Testimony to
Sub-committee on Standards
National Committee on Vital and Health Statistics (NCVHS)

Operating Rules for Eligibility and Claim Status:
Preparing for Implementation
Authoring Entity Perspective

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Thank you for inviting CAQH CORE to testify before you today. I am Gwendolyn Lohse, Deputy Director of CAQH and Managing Director of CORE. CAQH CORE is the authoring entity for the Eligibility and Claim Status Operating Rules adopted in June 2011. We are very pleased to provide an authoring entity perspective on how stakeholders are preparing to implement the mandated operating rules.

BACKGROUND

By way of background, CAQH, the Council for Affordable Quality Healthcare, is a non-profit catalyst for industry collaboration on initiatives that simplify healthcare administration for all stakeholders, resulting in a better care delivery system that is more efficient and less costly. Since its inception in 2000, CAQH has launched several initiatives, collaborating with other organizations such as RxHub (now Surescripts) and various providers and medical specialty societies to make administrative processes easier for providers – an essential component of health reform. Under this model, CAQH created the Universal Provider Datasource (UPD) as a means to – free of charge to providers – collect accurate, complete, and up-to-date provider information for use in provider credentialing, and now for other necessary actions like enrollment and member services such as directories. There currently are over one million providers using UPD, and over 650 health plans and hospitals accessing that data per the approval of the providers.

CAQH CORE, the Committee on Operating Rules for Information Exchange, was launched in 2005. It is comprised of over 130 wide-ranging participant organizations actively engaged in an integrated model of developing the operating rules, testing/certifying adoption, and conducting outreach and ROI studies. Participants include: vendors/clearinghouses, providers, health plans, associations, standards development organizations, government entities and others. CAQH CORE's work on operating rules builds on existing standards to make electronic transactions more consistent, regardless of the technology. The *Tenth Report to Congress on the Implementation of HIPAA,* issued by NCVHS in December 2011, observed that harmonizing the implementation of major initiatives is one of the most important steps, moving forward, to achieve true administrative simplification. Rights and responsibilities of all parties, security, transmission standards and formats, response time standards, liabilities, exception processing, and error resolution must be clearly defined in order to facilitate successful interoperability, and this is where operating rules play a role. CAQH CORE rules are developed to complement other existing efforts such as standards or Federal initiatives like the NwHIN, to address the above noted requirements. Beyond reducing cost and administrative hassles, operating rules foster trust among those entities within healthcare *that are exchanging data*, and across industries where applicable. How well the markets support the implementation of operating rules will be key to their success.

AGENDA FOR TESTIMONY

As requested, our testimony today will focus on the authoring entity perspective on implementation of operating rules. We will:
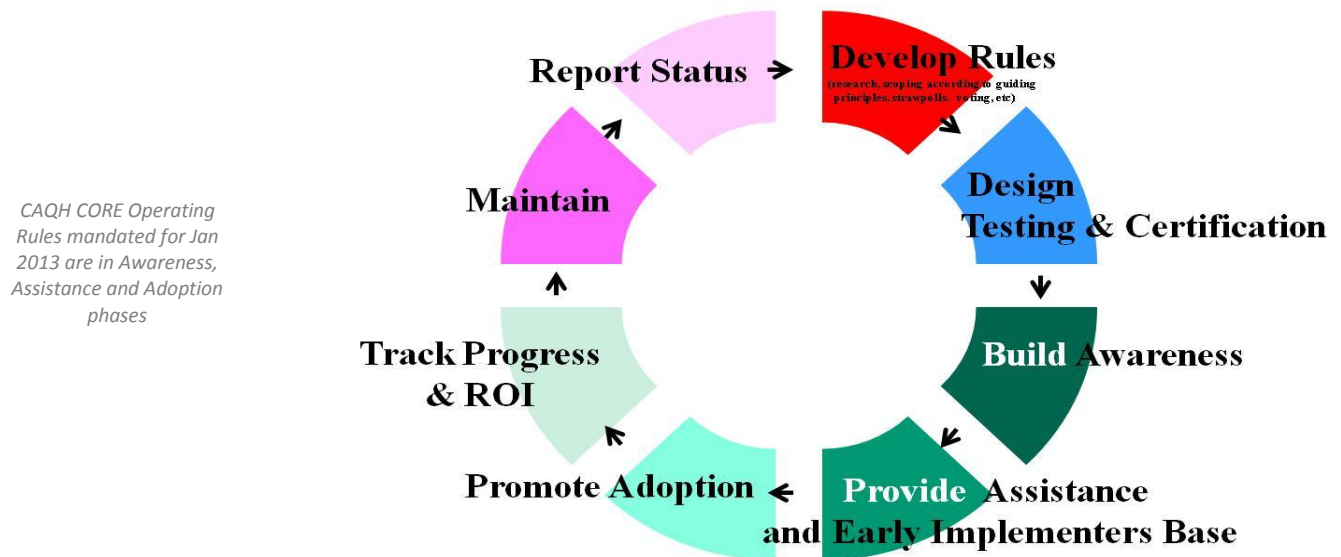
1. Describe the CAQH CORE integrated model and role of authoring entities in implementation.
2. Highlight activities CAQH CORE and others have conducted to help the transition to operating rules since the first set of operating rules were adopted via a Federal mandate in June 2011.
3. Discuss status and key challenges in reaching a critical mass of the right people, through the right venues, price, and appropriate depth of information, as the life cycle of adoption status evolves.
4. Provide a brief status report since our last testimony to NCVHS on other CAQH CORE activities.
5. Identify key steps that CAQH CORE intends to take, moving forward, to help improve implementation and our recommendations for NCVHS to support this transition.

