

## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

### Introduction

CAQH CORE greatly appreciates the efforts of the healthcare industry to collaboratively develop operating rules to modernize federally mandated infrastructure and data content requirements for eligibility and benefits, claim status, and electronic remittance advice, facilitate the electronic exchange of attachments, and strengthen connectivity and security requirements. We encourage your organization to provide feedback to the National Committee on Vital and Health Statistics (NCVHS) on the [CAQH CORE Proposal](#) to NCVHS to recommend these CAQH CORE Operating Rules to the Department of Health and Human Services (HHS) for federal adoption under HIPAA:

CAQH CORE Operating Rules Proposed to NCVHS for Federal Adoption	
Workflow	Operating Rule
Connectivity	<a href="#">CAQH CORE Connectivity Rule vC4.0.0</a>
Infrastructure	<a href="#">CAQH CORE Eligibility and Benefits (270/271) Infrastructure Rule vEB2.0</a>
	<a href="#">CAQH CORE Claim Status (276/277) Infrastructure Rule vCS2.0</a>
	<a href="#">CAQH CORE Payment and Remittance (835) Infrastructure Rule vPR2.0</a>
Data Content	<a href="#">CAQH CORE Eligibility and Benefits (270/271) Data Content Rule vEB2.0</a>
	<a href="#">CAQH CORE Eligibility and Benefits (270/271) Single Patient Attribution Data Content Rule vEB1.0</a>
Attachments	<a href="#">CAQH CORE Attachments Health Care Claims Data Content Rule vHC1.0</a>
	<a href="#">CAQH CORE Attachments Health Care Claims Infrastructure Rule vHC1.0</a>
	<a href="#">CAQH CORE Attachments Prior Authorization Data Content Rule vPA.1.0</a>
	<a href="#">CAQH CORE Attachments Prior Authorization Infrastructure Rule vPA.1.0</a>

NCVHS has requested [public comments](#) on the proposed operating rule package by **December 15, 2022**. To support entities as they develop comments, CAQH CORE has prepared this document which includes high-level information related to the questions posed by NCVHS. CAQH CORE has also prepared a “[cheat sheet](#)” outlining the currently mandated operating rule requirements and proposed updates for reference when developing comments. If you have any questions related to this document or the NCVHS hearing on proposed operating rules, please contact Erin Weber, CAQH CORE Vice President, at [eweber@caqh.org](mailto:eweber@caqh.org).

## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

### Request for Comment Sections

The sections outlined below align with the nine questions in the [NCVHS Request for Comment](#) on the proposed operating rules.

1. [Infrastructure updates to the adopted Eligibility and Benefits and Claim Status Operating Rules](#)
2. [Data content updates for Eligibility and Benefits Operating Rule](#)
3. [New: Patient Attribution. Content rule within the new Eligibility and Benefits Operating Rule \(vEB.1.0\)](#)
4. [Companion guide template](#)
5. Updated CAQH CORE Connectivity Rule (vC4.0.0)
  - A. [Impact of Changes](#)
  - B. [Scope](#)
6. [Implementation Costs of Updated CAQH CORE Eligibility and Benefits and Claim Status Rules](#)
7. [Alternatives considered for operating rules](#)
8. [Assessment of CAQH CORE Attachments Rules](#)
9. [Considerations for Mandating CAQH CORE Attachments Rules](#)

## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

### Overarching Considerations for Comment Development:

- **Broad Industry Engagement:** More than 125 unique CAQH CORE Participating Organizations collectively contributed to the development of the proposed operating rules via a multi-step, consensus-based process. These entities represent a range of stakeholders including providers, health plans, vendors, clearinghouses, associations, standards development organizations, and government agencies. Additionally, non-CAQH CORE Participating Organizations were able to stay informed and provide feedback on the draft rules via the CAQH CORE Education program which holds monthly webinars to keep industry informed of rule development efforts.
- **Stakeholder Applicability:** The enclosed information includes summaries of the benefits of the proposed updated and new CAQH CORE Infrastructure and Data Content Operating Rules proposed to NCVHS. When generating your responses, we encourage you to draw on your organization's experiences with implementation, sharing objective and anecdotal examples to maximize the impact of your insights. *As you develop a response, consider the following:*
  - **If your organization is a health plan or provider:** The majority of the CAQH CORE Operating Rule requirements will apply to your systems. Health plans and providers that outsource to a clearinghouse or other intermediary to process the transactions on their behalf may not have to implement and rather the intermediary used would have to implement on behalf of the health plan or provider.
  - **If your organization is a clearinghouse:** You are responsible for implementing the CAQH CORE Operating Rule requirements applicable to you as a clearinghouse.
  - **If your organization is a software or services vendor:** You are responsible for implementing many of the CAQH CORE Operating Rule requirements into your services or software. Note, if your services or software are provider-facing you will have a unique set of requirements to implement that are different than a health plan-facing vendor's services or software.
- **Implementation Estimates:** CAQH CORE certifies and awards CORE Certification Seals to entities and products/services that create, transmit or use the administrative transactions and their associated operating rules addressed by the CAQH CORE. **The CAQH CORE Certification process typically takes approximately three to six months**, depending on an organization's readiness and resources committed to the project. CAQH CORE has developed a [survey tool](#) to help your organization estimate the costs and benefits of operating rule adoption. The planning for CAQH CORE Certification is the same as planning for implementation of the CAQH CORE Operating Rules and includes:
  - Implementation planning
  - System remediation
  - Testing and validation

