simplifying healthcare administration

CAQH®

CAQH CORE®

EFT/ERA Implementation Status and Development of Operating Rules for Remaining HIPAA Transactions

Testimony Provided to the
Subcommittee on Standards
National Committee on Vital and Health Statistics

Gwendolyn Lohse
CAQH Deputy Director/CORE Managing Director
glohse@caqh.org

February 19, 2014

Table of Contents

- Status of EFT/ERA Standards and Operating Rules Adoption.
  - Findings.
  - CAQH CORE Sources of Information.
  - Challenges.
- Status of Operating Rules Development for Remaining HIPAA Transactions.
  - Work Plan.
  - Evaluation Criteria.
  - Opportunities for Connectivity/Infrastructure.
- How NCVHS Can Help.
- Appendix.

CORE™
Committee on Operating Rules for Information Exchange
A CAQH Initiative

Status of EFT/ERA Adoption

CORE™
Committee on Operating Rules for Information Exchange
A CAQH Initiative

EFT and ERA Adoption Findings

- Based on CAQH CORE sources of information, adoption of EFT and ERA operating rules is progressing but more work needed
  - Estimate that over half of all covered entities are in production
- By type of covered entity:
  - Health plans between planning and being well-underway/ completed
    - Medicaid plans have made progress with educating themselves but many still in process
  - Clearinghouses report that they are furthest ahead
  - PMS vendors, which are not HIPAA covered, are mixed in readiness
    - Version of product is key to impact to provider
  - Many providers still in planning stages with vendor systems
- Federal mandate deadline was January 1, 2014
  - Too early to get good adoption data
  - Too early for entities to start tracking usage/benefits

Sources of CAQH CORE Information on Adoption

(Additional detail available for each source; data from Jan 2013-Jan 2014 unless noted)

A. Requests for information.

- 1,100 entity-specific requests; on average, 54% were EFT/ERA.
- Majority from health plans/vendors about rule requirement clarification.
- 60% from non-CORE participants.

B. Social media campaign (Nov. 2013 – present).

- Sermo, WebMD, Google Word, and Facebook.
- 23,000 unique visitors to landing page http://www.caqh.org/CORE_EFT_ERA.php landing page has action-focused steps and resources.
- 1,200 downloads of free tools; surveys completion by over 600 providers.

C. Education sessions that include polling on status/challenges.

- 33 free webinars; large majority with key partners, e.g., NACHA, ASC X12, or implementers such as Medicaid agencies.
- Nearly 22,000 registrants (compared to 9,500 in 2012), 55% of whom are providers; over 4,370 unique entities (nearly a 200% increase from 2012).
- Participated in 18 in-person industry meetings.

CORE™
Committee on Operating Rules for Information Exchange
A CAQH Initiative

Sources of Information on Adoption (cont'd)

(Additional detail available for each source; data from Jan 2013 – Jan 2014 unless noted)

D. FAQs.

- Over 180 EFT/ERA –focused FAQs from a total of 580 available on website.
- FAQ content is generated from RFIs; where appropriate directs entities to others such as ASC X12, CMS or NACHA.

E. CORE Certification.

- Over 80 entities, with 14 entities Phase III Certified or pledged, including range of BCBS plans, non-Blue plans plus Florida Medicaid.

F. Rule Maintenance.

- CARC/RARC: Tri-annual compliance and annual public review; nearly 900 code combinations considered by multi-stakeholder task group.
- EFT Enrollment: Annual, starts April 2014.