1. **ROLE FOR AUTHORING ENTITIES IN IMPLEMENTATION**

The *NCVHS Tenth Report on HIPAA* – issued about six months ago – recognized that the current status of HIPAA transactions and code sets usage is below where most believe it should be, and that the pace to adopt and implement new standards and operating rules needs to be accelerated. The administrative simplification provisions in the Affordable Care Act (ACA) are giving healthcare a "second chance to get it right" according to the report. This said, CAQH CORE since its inception has been structured around a model that operating rules authoring entities should take the responsibility of going above and beyond authorship in order to help drive adoption. To do so, CAQH CORE is applying its integrated model in which CAQH CORE:

- Develops operating rules through broad-based stakeholder input that supports using standards.
- Develops and offers a voluntary certification program that ensures operating rules are objectively and rigorously tested, and, thus, there is a solid base of early implementers.
- Builds broad-based awareness of the operating rules.
- Provides in-depth, detailed technical knowledge and assistance through early adopters.
- Promotes operating rules adoption by a majority of all stakeholders.
- Tracks industry progress on adoption and return on investment (ROI).
- Maintains the operating rules as business needs change.
- Provides regular status updates to the industry and Federal oversight committees and agencies.

DIAGRAM A: CAQH CORE Integrated Model – Perspective on Role of Authoring Entities

CAQH CORE Operating Rules mandated for Jan 2013 are in Awareness, Assistance and Adoption phases

Report Status ➔ **Develop Rules** (research, scoping according to guiding principles, strawpolls, voting, etc)

Maintain

Design Testing & Certification

Track Progress & ROI

Build Awareness

Promote Adoption

Provide Assistance and Early Implementers Base

Operating rule development initiates the process of awareness and education – and ensures industry knowledge of the definition and scope of operating rules. Broad-based stakeholder input enriches the operating rules and helps early adopters both implement and spread the word that operating rules will achieve consistency and uniformity that support the intended value of electronic transactions.

Testing in the early life cycle of operating rules provides real-world feedback to developers and demonstrates – via an implementer base – that implementing standards, operating rules, and other such administrative efforts together is feasible and results in a ROI. Testing also reduces risk. Again drawing from

the NCVHS *Tenth Report on HIPAA*, it is necessary to anticipate and address unintended consequences. Testing among trading partners improves the likelihood that there will be fewer, if any, issues during go-live. CAQH CORE **voluntary certification** affords the recognition in the marketplace that a certified organization has undergone an objective examination of its ability to conduct the transactions using required standards and operating rules.

Awareness must be cultivated across all stakeholders *and as early as possible*. Authoring entities that are intimately familiar with the operating rules must work towards the mandate and deadline, describing the scope of work necessary to successfully implement, as well as outline the business case to create market interest. Without a strong business case, stakeholders will put off an onerous task with the hope that there will be extensions and/or delays in enforcement.

In-depth, detailed technical assistance is always needed when implementing any new technology-related requirement. Authoring entities – and most importantly their participants – have the knowledge and expertise gained from the rule development, testing process, and early implementers to provide assistance.

Adoption by a critical mass strengthens the business case and ensures that the overall desired (or anticipated) effect can be recognized by late adopters. Such broad-based adoption is not easy, requiring experts to carry the message in many different venues. CAQH CORE has learned that it truly takes many different voices to build a critical mass of adopters in all stakeholder categories; other CAQH efforts have resulted in a similar learning.

Tracking both activities and results also follows the life cycle of operating rules awareness, implementation, and adoption. CAQH CORE tracks awareness to ensure timely attention is prioritized in programming so that mandated deadlines can be met. Then, as tracking can reveal, as more of the industry enters the later implementation stages, CAQH CORE can adjust its programming to focus more on supplying detailed technical assistance. In turn, ROI studies are conducted in order to motivate those still in the early stages of implementation and to identify lessons learned.

Operating rule maintenance is a typical function of an authoring entity. Authoring entities need to be open and transparent and proactively engaged in seeking feedback, analyzing inquiries for creative ways to address issues, and continuously scanning the environment for potential impacts on the operating rules. Such an approach leads to greater trust in the entire process and better and timelier adoption.

Regular updates to the industry and Federal oversight committees and agencies keep the authoring entity on track and ensure timely response to industry needs. Such updates also encourage adopters and can serve as an early warning system if there are issues with implementation.

2. **ACTIVITIES CURENTLY SUPPORTING OPERATING RULES IMPLEMENTATION**

With relation to the January 2013 implementation deadline for the first set of publicly mandated operating rules, CAQH CORE is conducting and tracking a variety of activities to support implementation:

- Providing evolving educational programs in a variety of venues with different modalities depending on status of adoption.
- Offering evolving interactive tools and venues.
- Tracking usefulness and ROI.
- Offering voluntary CORE Certification.
- Other types of activities that focus on user friendliness, etc.

*a) **Educational programming*** on operating rules begins with rule development, where a broad range of participants develop awareness, exchange expertise, provide input, and decide to become early adopters and spread the word on value.

