Accelerating Claims Processing

CAQH CORE℠

Insights from Implementation

Executive Summary

Healthcare organizations are often bogged down by outdated, manual processes that delay payments, increase administrative costs, and frustrate providers. **One major barrier: the inconsistent handling of attachments supporting claims**.

In 2022, CAQH CORE published the Attachments Health Care Claims Operating Rules to streamline and standardize this process. Developed with 55 participating organizations and approved by the CORE Board in February 2022, the rules achieved 90% support in a final vote—demonstrating broad stakeholder consensus. They became publicly available for implementation and CORE certification in April 2022.

This issue brief shares results from an implementation with a national health plan that adopted the rules. The findings reinforce the value of the rules and CORE's collaborative, consensus-based approach to developing impactful operating rules.

The CAQH CORE Attachments Health Care Claims Rules

These rules establish national requirements for electronically submitting supporting information with claims, outlining both infrastructure and data requirements to enable automated, consistent exchange.

Key requirements include:

- Secure, standardized exchange across multiple formats via Application Programming Interface (API) or Electronic Data Interchange (EDI).
- Standardized data elements to ensure accurate reassociation of attachments to claims.
- Defined response timeframes to accelerate processing and reduce manual follow-up.
- Support for both X12 and non-X12 formats to promote broad interoperability.

Key Findings from a National Health Plan

> Achieved **55%** cost savings by shifting from manual/web methods to EDI.

> EDI adoption grew from **8%** in April 2022 to **24%** by December 2023.

> Manual transactions dropped from **62%** to **38%**, significantly reducing administrative overhead.

> More than **90%** of claims were successfully re-associated, streamlining processing and payment.

> Significant reduction in claim denials due to missing documentation.

Objectives and Guiding Principles

CAQH CORE:

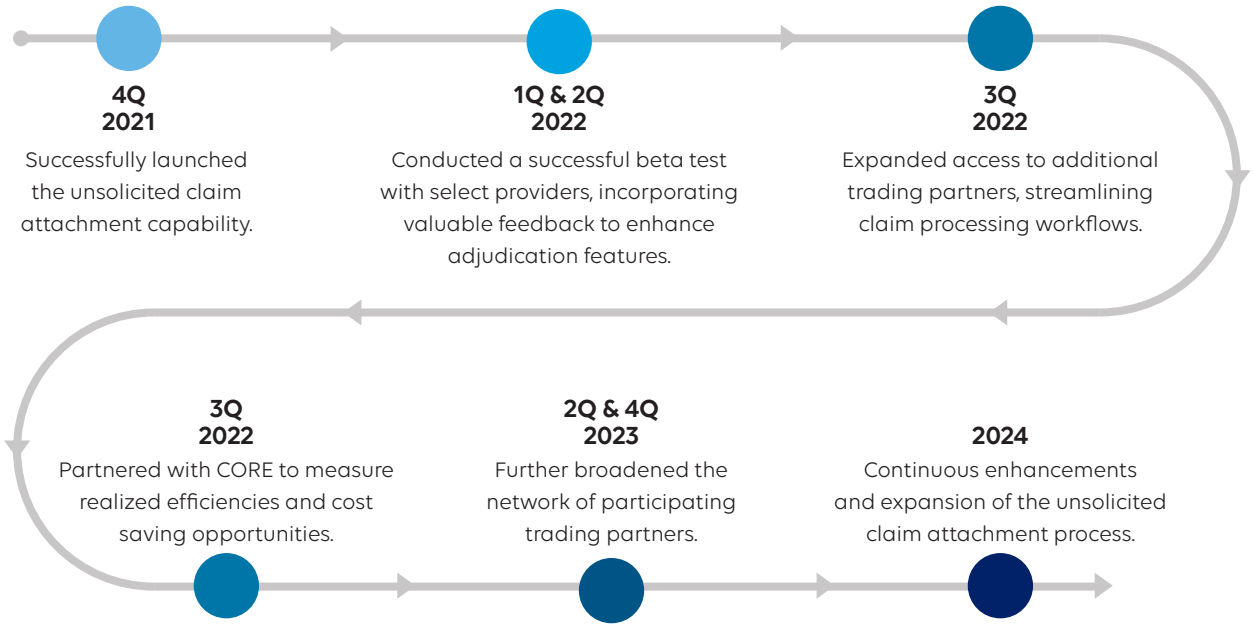
- **Drive Adoption:** Accelerate industry-wide adoption of electronic attachments by demonstrating cost and workflow efficiencies for participants.[1]
- **Inform Policy:** Quantify cost savings to support recommendations for national implementation of operating rules to the U.S. Department of Health and Human Services (HHS).
- **Align Progress:** Ensure operating rules meet the needs of organizations across all levels of adoption.
- **Measure Impact:** Partner with the industry to assess how operating rules and standards boost efficiency.

Health Plan:

- **Seamless Integration:** Ensure compliance with the CORE Attachments Operating Rules for a standardized and efficient process.
- **Enhance Claim Accuracy:** Minimize denials by ensuring required attachments and documentation are submitted with the initial claim.
- **Expedite Claim Processing:** Finalize claims faster by submitting the right documentation on time.

Timeline

The health plan's strategic adoption of unsolicited EDI claim attachment functionality has progressed significantly since its inception in late 2021. Key milestones achieved to date include:



This staged approach underscores the dedication to leveraging innovative solutions that optimize operational efficiency and improve the overall claims experience.