G. Baseline: U.S. Efficiency Index; transitioned to CAQH.

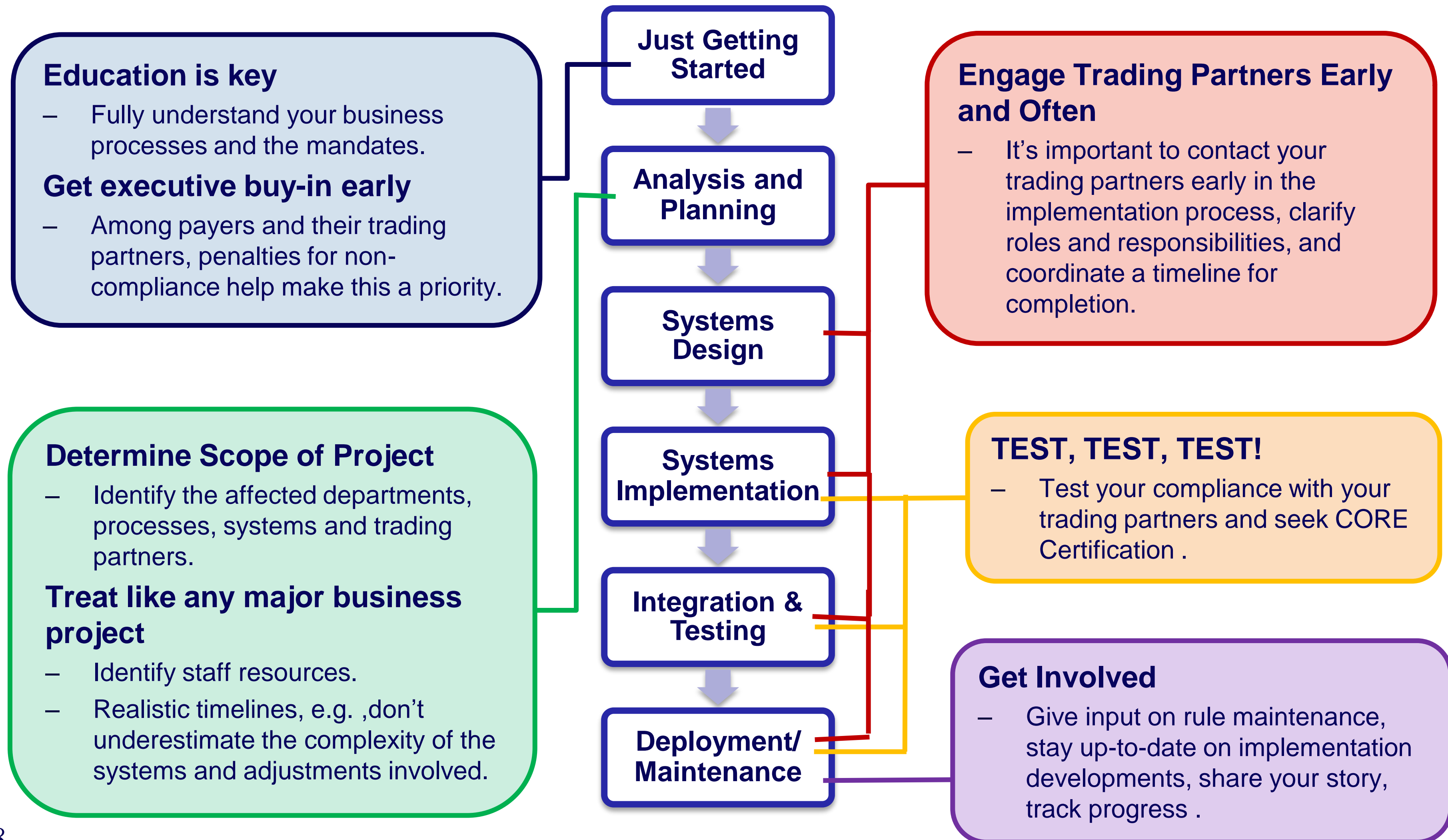
- *Pre-EFT/ERA mandate* data from 2012; 1.3 billion claims.
- Average electronic: claim payment 56%, remittance advice 53%.