To drive greater awareness and adoption there must be frequent and ongoing educational programming to a wide range of stakeholder audiences using different modalities and at different levels of detail – from general workflow to technical specifics. In order to reach a critical mass of adopters, CAQH CORE promotes operating rules education in a variety of ways. It offers a significant level of programming directly to stakeholders and also collaborates with others to broaden its reach into other stakeholder groups. Following are key components of CAQH CORE educational programming:

> Three to four webinar *programs* are conducted each month directly to CAQH CORE Participants and the public with and without collaborators. These typically range from general awareness building to detailed technical assistance. Over 50+ opportunities will be offered in 2012, and the majority of these will be recorded and available for download on the CAQH website or the website of the collaborator for the event.

> *Presentations and exhibits* are provided at conferences conducted by other organizations, such as at Work Group for Electronic Data Interchange (WEDI) and the 20th National HIPAA Summit. Early in the cycle of operating rule adoption these are often general awareness-building sessions. Moving to more knowledge-building offerings with panels of implementers who can describe specific lessons learned must then occur. This phased approach is underway for operating rules.

> *Collaboration with other organizations*, such as the National eHealth Collaborative (NeHC) and the National Medicaid EDI HIPAA (NMEH) Workgroup, is vitally important to CAQH CORE in order to offer jointly sponsored programs that demonstrate the strong interest others have in promoting adoption and speaking to their specific audience(s). Also, as noted below, cross promotion of existing tools, resources, etc. also helps those who are working towards January 2013 to know the resources are established and accurate.
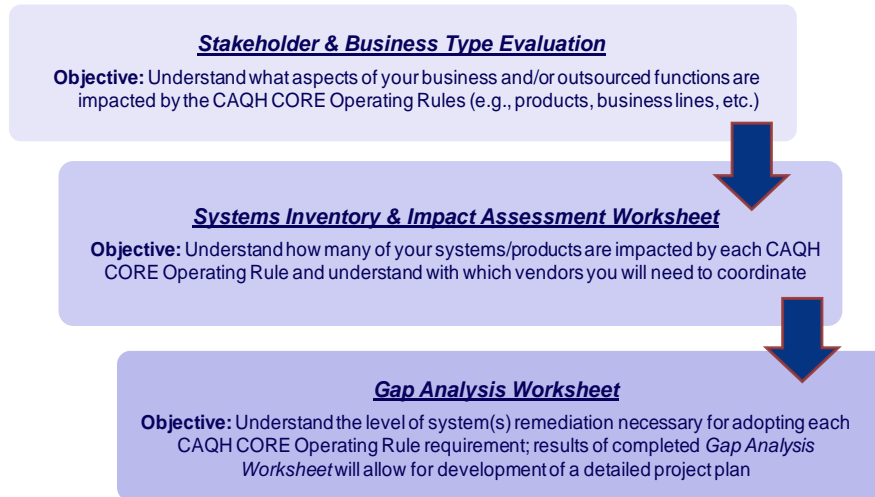
> *Price* of educational programming directly impacts audience size. CAQH CORE finds that no or low priced programming significantly increases attendance by upto 100-200 more attendees. This finding is similar to NeHC's findings regarding the relationship between price and attendee size. No or low cost also encourages cross-linking of websites, etc. given there is not a barrier to entry or use. Given that the introduction of operating rules is new to healthcare, CAQH CORE is committed to the low cost programming it provides because it so strongly believes education to be an essential role of an operating rules authoring entity. Collaborating with other organizations helps spread this cost burden, and demonstrates to other organizations' own constituencies the commitment to the overall goal of administrative simplification. CAQH CORE actively seeks collaborating organizations based on an assessment of the organization's quality principles, price point, and audience reach.

See *Appendix A* for a snapshot of recent and upcoming CAQH CORE programming and *Appendix C* for direct survey feedback from some of the attendees of these programs.

*b) **Interactive tools*** are both a means to educate those responsible for implementation planning as well as provide direct technical assistance for those in the midst of adoption. For example, CAQH CORE:

- Provides the complete set of its operating rules, including both drafts and final versions, on its website free of charge.
- Creates and then distributes targeted tools such as the *Analysis and Planning Guide* free of charge on its website and via public webinars to enable implementers to self-assess their readiness for adoption.

DIAGRAM B: Tools in CAQH CORE Analysis and Planning Guide

Stakeholder & Business Type Evaluation

Objective: Understand what aspects of your business and/or outsourced functions are impacted by the CAQH CORE Operating Rules (e.g., products, business lines, etc.)

Systems Inventory & Impact Assessment Worksheet

Objective: Understand how many of your systems/products are impacted by each CAQH CORE Operating Rule and understand with which vendors you will need to coordinate

Gap Analysis Worksheet

Objective: Understand the level of system(s) remediation necessary for adopting each CAQH CORE Operating Rule requirement; results of completed *Gap Analysis Worksheet* will allow for development of a detailed project plan

