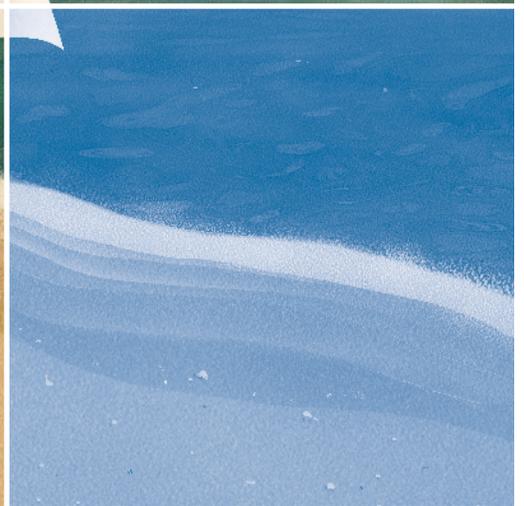
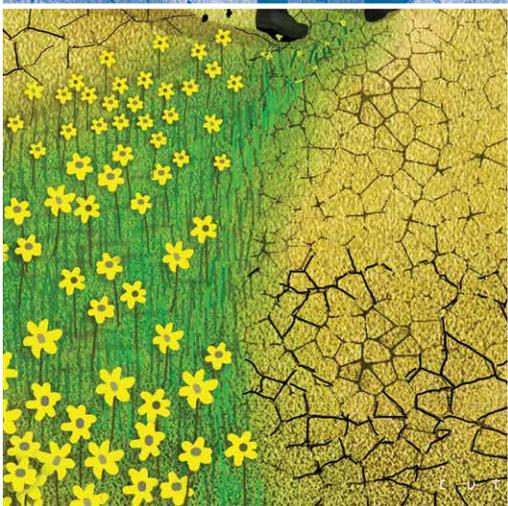
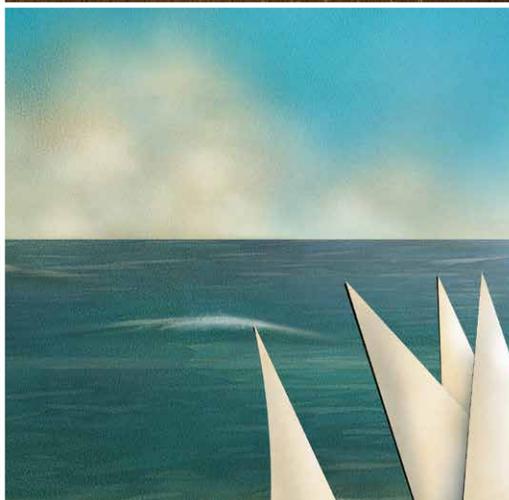


**CAOH**<sup>®</sup>  
ANNUAL  
REPORT  
**2020**



### **About CAQH**

CAQH is a non-profit alliance of health plans and related associations working together to achieve the shared goal of streamlining the business of healthcare. In concert with a wide range of healthcare stakeholders, CAQH develops and implements shared, industry-wide, national initiatives to eliminate long-term administrative business inefficiencies, producing meaningful, concrete benefits for healthcare providers, health plans, and patients.

### **Mission Statement**

To accelerate the transformation of business processes in healthcare through collaboration, innovation, and a commitment to ensuring value across stakeholders.

### **Vision**

CAQH is the leader in creating shared solutions to streamline the business of healthcare.



# THANK YOU

As CAQH enters its third decade, I would like to thank our Board members and partners for their expertise, insight, and support over these many years. Without your commitment we could not have made so much progress in fostering industry collaboration and streamlining the business of healthcare.

As the attached annual report highlights, last year, despite an uncertain business climate, we continued to build on this foundation. We enhanced our solutions to improve provider data and healthcare administrative processes. We helped pinpoint and remove barriers to automation for the medical and dental industries. We also took steps to help our members respond to the public health crisis.

Throughout the year, the CAQH team was extraordinary. They adapted to sudden change due to the pandemic while remaining focused on our members and mission. I am also honored and deeply grateful for the conversations we had on fairness, equity, and understanding during this challenging year. I look forward to working side-by-side to further the trust and respect we have for one another in the years to come.

Today, technology is changing, new business models are emerging, and health plans, providers, and patients are all looking for a healthcare system that simply works better. As such, our mission is more important than ever, and we have the team, solutions, members, and partners to continue delivering on our promise.

