HBMA Healthcare BILLING & MANAGEMENT Association

Billing

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2016: THE YEAR OF THE REGULATION

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A Conversation with CAQH Deputy Director Gwen Lohse

By Billing Editors

For many of you, the CAQH Committee on Operating Rules for Information Exchange (CORE) is an important entity for revenue cycle management. CAQH recently awarded 200 CORE certifications to health plans, hospitals and health systems, clearinghouses, and vendors. The certification signifies that these organizations follow a set of HIPAA-mandated standards and operating rules for exchanging electronic administrative data.

Gwen Lohse, Deputy Director, CAQH; Managing Director, CORE

We recently talked to Gwen Lohse, deputy director of CAQH and CORE managing director, about what these certifications, and the operating rules, mean for revenue cycle management companies. Here are excerpts from that interview.

YOU'VE SAID THAT THE CAQH CORE OPERATING RULES GIVE PROVIDERS THE FOUNDATION FOR IMPROVING DENIAL MANAGEMENT. WHAT DO YOU MEAN BY THIS?

I think of your membership as really one of the key roles in helping providers achieve their appropriate revenue for all the services they provide. One of the things that is the most challenging is claims denial for the providers. There have been thousands of codes that a provider may receive to find out why a claim was denied and they were all paired up differently by the industry. Each health plan did it in their own way, and then there was no pass-through requirement from the vendors that served the providers. What the CORE rule has done is, for what was viewed as 80 percent of the major problems, there's a set of 1,500 code combinations. So you've gone from what could have been up to hundreds of thousands of code combinations down to nearly 1,600, and they're looked at for their specificity and their ability to communicate what the specific problem is. They're grouped into four major categories, getting as specific as possible for the provider so they'll know on a high level why there's a denied claim. Then they'll get a code that's very specific – maybe a radiology report is missing – so it's an actionable item that the provider can say, I should be covered for this and can react to it immediately.

There is a lot of work occurring within CORE on a constant basis to ensure all those messages stay accurate, concise, and actionable. We haven't written the rule and then just sat back. The group responsible for that list meets on a regular basis and is multi-stakeholder. They ask for usage data, so it's getting to that precise communication so you can have solid denial management. We've seen some providers that have gone to a place where they've reconfigured their denial management to act more quickly on resolving those that should be paid claims.

HOW DOES AUTOMATED PAYMENT POSTING FIT IN?

Automation is critical. Before, everyone was using something different. With an IT system, these vendors can build to these code combinations so the process can be automated. If a code combination doesn't match to these 1,500, they know they have a problem. The ones in the 1,500, they can automate and the data can flow through the system to the provider. Before, there was no ability to automate.

If you think about automation and the value in having fewer members take advantage of this process where we're trying to reduce the time spent and increase the revenue for the practice, it's essential that your members ask for CORE-certified health vendor systems. It really needs to come from the provider community to say if they are relying on an IT vendor to get their data and manage their transaction, that system should be CORE certified. The role our members play is

managing the revenue cycle, so the key advice your members can give to the providers and once they are using the system is make sure they take advantage of all the functionalities.

WHERE CAN OUR READERS FIND MORE INFORMATION ABOUT CORE-CERTIFIED VENDORS?

There is a list of certified vendors on the CORE website (www.caqh.org/core/core-certified-organizations-pending-and-current). It also lists all the functionalities. We've also held some webinars on what it means to be certified. I think education is critical to this. People need to learn what their rights are – the provider should be receiving all of this information.

OUR MEMBERS ARE INCREASINGLY FEELING PRESSURE TO COLLECT FROM PATIENTS, NOT HEALTH PLANS. DO THE CAQH CORE OPERATING RULES HELP THEM DO THIS?

Absolutely – it helps in two ways. First, with any of the CORE-certified vendors, and their health plans should be certified as well, the payment that comes in and the remittance advice, because of the CORE rules and what has been required, are matched up and come within a certain timeframe. The provider can immediately see, *Did I get paid for each of the services*? That did not exist before. They can easily match it with trace numbers, so now if they're working with a CORE-certified system and health plans they'll have that all matched up and get it in reasonable timeframes

The second way is every CORE-certified health plan and vendor has to deliver things like copays, deductibles, and coinsurance in real time, allowing the provider to collect at the time of service and knowing what the patient responsibility and health plan responsibility is. If we're going to change our healthcare system to encompass our high-deductible health plans we have to make sure that info is readily available to the provider so they can manage their revenue stream.

It's good on both the collection upfront versus the plan, and then you also help in the back with getting the payment in the door quickly and matching it to the service. So it's really hitting on some of those major points of the process. Also, it helps make sure the problems get resolved if there are any. And there are timeframes and responsibilities around each step.

When you think of high-deductible health plans, the provider would be aware year-to-date how much the patient has spent on their deductible, and we see what these new health plans do, there's a larger copay. So they'll know what the copay is and how much the deductible is in real time, 20 seconds or less.

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ANYTHING ELSE OUR READERS SHOULD KNOW?

The billing company has a level of education the practice may not have and they can provide a level of information to the practice that the practice doesn't have time to seek, so it's crucial to learn best practices about how to change the provider's workflow and how to understand what's an action item and what's not. They can get tips on that from some of the CORE education.

I think that's a key role. CORE education is free and on the website (www.caqh.org/core/education-center). We primarily have entities that have actually implemented it – those that are making the changes in the real world.

One of the other things your membership could do is when they see these changes coming, ask, "What's the challenge to implementing the full suite into practices and what else do we need to do as an organization?" We would be very interested in hearing that. We may have tips for resolving it immediately or putting it on the priority list. They can email CORE@CAQH.org.

I like to think of it as we all get frustrated with healthcare when the backend doesn't work, but we're all working toward what is the future of the real-time, simple payment systems. Your members are key in that in requesting things like CORE certification. ■