CORE™
Committee on Operating Rules for Information Exchange
A CAQH Initiative

Caveats to Source Data and Tracking

- NACHA has a solid system to track healthcare EFT usage.
  - Unlike for other HIPAA transactions, use of the ACH network for CCD+ enables tracking of this transaction (*if entities use trace number).*
  - No correlation can be made between use of EFT and ERA: EFT can be used while:
    - Still using paper remittance advice.
    - Transferring funds via other means, e.g., credit cards.
- A small number of entities drive a large number of transactions, and the larger entities tend to have more resources to be proactive with their adoption.
  - Number of entities do not reflect the number of transactions unless such calculations are conducted.
  - Many of the entities using the CAQH CORE tools are smaller, non-CORE participants entities seeking assistance.

Implementation Steps for EFT and ERA:
Best Practices and Lessons Learned from Adopters



EFT and ERA Adoption Challenges

- Top challenges:
  - Overcome resource constraints.
  - Coordinate and test with trading partners.
  - Integrate new approaches such as Claim Adjustment Reason Codes (CARC)/Remittance Advice Remark Codes (RARC).
    - *Went from thousands to 1,300 code combinations; three compliance-based reviews to-date have resulted in*:
      - 360 new code combinations added, while 50 were removed.
      - 225 proposed adjustments did not meet criteria, and while 270 did not achieve consensus approval.
  - Identify, fund, complete and maintain system updates.
- Practice management systems vendor:
  - No incentives to make system changes for ERA, or version updates.
- Provider resources.
  - Need access to basic messages and tools, e.g., Sample Health Plan and Sample Financial Institution letters.
  - Develop understanding of what to ask and why, e.g., credit card vs ACH CCD+.

CORE™
Committee on Operating Rules for Information Exchange
A CAQH Initiative

Operating Rules for Remaining HIPAA Transactions

CORE™
Committee on Operating Rules for Information Exchange
A CAQH Initiative

3rd Set of ACA Mandated Operating Rules: Infrastructure and Content *(See appendix for more detail)*

- Both content and infrastructure will drive ROI and adoption.
  - Infrastructure options were ranked the highest opportunities by many entities; rule writing for infrastructure underway.
  - Content development beginning and needs to consider areas for ongoing maintenance, which can be resource intensive.
- Lessons learned are focusing resources and dialog.
  - Need to formally recognize. Acknowledgements, e.g. CORE rule exists for Claim Acknowledgment and requirement was rated as Claim priority.
  - Must consider experience in other areas of market must, e.g., Insurance Exchange use of premium payments and enrollment, Meaningful Use inclusion of HL7 C-CDA.
  - Limited knowledge base in target areas is a reality, e.g., HL7 and DIRECT not well known by administrative area.

Infrastructure

Connectivity Methods

Response Time
(batch and real-time)