**NOTE**: Each of the above tools can be found in the CAQH CORE Analysis & Planning Guide.

- Answers and encourages inquiry/change requests, with over 300 inquiries since January 1, 2012, that, on average, have been answered within five days. All inquiries and responses are tracked and logged to determine need for things like policy issues to be addressed by CMS Office of E-Health Standards and Services (OESS) or technical questions that would value from a CAQH CORE FAQ. Tracking of the request process also occurs to assist with determining implementation status and areas for improvement, e.g.,
    - Complexity level.
    - Source of request.
    - Response time.
    - Open/closed request.
    - Additional action/follow-up needed, e.g., FAQ, suggestion for a new rule area, need for rule-specific webinar.
    - When directed to another entity, e.g., sent inquiring entity to ASC X12.
    Note: CAQH CORE is considering how to share responses/data publicly, while respecting the privacy of inquiring entities.
- Organizes one-on-one conference calls between early adopters and vendors/stakeholder specific groups that are assisting multiple entities with their operating rules adoption.
- Conducts evaluation polls to gain targeted feedback on need (see Diagram C).
- Develops FAQs based on inquiries and lessons learned, including references to FAQs that are listed on the CMS OESS website related to operating rules.
- Makes referrals to the CMS OESS when a question is most appropriate for direct response from the appropriate regulatory agency.
- Evolving a presence on LinkedIn and Twitter in order to encourage further networking.
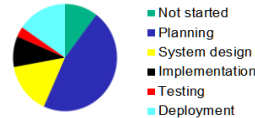
DIAGRAM C: Example of Programming Polling

Program: "Got SOAP? Educating IT on Federally Mandated CAQH CORE Connectivity Operating Rules"

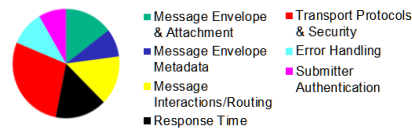Findings from education session, May 31, 2012; *nearly 300* attendees

– **Familiarity** with Federally-mandated CAQH CORE Connectivity Rules
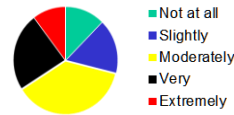
– **Status of implementing** CAQH CORE Connectivity Rules

– **Most challenging** Connectivity Rule requirement to implement

Beyond interactive polling, direct feedback during events such as this June's Provider Caucus at the ASC X12 Trimester Meeting and the CAQH CORE Town Hall calls indicate that these interactive tools are very useful, especially new tools like the *Analysis and Planning Guide.* This Guide was developed based on the experience of early implementer entities that achieved voluntary CORE Certification.

Voluntary CORE Certification is another key interactive CAQH CORE tool for entities in the midst of planning and adoption. It also can be used for self-assessment of an entity's adherence to the operating rules, as well as serve as a visible means to assure trading partners of compliance with the operating rules. CORE Certification is voluntary and is not the same as ACA-mandated certification for health plans, but could be a means to demonstrate compliance in the event of an audit. Voluntary CORE Certification is also useful for those preparing to test with trading partners.

c)   Return on investment tracking and business case awareness is vital to support ongoing momentum for adoption of operating rules – especially in the provider community – and to understand those entities that are not commonly engaged in efforts like operating rules development and industry conferences.

Using *retrospective studies,* CAQH CORE is tracking the impact (financial and non-financial) of operating rules adoption in coordination with IBM, who has just gathered the latest round of data regarding the mandated operating rules. *Prospective* benchmarking templates have also been designed by CAQH CORE for operating rules that are now part of the healthcare landscape, e.g., EFT and ERA will be the first to use such tools. Finally, CAQH CORE frequently highlights business cases from early adopters and reminds those in the market of the financial analysis available in the Final Rule issued by CMS.

CAQH recently took over ownership of the U.S. Healthcare Efficiency Index, a tool that was cited in the *NCVHS Tenth Report on HIPAA*. CAQH plans to expand the Index's data collection on adoption rates to all types of transactions from all interested health plans as well as providers. CAQH is also creating a vision for the Index to grow as the source for industry benchmarking on cost savings through to administrative simplification.

d) **Other outreach** in which CAQH CORE engages includes:

- Building awareness of useful publications created by key government authorities such as a [March 2012 letter from CMS Center for Medicaid and CHIPS](#) regarding the January 2013 operating rule deadline and its application to Medicaid agencies.
- Repackaging the operating rules to remove non-mandated content relating to voluntary CORE Certification as done with EFT/ERA.
  - A request was made on the last two CAQH CORE Town Halls regarding thoughts on specific repackaging changes that could be made to the operating rules, and any additional repacking ideas, to assure that the operating rules are as user friendly as possible.
- Monthly updates to CMS OESS addressing the status of CAQH CORE activities, review of areas requiring CMS OESS policy input and requests for joint efforts between CAQH CORE and CMS OESS. These monthly calls have already generated several CMS OESS FAQs and requests by CAQH CORE to CMS OESS to use its vast network of stakeholders to build awareness of free or low cost education sessions.

Many organizations beyond CAQH CORE, such as WEDI, Edifecs (a CAQH CORE-authorized testing vendor), and large consulting firms with significant government work such as Deloitte, are issuing awareness surveys, publishing articles, and hosting events to drive awareness. The Health IT Certification Certified Professional in Operating Rule Administration course and professional certification is also being offered. CAQH CORE will be working to promote programming activities of high quality and reasonable price in order to advance knowledge of operating rules. As part of this, CAQH CORE is conducting outreach to these other efforts to determine how CAQH CORE can support or get involved while also ensuring there is consistency in messages, accuracy (especially with regard to rule requirements), and non-duplication of efforts such as FAQs.