## CAQH CORE

### Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules Background for Public Comment November 2022

#### 1. Efficiency Improvements to CAQH CORE Infrastructure Operating Rules for Eligibility and Benefits and Claims Status

Request from NCVHS	Benefits of Updated Infrastructure Rules
<p>Infrastructure updates to the adopted Eligibility and Benefits and Claim Status Operating Rules. CAQH CORE has proposed updates to the adopted versions of the eligibility and benefits and claim status operating rules currently required for use.</p> <p>Updates include an increase in system availability from 86% per calendar week to 90%, and for the response time for a claim status request from 20 seconds 86% of the time to 20 seconds or fewer 90% of the time.</p> <p><i>Please comment on the potential for improvements in efficiency for your organization that these updates would contribute to when using the adopted X12 HIPAA transaction standards.</i></p> <p><i>Note: The question as provided by NCVHS is not fully correct. The requirement for health plans and their agents to reply to a request within 20 seconds 90 percent or greater or the time is NOT new and is currently included in the HIPAA-mandated Phase II CAQH CORE 250: Claim Status Rule v2.1.0. This requirement is also reflected in the HIPAA-mandated Phase I CORE 155: Eligibility and Benefits Batch and Real Time Response Time Rules. CAQH CORE anticipates this will be updated in the <a href="#">NCVHS RFC</a> shortly.</i></p>	<p>The updates to the CAQH CORE Infrastructure Rules reflect the shift in technological landscape since their original mandate ten years ago while promoting flexibility to make updates in the future. The updated Infrastructure Rules focus on modernizing technology requirements, enhancing security, and adding support for API by referencing the <b>most recent</b> CAQH CORE Connectivity Rule. Further, the rule better reflects the 24/7 nature of healthcare through the <b>enhancement of system availability requirements</b>. Key updates and their impacts are highlighted below.</p> <ul style="list-style-type: none"> <li>➤ <b>For the CAQH CORE Eligibility and Benefits and Claim Status Infrastructure Rules:</b> Health plans and their agents are required to increase <b>weekly system availability from 86% to 90%</b>. Health plans and their agents can offset this increase by leveraging an <b>additional OPTIONAL 24 hours of downtime once per quarter</b>, allowing for larger system or infrastructure updates. Together, these updates amount to an additional <b>364 hours of uptime annually</b>, depending on baseline conformance.             <ul style="list-style-type: none"> <li>○ Both changes benefit the healthcare system at-large by <b>facilitating greater reliability of highly integrated technologies</b> that support common transactions. Additionally, these enhancements <b>add predictability</b>, allowing providers and other stakeholders to adapt to periods of downtime more easily.</li> </ul> </li> <li>➤ <b>For CAQH CORE Eligibility and Benefits, Claim Status, and ERA Infrastructure Rules:</b> Implementers must use the latest version of the CAQH CORE Connectivity Rule, currently v4.0.0. This rule replaces the currently mandated Phase I and II CORE Connectivity Rules for the indicated transactions – eliminating the need for HIPAA covered entities to support outdated security requirements.             <ul style="list-style-type: none"> <li>○ Provides <b>safe harbor connectivity</b> for public internet and HTTPS transport standards, allowing trading partners to securely transfer payloads in a variety of formats.</li> <li>○ Updates <b>security and authorization standards</b>, leveraging OAuth 2.0 and support for digital certification, reducing the need for trading partners to maintain username and password certification platforms that can be insecure and cumbersome.</li> <li>○ Solidifies support for APIs using <b>REST communication protocols</b> that use web-resource formats, human-readable JAVA formats, API integration, and versioning standards for CORE Connectivity.</li> </ul> </li> <li>➤ <b>For CAQH CORE Eligibility and Benefits, Claim Status, and ERA Infrastructure Rules:</b> Changes made to the CAQH CORE Master Companion Guide template allow implementers to indicate <b>newer versions of the X12 standard</b> where previously they were limited to referencing the HIPAA-mandated v5010. The format can also be used as a starting point for <b>companion guide development for non-X12 standards</b>.</li> </ul>

## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

CAQH CORE Infrastructure Operating Rules for Eligibility and Benefits and Claims Status		
Existing Requirements	Component	Updated Requirements
86% per calendar week	<b>Weekly System Availability</b>	90% per calendar week
N/A	<b>Quarterly System Availability</b>	24 additional hours per quarter
Phase I & II Connectivity Rules (vC1.1.0 & vC2.2.0)	<b>Connectivity</b>	Most current (Presently: vC4.0.0)
Follows format and flow of CORE Master Companion Guide	<b>Companion Guide</b>	Supports non-X12 transactions

### 2. Updates to CAQH CORE Data Content Operating Rules for Eligibility and Benefits

Request from NCVHS	Benefits of Updated Eligibility and Benefit Data Content Rule
<p>The updated version of the Eligibility and Benefits operating rule includes the requirement to indicate coverage of telemedicine, remaining coverage and tiered benefits, and to indicate if prior authorization or certification is required. The rule has been updated to include a list of CORE-required service type codes (section 5) and CORE-required categories of service for procedure codes.</p> <p><i>If your organization has conducted an analysis of these updates and the potential impact to increasing use of the adopted standard, please comment on your assessment of these enhancements for your organization and/or your trading partners.</i></p>	<p>The HIPAA-mandated electronic eligibility and benefits transaction (X12 270/271) has high industry adoption – 89 percent of transactions were performed fully electronically in 2020 according to the 2021 CAQH Index – but continues to exhibit the highest cost-saving opportunity of any transaction at \$9.8 billion. This disparity implies that gaps have emerged since original versions of the standard and operating rules were developed. Updates to the CAQH CORE Eligibility and Benefits Data Content Rule seek to address gaps related to telemedicine, benefit structure and patient financial responsibility, and required prior authorization and certification, all of which have contributed to wasteful administrative activities required to carry-out this transaction. Adoption of this updated rule will allow implementers to capture nearly \$15.09 or 21 minutes of provider time by converting manual transactions to electronic. Key highlights are included below.</p> <ul style="list-style-type: none"> <li>➤ <b>Telehealth:</b> The data content operating rule has been updated to <b>reflect changing care settings during the pandemic</b> and requires payers to return <b>CMS Place of Service (POS) codes when a service is eligible for telehealth</b>. This change reduces the need for manual confirmation and may help diminish confusion surrounding coverage when Public Health Emergency (PHE) waivers expire.</li> <li>➤ <b>Service type and procedure codes:</b> The updated rule enhances <b>utility and granularity</b> by expanding the list of codes for which health plans must return patient financial responsibility.             <ul style="list-style-type: none"> <li>○ Adds <b>71 discretionary and 55 mandatory CORE-required service type codes</b>, increasing the total number from 52 to 178.</li> <li>○ Adds requirement to return patient financial information for <b>procedure codes in one of four categories: PT, OT, Surgery, and Imaging</b>.</li> </ul> </li> <li>➤ <b>Prior authorization and certification:</b> For the above-indicated expanded code list, health plans <b>must return whether a specified service or procedure requires prior authorization or certification</b>. This update establishes better transparency for prior authorization and supports conformance and the creation of workflows for future regulations and/or standards that seek to promote industry-wide uniformity.</li> <li>➤ <b>Benefit structure and remaining benefits:</b> Updates require health plans to <b>return information around tiered benefit structures</b>, enhancing transparency and minimizing confusion surrounding patient financial responsibility for complex benefit designs.             <ul style="list-style-type: none"> <li>○ Updates further support dialogues and care planning between providers and patients by <b>clearly returning remaining and maximum benefits</b> for specified services and/or procedures.</li> </ul> </li> <li>➤ <b>No Surprises Act:</b> Through expanded code lists and support for complex benefit design, <b>the updated rule can help stakeholders meet AEOB and GFE requirements for the No Surprises Act</b> by clearly displaying patient financial responsibility for a service and/or procedure.</li> </ul>

