

CAQH Committee on Operating Rules for Information Exchange (CORE) CAQH CORE Governance Model

November 1, 2012

I. CORE BOARD COMPOSITION

A. Thirteen voting Board members.

1. Five appointed from provider organizations.
 - a. AHA, AMA, and MGMA each would propose an individual to fill three of the five provider Board seats.
 - b. Of the two remaining provider seats, one would be a representative from a hospital, and one would be a provider from the broader care delivery system.
2. Five appointed from health plan organizations.
 - a. AHIP would propose a representative to fill one of the health plan Board seats.
 - b. The remaining four health plan Board seats would be filled by representatives from individual health plans and would be selected to represent a broad range of health plans, including national plans, regional plans, for-profit plans, and nonprofit plans.
3. Three appointed from other organizations (such as vendors, clearinghouses, banks, or others), selected to represent a broad range of CORE stakeholders other than providers and health plans.
4. A Board member who is appointed to represent a particular type of stakeholder should be employed by an organization (with parent and affiliate companies, if applicable) with business functions that are predominately consistent with the business functions of the type of stakeholder represented.
5. Each voting Board member shall be from a CORE Participating Organization in good standing with CORE.

B. Three or more non-voting Board members.

1. One or more representatives from pertinent Federal agencies, such as the Medicare Business Office or the Office of E-Health Standards and Services (OESS) at CMS.

2. One or more representatives from pertinent state organizations, such as the National Association of Medicaid Directors.
3. A representative from CAQH CORE executive staff.

C. Non-voting Advisors

1. The CORE Board will invite representatives from other organizations to serve as non-voting Advisors to the Board. Any Standards Development Organization (SDO) or Code Committee that is recognized as the author of published standards or codes supported by current or draft CORE Operating Rules due to the fact that the standards or codes are widely used or are mandated by federal law will be invited to propose a representative to serve on the Board as a non-voting Advisor. The CORE Board will also invite the Workgroup for Electronic Data Interchange (WEDI) to propose a representative to serve as a non-voting Advisor to the Board. Participation by an SDO, Code Committee, WEDI, or other organization as a non-voting Advisor to the CORE Board would not replace the active participation by any such organization in the CORE Subgroups and Work Groups engaged in rule-writing and would not affect any organization's right to vote on proposed CORE Operating Rules.
2. Other organizations will be invited to propose representatives to attend CORE Board meetings as non-voting Advisors on an as-needed basis.
3. The CORE Board may, at its discretion, conduct executive sessions of the Board that would include only Board members or only voting Board members.

II. QUALIFICATIONS FOR ALL CORE BOARD MEMBERS

- A. Evaluate whether the potential Board member is from an entity that has demonstrated a commitment to the CORE Operating Rules, through endorsement or the attainment of voluntary CORE Certification; holds an executive-suite position; and is committed to and capable of helping the CORE Board reach consensus regarding the matters before it, with an emphasis on driving adoption.**
- B. Board members should be committed to helping CORE achieve its objectives.**

III. CORE BOARD MEMBERS: APPOINTMENT AND TERMS

- A. Selection and terms of initial Board members: The Transition Committee would select the initial CORE Board members, designating approximately half of the initial Board members as having one-year terms and the other half as having two-year terms.**
- B. Selection of subsequent Board members: Subsequent Board members would be nominated by a Nominating Committee.**
 - 1. Each year the CORE Board would appoint, from the CORE Board, a Nominating Committee consisting of one provider representative, one health plan representative, and one other representative.
 - 2. Once the Nominating Committee is appointed by the CORE Board, CORE would inform all CORE Participants that the Nominating Committee has been appointed and that it will be making recommendations to the CORE Board to fill specified open Board positions.
 - 3. An organization entitled to propose a representative on the CORE Board pursuant to Section I A may recommend an individual candidate to the Nominating Committee. The Nominating Committee will favorably consider any such recommendations, but whether to nominate the individual is within the discretion of the Nominating Committee.
 - 4. The CORE Board would vote on the slate of new Board members recommended by the Nominating Committee.
- C. Terms of subsequent Board members.**
 - 1. Board members would serve staggered two-year terms, such that each year only half of the Board seats would be up for appointment.
 - 2. Board members could serve a total of three consecutive full or partial terms.

3. After serving for three full or partial terms, a Board member would be eligible to re-join the Board after being off the Board for at least two years.

D. Resignation would be required if a Board member leaves his/her position that supported the individual's original appointment to the CORE Board or if there is a change in control of the Board member's employer.

1. Any Board member who leaves the employment or agency position held at the time of appointment to the CORE Board would be required to resign from the CORE Board.
2. Any Board member whose employer experiences a change in control while the Board member is serving on the CORE Board would be required to resign from the CORE Board.