3. STATUS and CHALLENGES IN REACHING CRITICAL MASS ADOPTION

Status. In order to consider the challenges ahead, it is important to consider – at a very high-level – the key status findings to date:

- Awareness of the operating rules appears strong given all of the Federal requirements for HIPAA covered entities; see other testimonies such as WEDI.
- Many entities are moving from planning and analysis into implementation; Medicaid agencies and those entities that serve the agencies are engaged.
- Health plans are especially concerned about this mandate given the affiliated HHS testing and certification program that will be issued in the coming months.
- The early adopter base is key to providing quality education and business case examples.
- Programming and tools must speak to where the industry is in the implementation cycle.
- There is a growing appreciation regarding how operating rules and underlying standards work together to drive value and interoperability.

This all said, the challenges that exist in order to gain full adoption are at a *system-wide level,* as well as at an implementer-specific level.

System level challenges are those impacting the transaction adoption overall. There are three major system-level challenges:

- *Mandated adoption* of electronic transactions is required of health plans and they are subject to Federal penalties if they do not certify their capability to conduct the standard transactions with operating rules by specified ACA deadlines. However, provider adoption of electronic transactions is not mandated, except for claims to Medicare – which was required, with limited exceptions, under the Administrative Simplification Compliance Act of 2001. Provider adoption of the standards and operating rules is only required for use when providers choose to use electronic transactions to conduct their financial and administrative business. This said, it appears the market will see further efforts from Medicare to drive adoption, e.g., Medicare requiring payment by EFT.

- *Laws of supply and demand* need to be clearer to encourage provider adoption of electronic transactions. Because providers are not required to adopt electronic transactions and their practice management and patient financial systems vendors (PMSs) are not HIPAA covered entities, the providers and their systems may not have incorporated into their product versions the support necessary to conduct such transactions. Unless providers are mandated or strongly incentivized, there will be no demand for such information systems capabilities. Without government market forces brought to bear on the PMSs, as has been for electronic health record vendors (EHRs), health plans and providers must engage their PMSs in other ways. CAQH CORE Certification and public recognition of such certification is helping; some health plans require their provider trading partners and clearinghouses to become CORE-certified, and some providers are also considering such. Demonstration of ROI helps increase provider interest and hence increases demand, but this is still not sufficient to move the broader industry.

- *A coordinated network* (not IT) is lacking in which all relevant stakeholders, and their staff members, responsible for implementing HIPAA requirements are connected to/can access the network as appropriate to their role (system developer, project manager, communications, regulatory, etc.). We have already experienced this lack of an organized network with other HIPAA requirements. As a result, efforts to educate are not well distributed among those that matter for the specific topic. For example, WEDI reported that the results of a survey it conducted recently indicates a relatively strong level of awareness among its responders. WEDI's survey also reported that there is still a relatively large proportion of their audience that does not know where to seek help with questions. In turn, CAQH CORE has placed significant resources to serve as the locus for sharing implementation tactics. But, CAQH CORE efforts and thus the level of administrative simplification desired for operating rules will not occur unless parties collaborate around targeted resources and messages, whether technical or strategic. This is especially true given the:
  - Limited funding of those organizations like CAQH CORE supporting administrative simplification, and thus the need to avoid duplication of its and industry resources devoted to operating rules.
  - The absence of a mandate or strong incentives for provider adoption, and thus the need for providers to trust in the business case for adopting electronic transactions and hear consistency in the response to questions about workflow and the technical aspects of the operating rules.

Implementer level challenges are those impacting individual implementers of operating rules that conduct the transactions. Such challenges include those that would be expected with any new information technology (IT) project, such as new interfaces and the need to change underlying policies, procedures, payment schedules, etc. We are also seeing challenges related to the need to address new workflows, and the need to prioritize projects in light of the many requirements with which the industry is currently faced, such as ASC X12 v5010, ICD-10, ACO, etc. Addressing these challenges requires:

- Reaching a critical mass with:
  - New venues and tools.
  - Stakeholder fee/price considerations.
  - Real-world business cases highlighting integrated aspects of operating rules.
  - Addressing impact on the revenue cycle.
  - Federal government engagement to expand outreach.
- Assuring quality communications and application of cross-industry knowledge with:
  - Right target audience.
  - In-depth expertise on both the operating rules and the underlying standards.
  - Messaging that the operating rules have been tested and are in use.

New venues and tools to reach stakeholders who are not yet at the table are very important, but identifying and engaging those who can tap into small providers and health plans and their vendors are especially critical. Such organizations are often local or regional, with modest budgets and many agendas. A double-layer of messaging is needed to reach different venues.

- First message: Operating rules adoption should be a critical agenda item for their organization given its value, as well as the fact that it integrates with other efforts, mandated and non-mandated.
- Second message: There are already resources to deliver to their constituents, e.g., nationally-based webinars, or early adopters in their local region who can drive adoption of both electronic transactions standards and operating rules.

Price of the programs that create awareness and educate large numbers of stakeholders is always a consideration. In the early stages of awareness-building, no or low priced programming has been found to significantly increase the size of an audience and thus is vital to attract larger audiences, e.g., even paying for copies of the operating rules themselves can be a barrier to small stakeholders or employees without education budgets. Yesterday, as another example, CAQH CORE held a free call on CAQH CORE Connectivity with a presentation by an early adopter health plan. Attendees included over 300 individuals representing over 175 organizations, with the overwhelming majority of these organizations not being CORE Participating companies.