System Availability

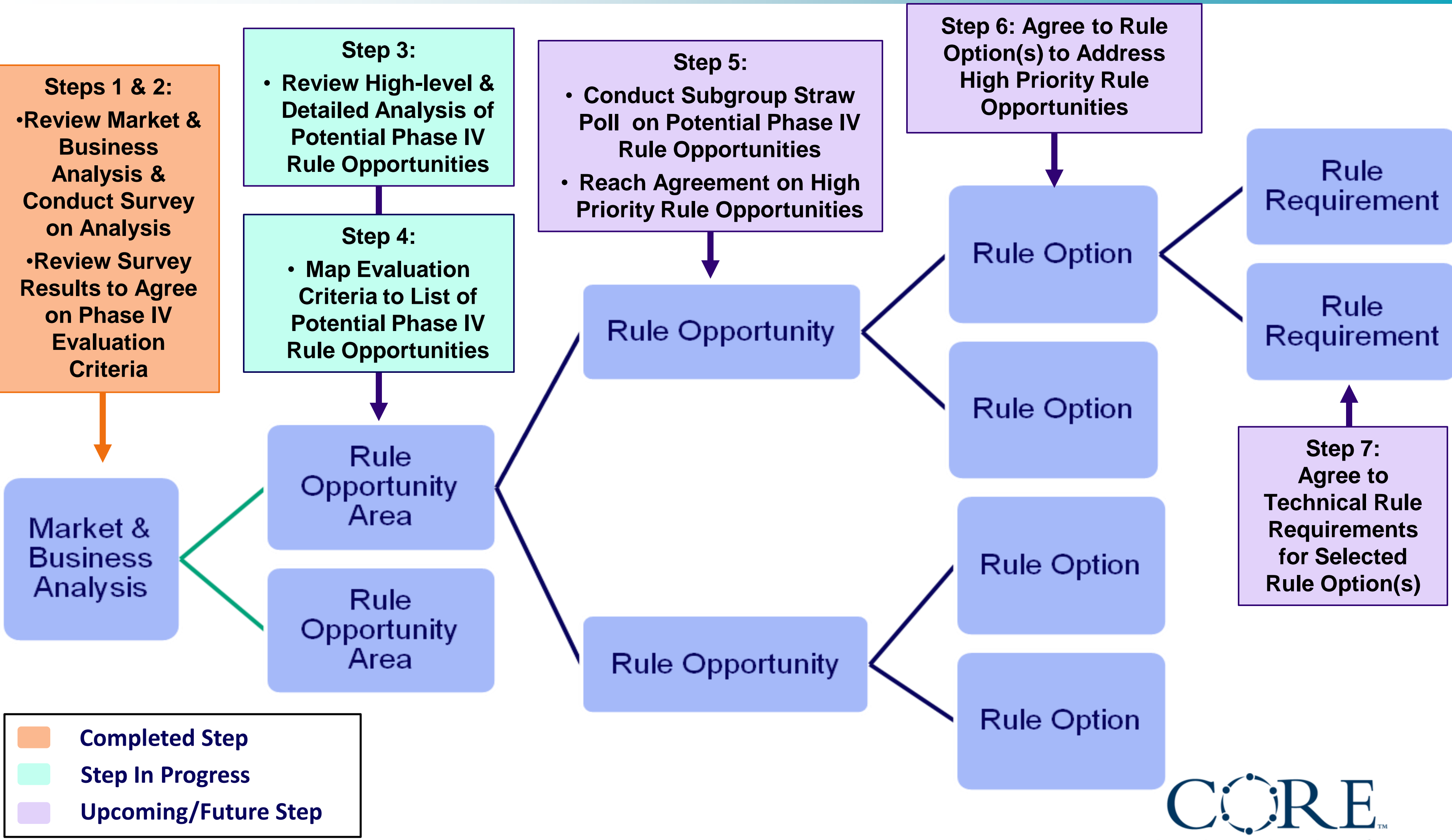
Dual delivery and access

Companion Guide Format

Content
Support the further and uniform use of structured content, e.g., X12, Code Sets, HL7

CORE
Committee on Operating Rules for Information Exchange
A CAQH Initiative

Work Plan for 3rd Set of ACA Mandated Operating Rules: Infrastructure & Connectivity Operating Rules



Approved Evaluation Criteria Specific to This Phase: Applied Along with *Existing/Established Criteria

Business Evaluation Criteria
• Provide Sufficient Increase in Efficiencies and Returns On Investment (ROI). • CMS Regulatory Requirement to Support Transactions and their Attachments. • Timeline for Drafting an ACA 3rd Operating Rule (end of 2014) and Other Industry Priorities. • Alignment with Clinical Domain's Interoperability Standards. • Align with Major National Initiatives (detailed environmental scan/surveying selected initiatives). • Facilitate Adoption by Practice Management Systems (PMS) Vendors/Other Non HIPAA-covered Entities.
Technical Evaluation Criteria
• Support for Unstructured Attachments with Movement Towards Structured. • Payload Agnostic. • Support for Large Attachments. • Security of Sensitive Information in Transactions and Attachments is Preserved (Consider security risks as well as costs of HITECH Penalties for security breaches). • Plug-And-Play Interoperability Through Prescriptive Specification With Fewer Options. • Backward Compatibility.

* Existing criteria include guiding principles such as vendor-agnostic.

