

# Accelerating Claims Processing



## Insights from an Electronic Attachments Pilot

### Introduction

In a recent pilot program, the CAQH Committee on Operating Rules for Information Exchange (CORE) partnered with a national health plan to evaluate the impact of implementing electronic attachments and the CORE Attachments Operating Rules to support claim adjudication and improve payment efficiency. CORE Attachments Operating Rules establish standard-agnostic data content and connectivity requirements that support CDA, FHIR, and X12 attachment payloads. The pilot tracked unsolicited claim attachments, which are submitted without a prior request from the health plan and compared the effectiveness across three submission methods: the X12 006020X314 275 Additional Information to Support a Health Care Claim or Encounter (X12 275), health plan web portal, and manual through fax or mail.

The pilot included one health plan with several trading partners and provider organizations. Providers submitted claims and claim attachments to trading partners, who then transmitted the transactions to the health plan. The health plan matched the claim and claim attachments following CORE Attachments Operating Rules reassociation requirements and returned acknowledgements indicating receipt for both transactions – the healthcare claim and its associated attachment.

The pilot program yielded compelling results, showcasing the advantages of electronic submission of claim attachments:

- **55% Cost Savings:** The health plan achieved significant cost savings by using the X12 275 transaction coupled with operating rules, compared to manual and web portal methods.
- **Efficient Automated Matching:** The health plan successfully implemented an automated process for matching X12 275 attachment transactions to their corresponding X12 005010 837 claim transaction (X12 837), streamlining operations.
- **Enhanced Provider Experience:** Providers benefited from faster claim processing times, quicker payments, improved attachment tracking, enhanced personal health information (PHI) protection, and reduced administrative costs.
- **High Reassociation Rate:** The pilot confirmed the effectiveness of the [CORE Attachments Health Care Claims Data Content Rule Version HC.1.0](#), which achieved an average reassociation rate of more than 90% when matching the X12 275 with corresponding X12 837 transaction. This significantly improved claims review timelines, processing speed, and payment efficiency.
- **Effective Error Communication:** The [CORE Attachments Health Care Claims Infrastructure Rule Version HC.1.0](#) provided a uniform pathway for the health plan to communicate transaction acceptance and errors to providers regarding a X12 275 or X12 837 processing status, contributing to improved attachment tracking compared to manual methods.

## The Role of CORE

CORE is designated by the Department of Health and Human Services (HHS) as the national Operating Rule Authoring Entity, responsible for developing business rules and guidelines to support the electronic exchange of information. Since 2012, CORE Operating Rules have been mandated under HIPAA, covering eligibility and benefits, claim status, claim payment, and remittance advice. While HIPAA has not yet defined a standard for electronic attachment transactions, CORE, in collaboration with industry stakeholders, has developed operating rules to demonstrate the value and promote the adoption of standardized electronic attachments.

CORE actively engages in pilot programs, like the one detailed in this brief, to test and refine operating rules in real-world scenarios. By partnering with health plans and providers, CORE gains valuable insights into the practical implementation and impact of these rules, ensuring they effectively address industry challenges and drive measurable improvements in efficiency and cost savings. Using CAQH Index® data, CAQH Insights identified \$46 billion in annual industry cost savings are attributed to the implementation of CORE Operating Rules.

## Pilot Objectives

Our guiding principles for engaging in this pilot included:

- **Expedited Claim Processing:** Speed up claim finalization by ensuring relevant documentation is submitted on time.

- **Driving Adoption:** Accelerate industry-wide adoption of electronic attachments by demonstrating cost and workflow efficiencies for participants.<sup>1</sup>
- **Informing Policy:** Quantify cost savings to support recommendations for national implementation of operating rules to HHS.
- **Enhancing Automation:** Identify opportunities to refine existing operating rules and prioritize new ones that close critical gaps and support end-to-end workflows.
- **Aligning Progress:** Ensure operating rules support industry organizations in varying stages of maturity along the standards and technology adoption curve.
- **Measuring Impact:** Assess the impact of operating rules and corresponding standards on organizations' efficiency, in partnership with industry organizations.