Real-world business cases for adopting transactions with the operating rules must be explicit, and each stakeholder category needs its own set of scenarios. Providers learn best in a "see one, do one" mode – so they need success stories shared by peers. National-level information is not sufficient. Local and specialty types of scenarios are needed, and thus why CAQH CORE studies are targeting those areas. There are differences between large and small health plans, national and local clearinghouses, PMSs vs. vendors supporting a full suite of revenue cycle systems for hospitals, and many others.

Impact on the revenue cycle for all stakeholders must be addressed, and is often not fully recognized. The entire revenue cycle is impacted when a provider moves from paper or web-based tools to electronic transactions. Provider associations can provide a great resource for these considerations.

Federal government engagement is essential to ensure the message reaches the broadest audience. In healthcare, the Federal government is typically the catalyst that provides the networking (not IT) needed to reach new venues and the right people within each venue. CMS OESS staff needs to continue to be visible and present (in person or virtually) in programs and venues, and the CMS OESS website creates a good access tool regarding just how critical administrative simplification is and what tools and assistance are available.

Right target audience is needed to receive the message about operating rules. Sometimes a particular type of stakeholder can be identified and even a venue to support awareness and education – but the venue may not attract the right target audience. Operating rules impact leadership from business, operations, and IT, including technical staff. For example, operations staff must understand what operating rules are and how they will benefit the organization. Operations is often responsible for making the business case for the specific stakeholder, and then for carrying out the implementation, recognizing and describing potential workflow changes so decisions can be made about how to approach adoption, and ensuring that successful testing is performed on a timely basis. IT staff must appreciate the big picture of how operating rules fit into the overall information system architecture. Alternatively, technicians have an intimate understanding of the data models and structures and are needed to make the programming changes happen. CAQH CORE is working to target its audiences according to education goals and current status of adoption.

In-depth expertise is critical to ensure that solid experience is directed to the target audience. For example, individuals who provide technical assistance must be intimately knowledgeable about the operating rules, and also the underlying standards (e.g., SOAP and ASC X12). The messengers also must be sufficiently versed in the regulatory requirements surrounding use of the standards and operating rules. Misunderstandings shared by those educating – perhaps about whether a health plan is required to conduct a standard transaction – communicated even to a small group can then be broadly shared and cause confusion and a barrier to industry adoption. CAQH CORE is ensuring, for example, questions on underlying standards are sent to ASC X12 or the appropriate standards development organization (SDO).

Testing is a way to lay the groundwork for others to follow. The fact that the operating rules have been tested by virtue of CAQH CORE voluntary certification should be a message broadly shared. Such messaging convinces the critical mass of stakeholders that this is not another IT project with no experience-base and unknown outcomes – and implementation can be achieved. That is not to suggest that such voluntary certification diminishes the need for thorough testing among trading partners. However, this is the first opportunity the nation has had to undertake a project like this where there has already been voluntary adoption and objective measures of success. Such established testing helps clarify issues for collective resolution and lessens the burden for those following the early adopters.

4. CAQH CORE UPDATE

Before concluding, we would like to highlight CAQH CORE status since our November 2011 testimony to NCVHS on several other activities:

- *EFT and ERA operating rules* have been balloted and final approval by implementers is occurring. CAQH CORE repackaged these operating rules in a format so that references to CORE Certification were removed and terminology supported Federal developments like the mandate of EFT via the March IFR issued by CMS. Additionally, CAQH CORE contributed to the request for comments on proposed changes to *NACHA Operating Rules* based on anticipated use by healthcare due to regulations and continued to work with NACHA in their efforts to support the Healthcare EFT.
- *New governance model for CORE* has been designed by the CORE Transition Committee (see *Appendix B*), which included executive-level representatives of the stakeholders that absorb adoption cost or the lack thereof.
- *Creating resources* to help the industry adopt the first set of mandated operating rules given a successful adoption of this first set of rules will help set the stage for the remaining ACA operating rule mandates. Over 130 organizations have participated directly in the operating rules authoring process to date, and many are presenting experiences and findings at various venues. Beyond this,

CAQH CORE utilizes more than 20 staff and consultants to support the operating rules authoring process and provide outreach and stakeholder assistance. For example, a CORE Education Manager was hired who brings expertise from clinical trial education.

- **Planning for next stages** is well underway. With regard to the roll-out of national EFT/ERA operating rules, tools, venues, etc. offered for eligibility and claims status will be offered for EFT/ERA. Additionally, CAQH CORE will add new tools based on lessons learned with the first mandate as well as work with financial services. These will be issued early so that HIPAA covered entities and their business associates can proactively plan for adoption. With regard to the final set of operating rules, new staff has been identified, SDOs with expertise such as HL7 have been contacted regarding collaboration, entities with real-world expertise on new topics identified, and review of other efforts such as those by ONC are occurring to ensure alignment has occurred. As always, any interested entity is invited to participate, and new rules will support existing standards.