Kindest regards,  
Robin Thomashauer



# A YEAR LIKE NO OTHER: THE CAQH RESPONSE TO COVID

When stay-at-home orders were issued by government and public health authorities, CAQH seamlessly transitioned to a virtual workforce. We were able to move operations to fully remote almost immediately due to our disaster recovery and resiliency planning, which enabled system connectivity and seamless virtual collaboration. This ensured all operations continued uninterrupted, enabling us to support the healthcare system during this difficult time.

In addition, we immediately got to work to use existing strengths and relationships to deliver on COVID-related needs. This drove the development of two initiatives to support health plans and providers during the healthcare crisis.

## **National COVID Testing Site Directory**

In the early days of the pandemic, the number and location of COVID testing sites were changing rapidly. Many sites were temporary, others had limited testing kits or were only catering to high-risk patients with provider referrals. Members and providers sought support from health plans to locate sites. While health plans were collecting and validating information independently, a patchwork, inconsistent solution was developing that was suboptimal.

CAQH responded to a request from CAQH Participating Health Plans and worked with Anthem, Cigna, Humana, Oscar, and UnitedHealthcare to implement a single, nationwide directory of COVID testing sites. By making this information available to members, health plans made it easier for people to receive tests and determine if they needed to be quarantined. The National COVID Testing Site Directory included approximately 8,000 sites across the country that was updated weekly and used by participating health plans to share with their members and providers.

## **Harnessing the Capabilities of CAQH ProView to Assist Health Plans During COVID**

The COVID crisis tested our healthcare system and required great sacrifice from providers. CAQH once again saw an opportunity to respond to the call for resources. CAQH partnered with states and the American Medical Association to use CAQH ProView, the trusted source and industry standard for self-reported provider data, to help recruit providers who were willing to volunteer during the crisis, as well as to create a new designation for emergency responders. Furthermore, as the use of telehealth increased, CAQH ProView was enhanced to enable providers to indicate whether they were able to see patients virtually so health plans could include this information in their online member directories. These improvements continue to be used and help patients get the care they need when and how they need it.

# CAQH IDENTIFIES AND EDUCATES INDUSTRY ON OPPORTUNITIES *to Reduce Administrative Burden*

CAQH Explorations is the research arm of CAQH. This team is responsible for managing the coordinated CAQH data-driven research agenda to measure the impact of streamlined business practices in healthcare. Through meaningful collaborations, CAQH Explorations engages with organizations across the industry to gain valuable insight into how healthcare operations can be improved.

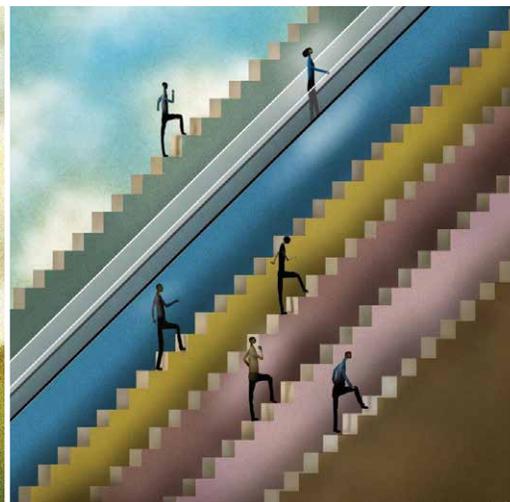
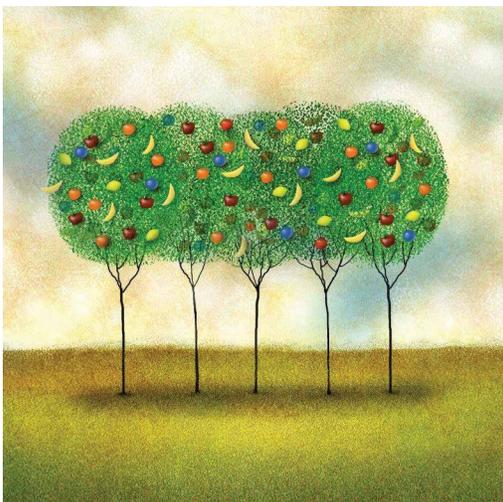
## 2019 CAQH Pharmacy Services Index

