question into the Q&A pane in the lower right hand corner of your screen



A CAQH Initiative

Thank You for Joining Us!

website: www.CAQH.org

email: CORE@caqh.org



simplifying healthcare administration

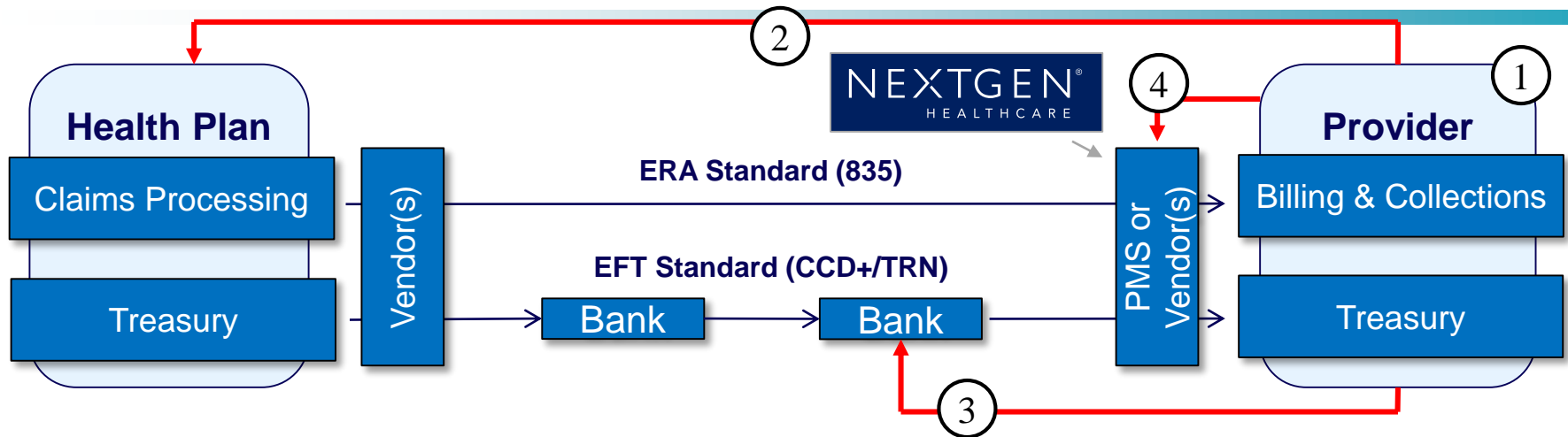
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Appendix

Tools and Resources

How to Maximize Benefits of EFT & ERA Operating Rules

Provider Actions



- ① Determine if your organization is 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 or PMS has updated its systems to align with the CORE Operating Rules
 - Encourage your vendor (and Health Plan) to become [CORE Certified](#)

Implementation Steps for HIPAA Covered Entities

EFT & ERA Tools and Resources

Free Tools and Resources Available

Education is key

Get executive buy-in early

- Read the [CAQH CORE EFT & ERA Operating Rules](#)
- Listen to archive of past [CAQH CORE Education Sessions](#) or register to attend a future one
- Search the EFT & ERA [FAQs](#) for clarification on common questions
- Use our [Request Process](#) to Contact technical experts throughout implementation

Determine Scope of Project

- The [Analysis and Planning Guide](#) provides guidance to complete systems analysis and planning for implementation. Information attained from the use of this guide informs the impact of implementation, the resources necessary for implementation, as well as, what would be considered an efficient approach to, and timeline for, successful implementation.

Just Getting Started

Analysis and Planning

Systems Design

Systems Implementation

Integration & Testing

Deployment/Maintenance

Engage Trading Partners Early and Often

- **Provider's:** Use the EFT/ERA [Sample Health Plan](#) and [Sample Financial Institution](#) Letters as a way to help facilitate the request to receive EFT from your health plans and the request for delivery of the necessary reassociation data elements from your financial institutions

TEST, TEST, TEST!

- Leverage [Voluntary CORE Certification](#) as a quality check, a way to test with partners, and as a way of communicating compliance to the industry and other trading partners

Get Involved with CAQH CORE

- [Join](#) as a Participant of CAQH CORE in order to give input on rule-writing maintenance by joining a task group and to stay up-to-date on implementation developments