5. CAQH CORE PLANS AND RECOMMENDATIONS

To advance administrative simplification through the use of operating rules in association with electronic transactions, **CAQH CORE will continue to**:

- **Expand educational venues, modalities, tools and messaging**. As indicated by its feedback tracking (see *Appendix C*), CAQH CORE will continue offering no and low priced educational offerings to reach the largest possible audience – at the awareness level and at the more detailed, technical level as the cycle of adoption continues into the direct implementation and testing phases. CAQH CORE also is enhancing the pool of experts – with knowledge of both the operating rules as well as the underlying standards – in order to support the more detailed technical assistance the life cycle of operating rules adoption demands. We hope experts at ASC X12, among others, will participate in this given their knowledge of the standards and the need to send the message that operating rules and standards work in unison. Keeping our website components fresh is an ongoing activity. We also continue to provide and enhance interactive tools that make implementers' jobs easier. For example, we hope to work with WEDI to enhance the awareness of CAQH CORE resources. This is especially important given recent WEDI survey results that stated there is not enough awareness regarding the CAQH CORE request/response and other tools to meet their needs. Because voluntary certification essentially serves the role of testing of the mandated rules, we have also set a goal specifically to increase the number of PMSs who are voluntarily certified with the help of the AMA and MGMA.
- **Package existing case studies** that have been developed by many health plans, vendors, clearinghouses, etc. for educational venues, tools and measures tracking to make them more accessible to those going through adoption.
- **Utilize feedback mechanisms** to help identify the right venues and modalities to meet programming/interactive tool needs and to monitor adoption rates. Such feedback also helps evaluate the usability and value of the operating rules in order to identify opportunities for operating rules improvement. Obtaining such feedback (also see *Appendix C*) requires objective measures – for all types of stakeholders – of the information technology challenges, workflow challenges, time to implement, time to test, test results, and return on investment studies.
- For current and future operating rules, **document the strategic drivers** on a system-wide basis and otherwise to identify ways to achieve the intended rates of transition adoption and benefits.
- **Update OESS** monthly on its activities and outcomes. We are happy to supply a copy to NCVHS.

CAQH CORE also recommends that NCVHS:

- ***Request an update*** from CAQH CORE at its Fall 2012 meeting.
- ***Recommend that OESS***:
    - o Develop or work with others to develop mechanisms to monitor the status of operating rules adoption and report on status and lessons learned. Compliance is required by January 1, 2013. Pressure must be put on all stakeholders to avoid the cycle of seeking extensions that harm both early and late adopters.
    - o Provide support for education – both by participating directly in various venues and by widely distributing information about all free and low priced programming available to the industry about operating rules through CAQH CORE and others.
    - o Continue to hold monthly calls with CAQH CORE on status, as the authoring entities are the front line to respond to questions – both as a means to provide accurate and complete technical assistance and policy guidance from CAQH CORE as well as to provide rapid outreach to the industry on lessons learned.
- *Add to the ACA criteria for selecting authoring entities* that such entities commit to supporting an integrated model of responsibilities such as outlined under Role for Authoring Entities in Implementation earlier in this testimony. Such an action would complement the findings of *The NCVHS Tenth Report to Congress.*

CONCLUSION

In conclusion, we would like to restate our belief that the ACA provides the nation with a second opportunity to emphasize the need to get administrative simplification "right." A critical mass – of the right target audience, at the right time (starting now and early for each subsequent set of operating rules), reached through the right venues, with the right expertise and testing results, and at the right price – must be achieved to obtain the intended financial and non-financial results.

Thank you again for the opportunity to testify to make the adoption of operating rules successful. As always, I look forward to your questions and ideas.

APPENDIX A: Snapshot of Recent and Upcoming CAQH CORE Programming

CAQH CORE has been conducting educational programming since it first began development of operating rules, and has increased its commitment to such efforts since the Interim Final Rule on Eligibility and Claim Status Operating Rules became effective June 8, 2011. Following is a snapshot of the last three months, and some examples of upcoming programs.

Date	Event Type	Topic(s)	Industry Collaborators
Most Recent CAQH CORE Educational Programs			
April 2nd	NMEH Operating Rules Sub-Workgroup Meeting*	*Preparing to Implement the Mandated CAQH CORE Eligibility & Claim Status Operating Rules: A Health Plan Perspective*	NMEH (Medicaids) BlueCross BlueShield of Tennessee
April 9th	CAQH CORE Industry-Wide Education Session*	*Calling All Project Managers: Preparing to Implement the Mandated CAQH CORE Eligibility & Claim Status Operating Rules*	N/A
April 24th	CAQH CORE Town Hall*	Update on Mandated Healthcare Operating Rules, repackaging of CAQH CORE Operating Rules, and CORE Transition Committee	N/A
April 30th	21st Annual WEDI National Conference	*CAQH CORE: Experience to Date*	WEDI AHA Aetna
May 17th	Indiana Medical Group Management Association (IMGMA) Spring Conference	*CAQH Administrative Simplification Initiatives: Bringing Industry Results*	MGMA
May 24th	CAQH CORE/WEDI Education Session	*Is Your Organization Prepared to Adopt Mandated Healthcare Operating Rules?*	Harvard Pilgrim Health Care Xerox State Healthcare (ACS) WEDI
May 31st	CORE Participants Education Session*	*Got SOAP? Educating IT on the Federally Mandated CAQH CORE Connectivity Operating Rules*	Harvard Pilgrim Health Care
June 8th	UnitedHealthcare SIMPLE Committee Meeting*	*CAQH CORE Update on Rules-Writing and Non-Rules Writing Activities*	UnitedHealthcare
June 12th	CAQH CORE Town Hall*	Update on CAQH CORE Non-Rule Development Activities & ACA Section 1104 Operating Rules Related Activities	N/A
June 19th	CAQH CORE Industry-Wide Education Session*	*Got SOAP? Educating IT on the Federally Mandated CAQH CORE Connectivity Operating Rules*	Harvard Pilgrim Health Care
June 20-22	AHIP Institute	Booth and one-on-one sessions	AHIP
Upcoming CAQH CORE Educational Programs (plus many more)			
June 25th	CAQH/National eHealth Collaborative (NeHC) Education Session*	*Healthcare Administrative Transactions Simplified: The Role of Mandated Operating Rules*	National eHealth Collaborative UnitedHealthcare
June 26th	CAQH/Edifecs Education Session*	*Improving Operational Performance through the Implementation of Mandated Operating Rules*	Edifecs

*Free to attendees; over 1,500 attendees across virtual sessions plus those at in-person events.