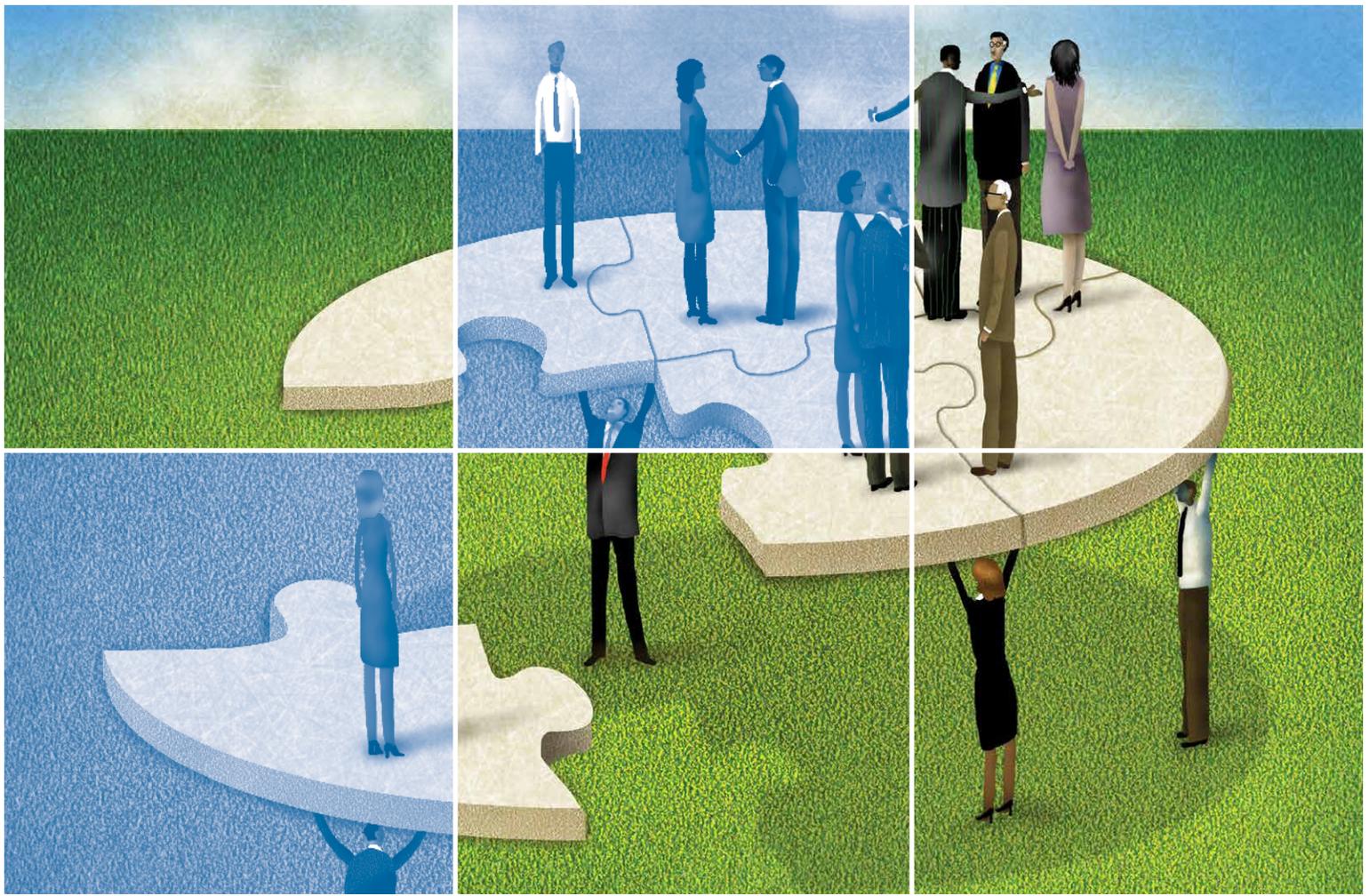
In 2020, CAQH released the first [CAQH Pharmacy Services Index](#), a report that examines the levels of automation among pharmacy benefit managers (PBMs) for three common administrative transactions — eligibility and benefit verification, prior authorization, and claim submission. This initial research suggested that PBMs generally conduct a higher percentage of these transactions electronically than medical plans, likely due to different workflows, volumes, and levels of transaction complexity. Data for the inaugural 2019 CAQH Pharmacy Services Index was contributed by PBMs that represent 65 percent of all covered lives in the U.S.