The health plan's objectives and guiding principles for engaging in the pilot included:

- **Seamless Integration:** Ensure compliance with the CORE Attachments Operating Rules for a standardized and efficient process.
- **Enhanced Claim Accuracy:** Reduce denials by ensuring necessary supporting information is included up front.

## 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:

- **4Q2021:** Successfully launched the unsolicited claim attachment capability.
- **1Q & 2Q2022:** Conducted a successful beta test with select providers, incorporating valuable feedback to enhance adjudication features.
- **3Q2022:** Expanded access to additional trading partners, streamlining claim processing workflows.
- **3Q2022:** Partnered with CORE to measure realized efficiencies and cost saving opportunities.
- **2Q2023 & 4Q2023:** Further broadened the network of participating trading partners.
- **2024:** Continuous enhancements and expansion of the unsolicited claim attachment process.

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

<sup>1</sup> Per the [2024 CAQH Index Report](#), electronic attachments are adopted for 32% 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 for this pilot:

- **Transaction Volume and Trends:** The number of claim attachments sent by providers through the trading partners using the X12 275, manual, and health plan web portal methods.
- **Total Cost:** The aggregate cost of all transactions, segmented by submission method.
- **Cost per Transaction:** The cost to transmit a single claim attachment, segmented by submission method.
- **Reassociation Rate:** The percentage of X12 275 attachment transactions successfully matched to their corresponding X12 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<sup>2</sup>]*

## Workflow

The unsolicited claim attachment process in this pilot 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 using the X12 275 transaction to trading partners. 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.

This workflow demonstrates a successful model for efficient and accurate unsolicited claim attachment processing, enhancing collaboration and reducing administrative burden for all stakeholders.



<sup>2</sup> Total claim attachment transactions include both X12 275 transactions matched and not matched with an X12 837 transaction.

## 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 only 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.
- **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.<sup>3</sup>
- **Reassociation Rate:** The reassociation rate, indicating matched claim and claim attachment transactions, was greater than 90%.
- **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.

<sup>3</sup> Based on 2024 health plan medical data from the [2024 CAQH Index Report](#).

### Conclusion

The results of this pilot demonstrate the value of adopting CORE Attachments Operating Rules in compliment with standard attachment implementation. By establishing a standardized framework and leveraging automation, the health plan not only achieved significant cost savings and operational efficiencies but also empowered providers with a simplified, more transparent claims process.

CORE Attachments Operating Rules are standard agnostic, establishing a consistent basis for the adoption and implementation of standards while maintaining consistent infrastructure and data content expectations. The CORE Attachments Health Care Claims Data Content Rule provides a systematic and efficient association of X12 275 attachment transactions with their corresponding X12 837 claim transactions. The CORE Attachments Health Care Claims Infrastructure Rule establishes a pathway to consistently communicate acceptance and errors of attachment transactions. Implemented together, the rules led to faster claim finalization and a reduction in claim denials where supporting information is needed by the health plan. Furthermore, using automation to match ACNs from 275 attachment transactions and X12 005010 837 claim transactions reduces staff burden and contributes to overall operational effectiveness.

This pilot program serves as a blueprint for the healthcare industry, demonstrating the tangible benefits of adopting uniform practices and automated processes to support electronic attachment workflows. As the industry continues its digital transformation, the adoption of electronic attachments will be essential to building a more efficient, cost-effective, and patient-centric healthcare system. By getting involved in CORE, stakeholders can help shape the future of interoperability and advance solutions that make healthcare work better for everyone.

### About CAQH

CAQH is the leader in healthcare data, enabling health plans, providers, and stakeholders to seamlessly exchange and manage the most trusted provider and member data in the U.S. By connecting over 1,000 health plans and other entities with 4.8 million provider records and data on more than 235 million members, CAQH streamlines operations and improves data accuracy. Through industry-leading solutions, federally mandated CORE Operating Rules, and actionable insights, CAQH makes healthcare work better—so patients can access the care they need, when they need it. Learn more at [CAQH.org](https://www.caqh.org)

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