CORE
Committee on Operating Rules for Information Exchange
A CAQH Initiative

Potential Connectivity and Infrastructure Rule Opportunities Identified to Date

Thirteen major rule opportunities identified; each with several options to pursue

Examples of Identified Rule Opportunities
Transport and Enveloping • Convergence of Authentication Standards for Safe Harbor, e.g., SOAP • Explore support for ONC DIRECT as an additional transport option *for Attachments (not other transactions)*
Enhancing Reliability and Security/Authentication • Industry-wide policy for uniform use of digital certificates • Enhanced envelope level security (e.g., Electronic Signature, SAML Authorization), determining B2B nature of transactions and that some signatures may be applied at the document (payload) level.
Message Interaction and Response Times • Define transaction Specific Message Interaction (e.g., Real time, Batch) Requirements; likely will vary by transaction, e.g. – Claims may only have batch requirements – Prior authorization may have batch and real-time to provide response for approval or clear instructions on *information required (draft rule available)*

How NCVHS Can Help

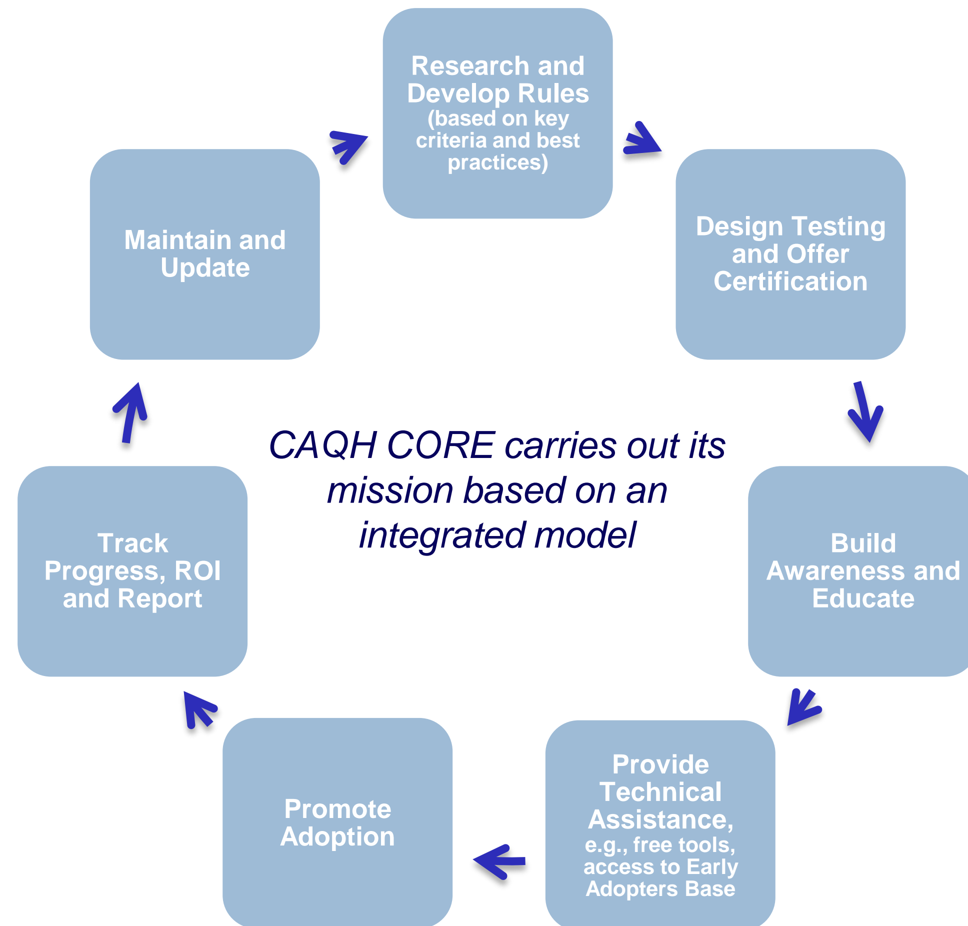
How NCVHS Can Help

- Educate and encourage others to educate via:
  - Links to resources such as CAQH CORE EFT/ERA landing page; includes information from CAQH CORE, AMA, MGMA, NACHA.
  - CMS Medicare Quarterly Provider Compliance Newsletter.
- Catalog adoption and ROI tracking mechanisms.
- Continue to dialog with HHS on adopting standards for:
  - Acknowledgments and Attachments.
- Encourage:
  - Congress to include PMS vendors as HIPAA covered entities; alternatively, communicate efforts that support PMS vendor involvement, e.g., Meditech, one of largest EHRs/PMS, is becoming CORE-certified.
  - Medicare and Medicaid to serve as “Beacons”.
- Continue raising awareness through CAQH CORE testimony to NCVHS.
  - CAQH CORE committed to EFT/ERA education with NACHA and others through end of Q3 2014.