## 2020 CAQH Index

The annual CAQH Index tracks adoption of HIPAA-mandated and other electronic administrative transactions for conducting routine business between healthcare providers and health plans in the medical and dental industries. It also estimates the annual volume of these transactions, their cost, and the time needed to complete them. In 2020, CAQH Explorations also began to track estimated spend and cost avoided through automation.

The [2020 CAQH Index](#) found that the healthcare industry continues to make progress automating business processes. While the widely cited cost of administrative complexity in the U.S. healthcare system is approximately \$372 billion, the industry can save \$16.3 billion by fully automating nine common healthcare transactions. This savings opportunity is in addition to the \$122 billion in costs the healthcare industry has avoided by streamlining administrative processes.





## CAQH CONVENES INDUSTRY *to Drive Consensus and Standardization*

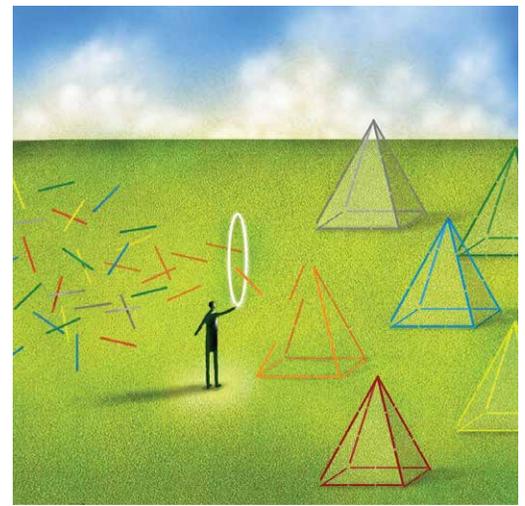
Through CAQH, organizations across the industry come together to collaborate for the common good – to make healthcare administration more efficient, accurate, automated, and cost effective for both health plans and providers.

### **CAQH CORE Prior Authorization Rule**

The CAQH Committee on Operating Rules for Information Exchange (CORE), an initiative of CAQH, is a non-profit, national multi-stakeholder collaborative that drives the creation and adoption of healthcare operating rules that support standards, accelerate interoperability, and align administrative and clinical activities among providers, payers, and consumers. Operating rules are developed by CAQH CORE participants via a multi-stakeholder, consensus-based process.

Over the past few years prior authorization has been a widely debated topic among policymakers, regulators, patient advocates, and the broader industry. Prior authorizations serve as an important check on the safety and appropriateness of medical treatments, but their manual and often burdensome processes can result in delays in patient care.

In January of 2020, [CAQH CORE Participating Organizations voted to set two-day time limits](#) on how quickly health plans must request additional supporting information from providers and make final determinations on prior authorization requests. With participation of a broad spectrum of industry stakeholders, CAQH CORE was able to help address this source of friction in the healthcare system and drive towards consensus that most industry stakeholders could support.



Operating rules are uniquely positioned to drive greater automation of prior authorization. CAQH CORE launched a research and measurement initiative in 2020 to quantify the impact of automation, working with partners including the Cleveland Clinic and PriorAuthNow. While the effort is ongoing, initial findings suggest a significant reduction in provider staff time spent processing prior authorizations and increased satisfaction.

### **FHIR Endpoint Directory**

In the spring of 2020, the Centers for Medicare and Medicaid Services (CMS) released a final Interoperability and Patient Access rule that requires CMS-regulated health plans to enable consumers to access their healthcare information on a third-party app of their choice. The regulation also gives consumers the ability to transfer their health information from payer to payer. And it requires the use of Fast Healthcare Interoperability Resource (FHIR) application programming interfaces (APIs) to share this information between health plans and apps.

Given the number of health plans and third-party apps in the healthcare ecosystem, a directory of FHIR endpoints is necessary to enable health plans and application developers to efficiently find, validate, and update the connections needed to exchange information. Today, there are more than 300,000 possible connections.