E. Filling vacancies created by resignations from the CORE Board.

1. If a CORE Board member resigns from the Board for any reason, the CORE Participating Organization whose employee or representative has resigned would recommend a new Board member to complete the unexpired term of the departing Board member, with the appointment subject to the approval of the CORE Board.
2. If an organization with a Board representative ceases to be a CORE Participating Organization, the organization's Board representative must resign from the CORE Board.
3. The CORE Board may, at its discretion, re-appoint an individual Board member who was required to resign under these governing rules.

IV. CORE BOARD VOTING

A. Any CORE Board action would require support from both health plans and providers.

B. The CORE Board would strive to operate by consensus.

1. For an action on which the Board fails to reach consensus, the action would carry if it receives at least nine affirmative votes, including at least three votes from Board members representing providers and at least three votes from Board members representing health plans.
2. A quorum for conducting Board business would be nine voting Board members, including at least three Board members representing providers and at least three Board members representing health plans.

V. BOARD CHAIR, CORE OFFICERS

A. Chair, Vice-Chair of the CORE Board.

1. The Transition Committee would select the initial Chair, who would be a provider representative, and the initial Vice-Chair, who would be a health plan representative.
2. Each Chair and Vice-Chair would alternate between a provider representative and a health plan representative.
3. After the Transition Committee selects the initial Chair and Vice-Chair, subsequent Board Chairs and Vice-Chairs would be nominated by the Nominating Committee.
4. Each Chair and Vice-Chair would serve a two-year term.
5. The Chair would be one of the thirteen Board members, would preside at meetings of the Board, and would be entitled to vote on any action put to a vote by the Board.

VI. CORE BOARD FUNCTIONS

A. Oversight and approval.

1. Ensure targeted and measurable outcomes are achieved.
2. Maintain and enhance the CAQH CORE integrated model, including testing and certification.
3. Budget.
4. Strategic plans and partnerships.
5. Priority setting.
6. New business.
7. Executive staff.
8. Policy positions.
9. Receive and review updates on Operating Rule development efforts.
10. Final rules approval.

11. Amendments to the Operating Rule development, review, and approval process.
12. Amendments to the Governance Model.
13. Communications and marketing.

B. Approval of CORE Operating Rules.

1. CORE Operating Rules that are drafted by the CORE Subgroups and Work Groups and approved by the required vote of eligible CORE Participating Organizations within these Work Groups must be submitted to the CORE Board for final approval, pursuant to the CORE Board's normal voting procedures. The Board will accept written submissions regarding any Operating Rule submitted to the Board for final approval. If the Board does not approve any proposed Operating Rule, the Board will issue a memorandum setting forth the reasons it did not approve the proposed Operating Rule and will ask the CORE Subgroups and Work Groups to revisit the proposed Operating Rule. Quorums and approval levels for Work Groups and CORE full voting members are summarized in the attached Addendum.

VII. LEGAL STATUS

- A. CAQH's 501(c)(6) tax-exempt status will continue to apply to CORE as CORE is not a separate legal entity. To manage legal and financial risk, CAQH's legal counsel and insurance coverage will continue to cover CORE's activities. The CAQH Board has proactively relinquished its right to approve CORE Operating Rules, and the CAQH Board and CAQH staff have never voted on any CORE Operating Rule.**

ADDENDUM

*CAQH CORE Body	CAQH CORE Requirements for Rules Approval
Level 1: CAQH CORE Subgroups	<u>Not addressed</u> in governing procedures, but must occur to ensure consensus building.
Level 2: CAQH CORE Work Groups	Work Groups require for a quorum that 60% of all organizational participants are voting. Simple majority vote (greater than 50%) by this quorum is needed to approve a rule.
Level 3: Full CAQH CORE Voting Membership	Full CORE Voting Membership vote requires for a quorum that 60% of all Full CORE Voting Member organizations (<i>i.e., CORE Participants that create, transmit, or use transactions</i>) vote on the proposed rule at this stage. With a quorum, a 66.67% approval vote is needed to approve a rule.
Level 4: CAQH CORE Board	The CAQH CORE Board's normal voting procedures would apply. If the Board does not approve any proposed Operating Rule, the Board will issue a memorandum setting forth the reasons it did not approve the proposed Operating Rule and will ask the CORE Subgroups and Work Groups to revisit the proposed Operating Rule.

***NOTES:**

CAQH Board/CAQH does not have veto or voting power over the CAQH CORE Operating Rules.

Any entity that is a CAQH CORE participant per the CAQH CORE application process has a right to vote on the rules, understanding that at Level 3 only entities that will implement the rules vote on the rules.

CAQH CORE Board Composition