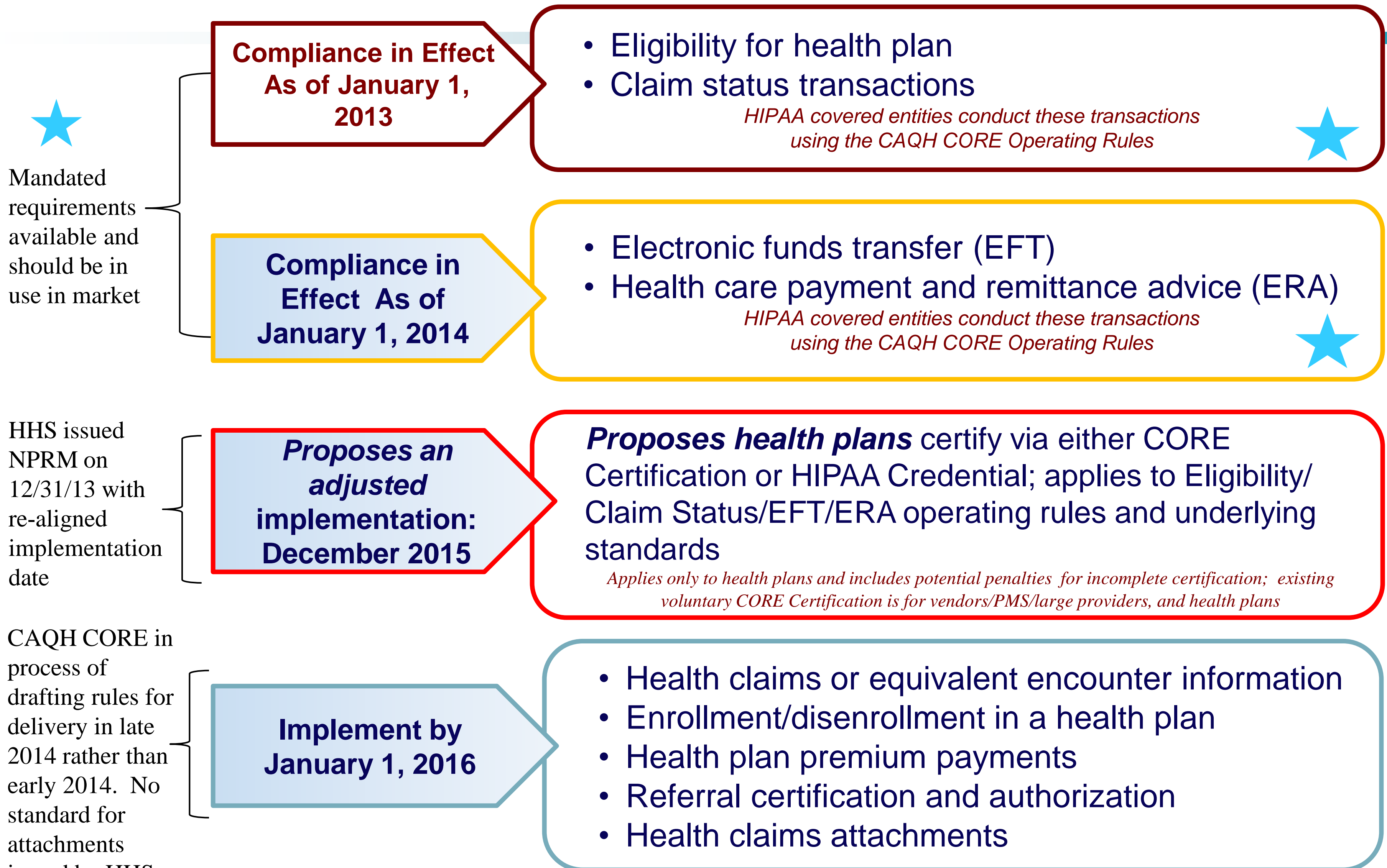
Appendix

CAQH CORE

- Established in 2005.
- ***Mission***: Build consensus among healthcare industry stakeholders on operating rules that facilitate administrative interoperability between providers and health plans, and drive adoption of operating rules and the affiliated standards through testing-based certification.
- ***Vision***: Streamlined, robust, efficient, and trusted administrative