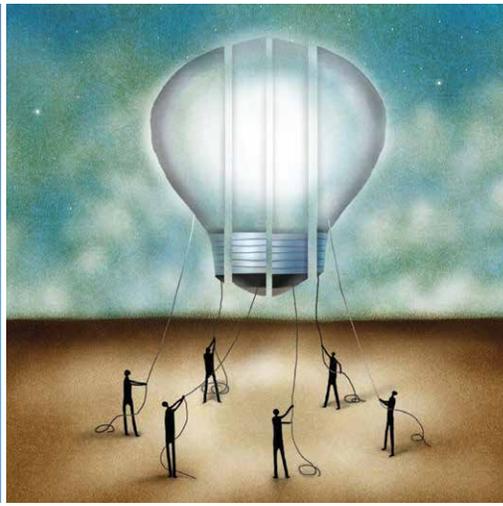
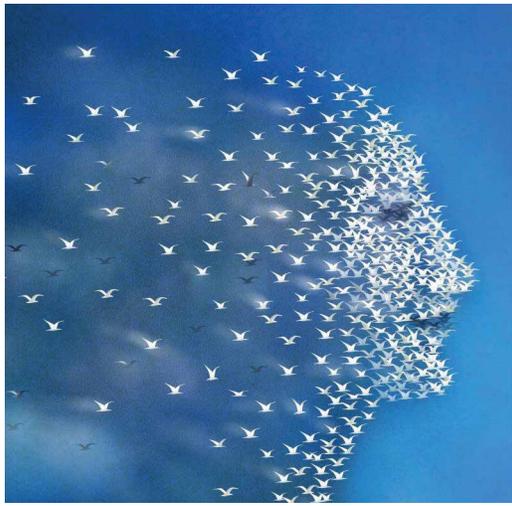
To help the industry overcome this challenge, [CAQH announced it was developing a centralized directory of validated payer FHIR endpoints](#) and third-party applications. This solution, which was rolled out in April of 2021, will simplify how healthcare organizations and application developers connect with each other to help consumers access and transfer their healthcare information. The Directory, developed with support from the technology company Edifecs, will help payers comply with the CMS interoperability regulation requirements that become effective in 2021 and 2022.

### **Provider Directory Data Quality Framework**

The information in health plan provider directories is often inaccurate, with common errors including wrong phone numbers, provider not at listed address, incorrectly listing in-network providers as accepting new patients, and provider omissions. In addition, the lack of a common definition of provider data quality is a barrier to industry-wide progress towards provider directory accuracy improvement. In 2020, ten health plans worked with CAQH to develop and pilot a provider directory data quality framework in preparation for publishing and broader adoption. The effort included interviews, audit scripts, audit observations, straw polls, and work group discussions which informed the development of the data quality framework. Three health plans then piloted the audit framework to ensure it met the desired objectives.

### **Virtual Care Directory Data Framework**

According to the [Centers for Disease Control](#), there was a 154 percent increase in telehealth visits during March of 2020 due to COVID-related telehealth policy changes and public health guidance. In late 2020, CAQH convened a Virtual Care Directory Task Force to define what data is needed in a health plan provider directory for virtual care. The goal is to develop a framework document that can be used by a health plan to implement changes to their own provider directory to include virtual care information. The framework document will include priority data attributes and a data dictionary. Next steps include delivery of the framework to participating health plans and supporting them in the implementation and sourcing of the data.



# CAQH DEVELOPS UTILITIES *to Address Industry-wide Challenges Where Collaboration is Essential*

CAQH is in a unique role to leverage technology and shared services to alleviate health plan and provider administrative burden. The organization works with its Member Health Plans and provider organizations to determine administrative pain points that are best addressed by a collaborative approach. Thus far CAQH has launched several industry-wide utilities that have resulted in improved provider, health plan, and consumer experiences.

## **CAQH ProView**

CAQH ProView standardizes, centralizes, and automates credentialing so that providers can complete the process once for their contracted health plans. With more than 1.6 million providers and 1,000 participating organizations, CAQH ProView is the largest database of self-reported provider data in the U.S. Every day, the healthcare system relies on this solution for credentialing and other essential tasks. During the pandemic, as health plans and hospitals sought to quickly increase the number of providers on staff and in their networks, CAQH ProView was indispensable.