[1] Per the 2024 CAQH Index Report, electronic attachments are adopted for 32 percent of the medical industry

Metrics

To assess the impact and adoption of unsolicited claim attachment functionality, CORE evaluated the following measures as key performance indicators:

Transaction Volume and Trends:
The number of claim attachments sent by providers through the trading partners using the transaction X12 275, manual, and health plan web portal methods.

Reassociation Rate:
The percentage of X12 275 attachment transactions successfully matched to their corresponding X12 005010 837 claim transactions, out of the total number of claim attachment transactions submitted.

Reassociation Rate = [EDI Claim Attachments Matching to a Claim] / [Total Claim Attachment Transactions[2]]

Cost per Transaction:
The cost to transmit a single claim attachment, segmented by submission method.

Total Cost:
The aggregate cost of all transactions, segmented by submission method.

[2] Total claim attachment transactions include both X12 275 transactions matched and not matched with an X12 837 transaction

Workflow

The unsolicited claim attachment process in this implementation involves a series of coordinated steps between providers, trading partners, and the health plan.

1 Claim Submission

Providers initiate the process by submitting claim transactions, either electronically (using X12 837 transactions for Professional, Institutional, or Dental claims) or manually (using HCFA 1500 or UB-04 forms). Non-EDI submissions are converted to EDI format by trading partners or processed directly through the health plan's web portal.

2 Attachment Identification

Following CORE Attachments Operating Rules, providers indicate the presence of electronic attachments within the X12 837 claim transactions, including the Attachment Control Number (ACN) for accurate linkage.

3 Attachment Submission

Providers submit EDI claim attachments to trading partners using the X12 275 transaction. Non-EDI attachments can be submitted via fax, mail, or the health plan's web portal. Trading partners then convert any non-EDI attachments into the standardized EDI format.

4 Seamless Integration and Error Handling

Trading partners submit claim and attachment transactions to the health plan; the health plan reassociates them using the ACN and other paired data. An automated process removes special characters from the ACN to enhance matching accuracy. Any errors, such as incorrect qualifiers, are communicated clearly and consistently through the X12 006020X290 999 Implementation Acknowledgment for Health Care Insurance (X12 999) transaction, significantly improving error tracking compared to manual methods.

5 Efficient Handling of Claim Updates and Acknowledgments

Providers do not need to resubmit X12 275 attachment transactions for voided or replacement claims, as the original attachment transaction is retained. The health plan acknowledges transaction receipt and provides error reports using X12 999 and X12 006020X257 824 Application Reporting (X12 824) transactions.

6 Optimized and Automated Processes

The health plan optimized the unsolicited claim attachment workflow through automated processes such as the ACN scrubber and SFTP transaction transfers. All health plan-controlled steps are fully automated, except for the clinical documentation review, which is conducted by trained experts.

Data Analysis & Findings

Based on data collected from 2Q2022 through 4Q2023, CORE observed:

- **Increase in Trading Partners:** The number of clearinghouses onboarded using the new application increased from one to five, with one trading partner onboarded per month.
- **Transaction Volume Trends:** There was a steady increase in EDI transaction volume, a steady decrease in manual transaction volume, and a slight increase in web portal transaction volume.
  - **EDI Transactions:** The percentage of EDI transactions increased from 8% in April 2022 to 24% in December 2023, averaging 15% of total transactions per month. The increase was driven by existing trading partners increasing their use of EDI attachments and the onboarding of new trading partners.
  - **Manual Transactions:** The percentage of manual transactions decreased from 62% in April 2022 to 38% in December 2023, averaging 47% of total transactions per month. The decrease was due to the transition to EDI attachments by existing trading partners and the onboarding of new trading partners.
  - **Web Portal Transactions:** The percentage of web portal transactions increased from 29% in April 2022 to 38% in December 2023, averaging 38% of total transactions per month. The largest increases occurred early in the timeline with the onboarding of new trading partners.
- **Cost Savings:** Transitioning to EDI claim attachments offered a 55% cost savings compared to manual and web portal methods.
- **Reassociation Rate:** The reassociation rate, indicating matched claim and claim attachment transactions, was greater than 90%.
- **Savings Opportunity:** The industry benchmark indicates an 82% cost savings opportunity by using EDI transactions versus manual methods. Although the health plan's cost per transaction for manual and portal methods was slightly lower than the industry average, the 55% savings opportunity remains substantial.[3]
- **Process Improvements:** Streamlined claim processing resulted from consistent matching of attachments to claims, leading to quicker turnaround times, reduced errors, and fewer unassociated transactions.
- **Denial Prevention:** Automated processes minimized the need for manual attachment submissions, directly contributing to a reduction in claim denials due to missing documentation.
- **Accuracy Enhancement:** Transaction matching accuracy increased significantly through use of ACN matching and automated character removal, reducing the need for manual intervention and improving overall efficiency.

These findings reveal a clear path towards increased efficiency, cost savings, and streamlined processes through the growing adoption of the X12 275 transaction. Continued focus on maximizing the benefits of EDI and exploring further automation opportunities can drive even greater results in the future.

Conclusion

This real-world implementation illustrates how CORE-developed operating rules—backed by stakeholder consensus—can deliver measurable impact.

Through consistent standards and automation, the health plan reduced costs, improved claims accuracy, and minimized administrative burden. This success reinforces the power of collaboration to drive progress in interoperability.

As the healthcare system continues to modernize, adoption of CORE rules like this one will be essential to achieving a more efficient, patient-focused future.

Join CORE to help shape the future of healthcare data exchange! Connect with us at core@caqh.org and learn more at caqh.org.

[3] Based on 2024 health plan medical data from the 2024 CAQH Index Report