data exchange based on a set of Guiding Principles such as alignment of clinical and administrative.
- ***Participants:*** 140+ multi-stakeholder entities with multi-stakeholder Board.



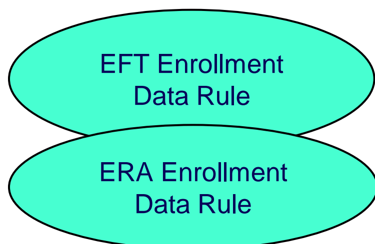
Status: *ACA Mandated Operating Rules and Certification*



EFT & ERA Operating Rules: *Rules in Action*

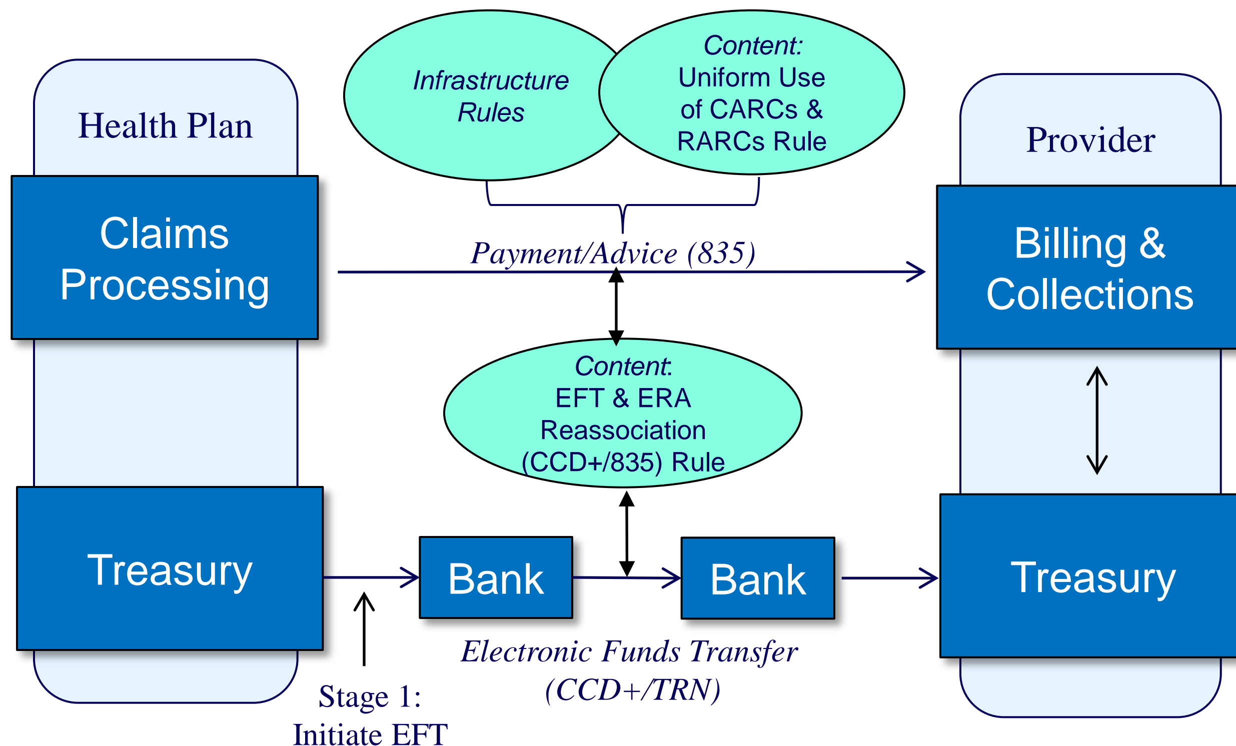
Indicates where a CAQH CORE EFT/ERA Rule comes into play