In 2020, a variety of enhancements were implemented to streamline user workflows and reduce errors and rejections. For example, new functionality was piloted to simplify the management of provider data by large provider groups. The Enhanced Practice Manager Module

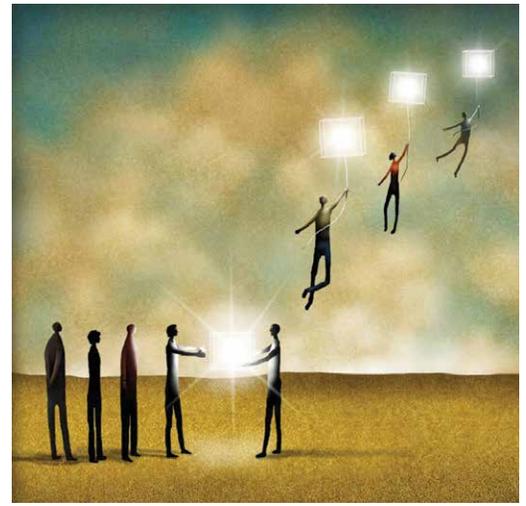
streamlines the way administrators manage common data, such as practice locations. This feature will be rolled out to users in 2021.

In partnership with the American Dental Association, CAQH also continued to improve provider data management and credentialing among the nation's dental plans and dentists. Product enhancements were made to address data requirements specific to the dental community and to improve the user experience for dental offices.

## **VeriFide**

VeriFide centralizes the primary source verification (PSV) step of credentialing and automatically verifies or flags multiple data elements from the CAQH ProView application. Since its launch in 2017, VeriFide has delivered over 880,000 completed provider files to health plans. Demand for this solution remained high during 2020, with twenty-four new health plans implementing the solution.

Last year CAQH enhanced VeriFide to cover key CMS requirements for Medicaid agencies and managed care organizations. Given the COVID-related spike in Medicaid enrollment nationwide and the need for programs to add providers efficiently to their networks, these feature improvements — which were launched in early 2021 — came at an important time. With the completion of the VeriFide portal, we also provided users greater transparency and control over their PSV processes.



### DirectAssure

DirectAssure enables healthcare providers to easily review, update and confirm their practice information — within their existing CAQH ProView workflow — for use in provider directories of multiple health plans. This improves directory data quality and reduces the duplicative process of each health plan reaching out to network providers to confirm and update their information. More than 900,000 healthcare providers have been rostered by participating health plans and those providers review and confirm their directory data every three months.

In 2020, CAQH and the Massachusetts-based HealthCare Administrative Solutions (HCAS) continued their collaboration with health plans, provider groups, and stakeholder associations in New England to enhance DirectAssure features to enable large provider groups to submit directory data to health plans more efficiently.

### COB Smart

COB Smart enables health plans to securely share data to identify individuals with multiple insurance coverages and help ensure claims are paid correctly the first time — what is typically called coordination of benefits (COB). The COB Smart registry now covers over 75 percent of the commercially insured population nationally, representing more than 170 million lives. COB Smart has become an indispensable tool for payers to achieve their payment integrity goals.

As millions of people lost their jobs and employer-provided insurance during COVID, healthcare payers needed the most accurate and efficient way to coordinate benefits and determine which insurer was responsible for each claim. For Medicaid agencies and health plans, payers of last resort under the law, effective coordination of benefits became even more essential.

Each health plan that participates in COB Smart contributes eligibility data weekly to the COB Smart registry, allowing health plans to identify primary and secondary coverage and determine primacy before claims are paid. The registry, the only database of its kind, performs matches with 99.5 percent accuracy when all required data elements are submitted.

In 2020, CAQH released significant enhancements to COB Smart, including a validation service that confirms current active coverage status for reported overlaps. Through the end of 2020, more than 12 million COB records were verified through this new service.

A COB Smart portal change in 2020 improved the way payers communicate with one another while confirming the insurance status of members. Since the launch of this change, more than 1,000 work processes previously performed manually were conducted electronically.

The COB Smart registry includes eligibility information from participating health plans. The more payers participate in the solution, the more accurate and comprehensive the results. In 2020, additional health plans began participating in COB Smart, including several commercial health plans with managed Medicaid programs. Continued growth in participating organizations has solidified COB Smart's place as the industry's most comprehensive and effective resource for COB so that claims can be processed and paid by the appropriate health plan, thereby avoiding the costly process of recovering incorrectly paid claims.