APPENDIX B: Overview of CORE Transition Committee and Governance Model

CORE TRANSITION COMMITTEE MEMBERS		
Stakeholder Type	**Organization**	**Individual**
Hospital Association	American Hospital Association (AHA)	Linda Fishman, SVP Health Policy and Analysis
Hospital	Montefiore Medical Center	Joel Perlman, Executive Vice President
Provider Association	Medical Group Management Association (MGMA)	Robert Tennant, Senior Policy Adviser Health Informatics
Practicing Provider (with Association leadership)	New Mexico Cancer Center; AMA	Barbara L. McAneny, MD, AMA Board of Trustees
Health Plan (National)	WellPoint	AJ Lang, SVP/CIO
Health Plan (National)	UnitedHealthcare	Tim Kaja, SVP Physician & Hospital Service Operations
Health Plan (Regional)	Blue Cross and Blue Shield of North Carolina	King Prather, Senior Vice President & General Counsel
Health Plan Association(s)	America's Health Insurance Plans	Carmella Bocchino, Executive VP of Clinical Affairs & Strategic Planning
Practice Management System/Vendor (large office)	GE Healthcare	George Langdon, VP & GM, Hospital & Large Practice
Practice Management System/Vendor (small office)	Allscripts	Mitchell Icenhower, VP of Solutions Management
Bank	JP Morgan	Martha Beard, Managing Director, Treasury & Securities Services
State Entity	Minnesota Department of Health	David Haugen, Director of the Center for Health Care Purchasing Improvement
State Coalition/Association	National Governors Association (NGA)	Brian Osberg, Program Director, Health Division
CORE Chair	IBM & CORE	Harry Reynolds, IBM Payer Transformation

After much debate, a draft new CORE Governance Model has been developed by the CORE Transition Committee that:

- Expands existing CORE Process for multi-stakeholder operating rules development by creating a new multi-stakeholder CORE Board to oversee budget, partners, advisors, policy developments, etc.
- Operates with a Board that is provider/health plan focused, executive leadership-driven and results-oriented; vendors and others also serve on the Board but providers/health plans need consensus to move positions forward.
- Addresses governance and not funding; CAQH will continue to fund CORE until new CORE Board determines other revenue streams that enable CORE to fully resource its integrated model (rules development, certification, and tracking ROI/outreach).

APPENDIX C: Examples of Latest Programming Polling Results

General programming: Sample questions asked
- **Date/Topic:** June 12th, 2012 CORE Town Hall
- **Total Attendees**: 235

Question	What is the biggest implementation challenge faced by your organization?	
Choice	Number of Votes	% of Total Votes Cast
Vendor readiness	15	13%
Internal system upgrades	35	30%
Understanding rule requirements	42	36%
Access to knowledgeable resources	9	7%
Other	8	6%
N/A	8	6%
TOTAL RESPONDENTS (only 50% of attendees responded)	**117**	

Question	Similar to the CORE Connectivity Education Session, what type of education session would you find most useful (select top priority)?	
Choice	Number of Votes	% of Total Votes Cast
Rule-specific: Eligibility/Benefits Data Content Rules	23	17%
Rule-specific: Companion Guide and Real-time Requirements	13	10%
Rule-specific: Claim Status requirements	13	10%
Stakeholder type-specific	49	37%
Case studies from CORE-certified entities	10	7%
Open Q & A	21	15%
N/A	3	2%
TOTAL RESPONDENTS (only 56% of attendees responded)	**132**	

Rule-specific programming: Sample questions asked

- **Date/Topic:** May 31st, 2012 "Got SOAP? Educating IT on the Federally Mandated CAQH CORE Connectivity Operating Rule"
- **Total Attendees**: 194
- **Other:** Repeat session on June 19th that had over 350 registered representing 175 organizations, primarily non-CORE; polling results being compared to inform next education steps.

Question	Which CAQH CORE Connectivity Rule requirement will/does your organization find the most challenging to implement?	
Choice	**Number of Votes**	**% of Total Votes Cast**
Message Envelope & Attachment Standards	10	14%
Message Envelope Metadata	6	8%
Message Interactions/Routing	10	14%
Response Time	11	15%
Transport Protocols & Security	19	27%
Error Handling	7	10%
Submitter Authentication	6	8%
TOTAL RESPONDENTS (less than 50% of attendees responded)	**69**	

Question	Please rank the usefulness of this CORE Connectivity Education Session (i.e., were your needs/expectations met). If you rank the session a 3 or lower, please email CAQH CORE suggestions for improvement (e.g., additional topics, more Q&A, etc.)	
Choice	**Number of Votes**	**% of Total Votes Cast**
1: Not At All Useful	1	1%
2: Mostly Not Useful	3	3%
3: Somewhat Useful	20	22%
4: Mostly Useful	35	40%
5: Very Useful	28	32%
TOTAL RESPONDENTS (less than 50% of attendees responded)	**87**	