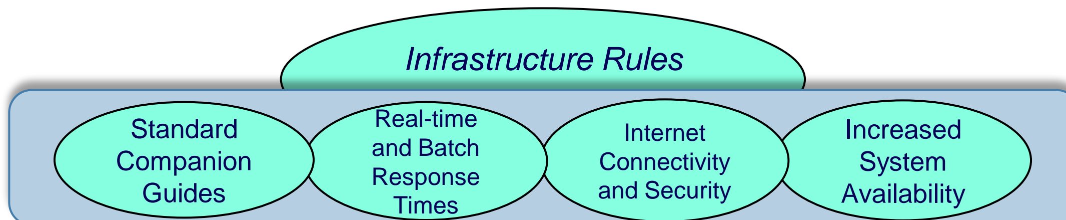
Pre- Payment: Provider Enrollment



Content: Provider first enrolls in EFT and ERA with Health Plan(s) and works with bank to ensure receipt of the CORE-required Minimum ACH CCD+ Data Elements for reassociation

Claims Payment Process





CORE
Committee on Operating Rules for Information Exchange
A CAQH Initiative

3rd Set of ACA Mandated Operating Rules: *Infrastructure and Content*

Subgroup that will focus on content will meet Tuesdays – after public submission on CARC/RARC ends and now that EFT/ERA adoption deadline passed; insurance exchange learnings will impact two of the transactions.

<table>
<tr><td colspan="2">CORE Connectivity Rule
(Safe Harbor)</td><td>Infrastructure: Get involved on Thursdays!</td></tr>
<tr><td rowspan="4">Data Content Rules:
Support use of X12, HL7 and industry neutral payloads, e.g. PDF</td><td>Response Time Rules
(batch and real-time)</td><td rowspan="4">Other Connectivity Methods</td></tr>
<tr><td>System Availability Rules</td></tr>
<tr><td>Other infrastructure rules e.g., dual delivery</td></tr>
<tr><td>Companion Guide Requirements</td></tr>
</table>

Scheduling for 1st week of March on a CORE-only call to get input on Attachment White Paper understanding Federally mandated Attachment standard not issued.

- ***Data content*** rules can apply to all transactions. Trace numbers and uniform code usage, in which rule includes ongoing/evolving code maintenance, identified as key opportunities.
- ***Infrastructure opportunities*** were *rated extremely high.* Batch turnaround time for all transactions, real-time for some actions, e.g., provision of Prior Auth requirements (not PA approval but info required), Claim submission (not Real time Adjudication). Acknowledgements viewed as critical (draft rule exists for Claim); however, regulations yet to recognize acknowledgements to date. Evolved connectivity and Companion Guide template have very high support. Employer role with infrastructure viewed as critical; however, regulations can only reach employer indirectly via health plans. ***CAQH CORE Connectivity and other infrastructure*** rules currently apply to all operating rules with the exception of EFT which uses different infrastructure (ACH network)
- Safe Harbor principle applies only to CAQH CORE Connectivity Rule. Connectivity approaches outside Safe Harbor still need to comply with all other rule requirements (infrastructure and content).

for Information Exchange
A CAQH Initiative