# COMMUNICATING OUR VALUE

CAQH continues to engage with stakeholders, including policymakers and healthcare decision-makers, to share and receive feedback on its key initiatives and solutions. Based on years of experience, the organization provides industry thought leadership on administrative simplification and burden reduction.

as part of its series on health care cost drivers. This was an important recognition of CAQH thought leadership among a key constituency.

During 2020, CAQH also provided technical expertise and support to stakeholders in New York, Virginia, and other states in their studies of centralized credentialing. The organization welcomes the opportunity to serve as an industry resource to state decision-makers to help improve the business of healthcare.

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## Public Affairs

Last year, CAQH facilitated conversations between industry leaders and state and federal policymakers on administrative processes, provider directory improvement, prior authorization, and other key industry issues. Team members are regularly invited to provide guidance in these important discussions, continuing to inform the dialogue.

The National Association of Insurance Commissioners (NAIC), the state-based standard-setting organization governed by the chief insurance regulators from the 50 states, District of Columbia and U.S. territories, released two reports authored by CAQH: the [2019 CAQH Index](#) and the 2018 report, [Applying the Lessons of Fee-for-Service to Streamline Adoption of Value-Based Payments](#),

## Industry Relations

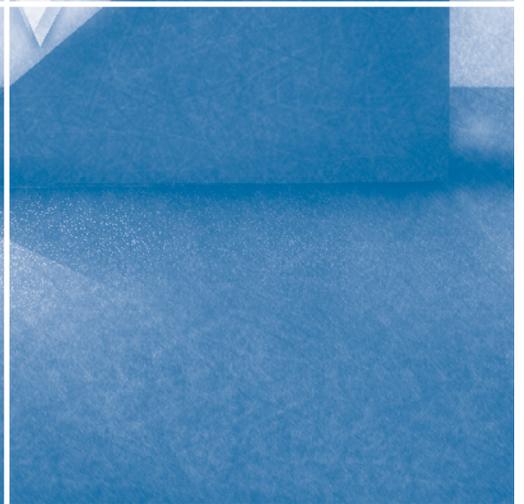
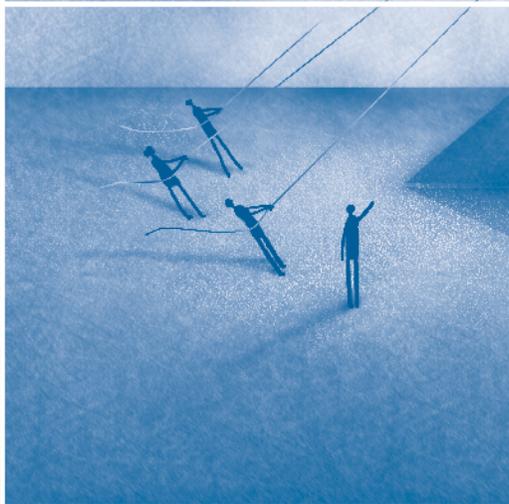
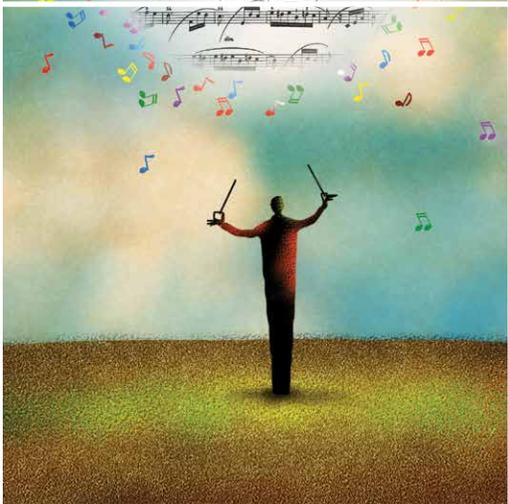
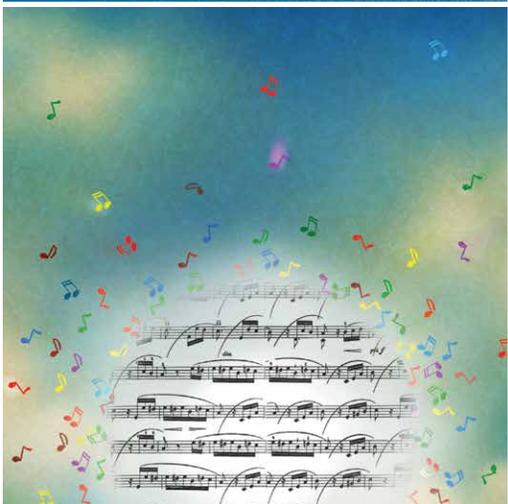
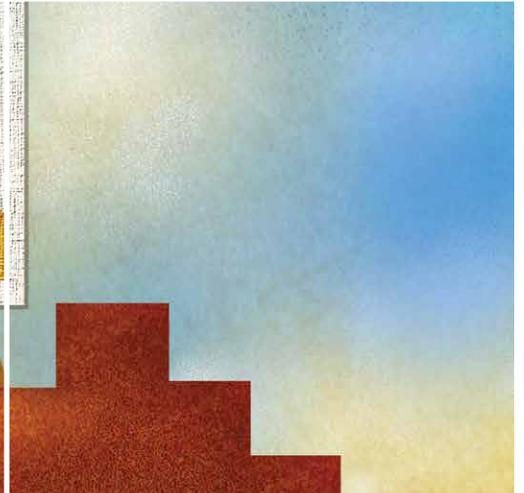
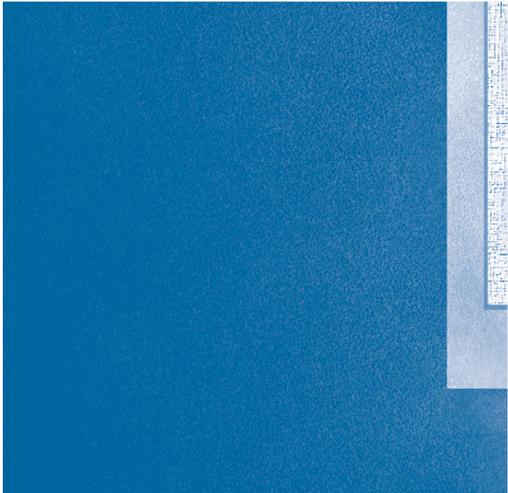
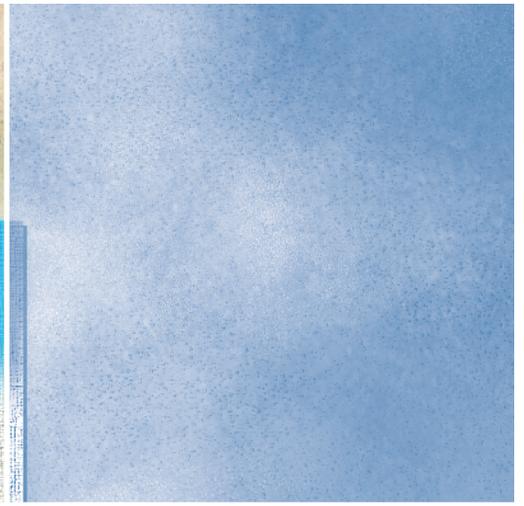
Since its inception, CAQH has actively worked with partners to promote administrative simplification and identify and address industry-wide solutions that no individual organization can solve on its own. In 2020 CAQH worked in close partnership with provider organizations, such as the American Dental Association, who have embraced CAQH ProView as the engine to standardize and simplify data collection for dentists, and the American Medical Association, to explore a variety of initiatives to make healthcare more efficient and reduce provider burden.

## 2020 CAQH RECAP

2020 was a challenging year for everyone — and especially for the healthcare industry, which rose to the occasion in caring for those directly affected by COVID. CAQH was able to seamlessly adjust to business in a fully virtual environment, continuing to support the industry by addressing important challenges, such as prior authorization, telehealth, provider directory, credentialing, and coordination of benefits. During this time, the team expanded to support industry partners focused on achieving the shared goal of streamlining the business of healthcare.

Looking forward to 2021 CAQH has a number of new initiatives in progress — both to enhance services already in market, as well as to address emerging needs that have accelerated in importance based on industry experience over the last year. The organization will continue to deliver value by prioritizing customer satisfaction, exceptional service, and bringing the industry together to achieve a system where simplicity and interconnectivity are the norm. As the healthcare industry goes through a transformation driven by changes in population needs, delivery and payment models, and technology, CAQH will continue to be at the forefront of that evolution.

Thank you for being our valued partner.



**CAQH**<sup>®</sup>  
[www.caqh.org](http://www.caqh.org)