**CAQH CORE**

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

CAQH CORE Data Content Operating Rules for Eligibility and Benefits		
Existing Requirements	Component	Updated/New Requirements
9 discretionary and 43 mandatory service type codes, <b>52 total</b>	<b>Service Type Codes</b>	Added 71 discretionary and 55 mandatory service type codes, <b>178 total</b>
N/A	<b>Specifying Telehealth Benefits</b>	Coding requirements using <b>CMS place of service codes</b> when available through telehealth
N/A	<b>Maximum and Remaining Coverage Benefits</b>	Return <b>maximum and remaining benefits</b> , required for 10 CORE STCs
N/A	<b>Procedure-level Eligibility and Benefits</b>	Return eligibility and benefit information at the <b>procedure code level for PT, OT, surgery, and imaging</b>
N/A	<b>Prior Authorization</b>	Must indicate whether included CORE STCs or procedure codes <b>require prior authorization or certification</b>
N/A	<b>Tiered Benefit Coverage</b>	Return detailed eligibility and benefit information for <b>tiered benefit coverage</b>
Benefit information at least 12 months into the past, up to the end of the current month	<b>Eligibility Timeframe</b>	Maintained
Return patient financial responsibility for co-pay, co-insurance, and deductible	<b>Patient Financial Responsibility</b>	Maintained
Provide name of health plan covering the individual	<b>Name of Health Plan</b>	Maintained
Use of standard characters, cases, prefixes, and suffixes for last names	<b>Normalization of Patient Last Name</b>	Maintained
Defined reporting of errors using AAA error codes	<b>Error Code Reporting</b>	Maintained

## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

### 3. New CAQH CORE Single Patient Attribution Data Content Operating Rule

Request from NCVHS	Recommended Approach
<p>CAQH CORE has proposed a new operating rule to apply to the selection of value-based payment models by providers.</p> <p><i>If your organization has conducted an analysis of this operating rule, please provide information on your organization’s evaluation of the extent to which the proposed operating rule requirements support the adopted HIPAA transactions or improve administrative simplification.</i></p>	<p>The CAQH CORE Single Patient Attribution Data Content Rule provides a framework to easily identify patients that are attributed to a provider through a value-based contract. This allows providers to quickly identify patients, empowering them to close care gaps and/or meet value-based reporting requirements.</p> <ul style="list-style-type: none"> <li>➤ During an eligibility and benefit check, the rule <b>requires health plans to return information on a patient’s attribution status</b> in a uniform format. These descriptions are included below: <ul style="list-style-type: none"> <li>○ <b>Attribution Status – Yes:</b> Patient is attributed to the requesting provider.</li> <li>○ <b>Attribution Status – No:</b> Patient is not attributed to the requesting provider. If determined permissible by counsel, health plan and its agent should return the contract Single Patient Attribution Data including attributed provider information (e.g., provider name, NPI, and address).</li> <li>○ <b>Attribution Status – Partial:</b> Patient is attributed to more than one provider, including the requesting provider. If determined permissible by counsel, health plan and its agent should return the contract Single Patient Attribution Data including attributed provider information (e.g., provider name, NPI, and address).</li> <li>○ <b>Attribution Status – Not Applicable:</b> Patient attribution does not apply. Patient does not belong to a value-based care population.</li> </ul> </li> <li>➤ The rule creates a consistent pathway for providers to receive a single patient’s attribution status and <b>avoid the proliferation of proprietary approaches</b> as the value-based payments model continues to expand.</li> </ul>

### 4. Updated CAQH CORE Master Companion Guide Template

Request from NCVHS	Benefits of the Updated CAQH CORE Master Companion Guide Template
<p>CAQH CORE has updated the requirements for the companion guides in the adopted operating rules to promote flexibility.</p> <p><i>Please comment on your organization’s experience with the companion guide template in the first set of operating rules, how it has impacted workflows and whether your assessment of the proposed new template indicates value for implementations of the standard transactions.</i></p>	<p>CAQH CORE has updated its Master Companion Guide template, allowing <b>implementers to indicate newer versions of the X12 Standard</b> instead of only the HIPAA-mandated X12 v5010. The template can also be used as a framework to <b>create a companion guide for non-X12 standards</b>, such as HL7 FHIR.</p> <ul style="list-style-type: none"> <li>➤ Allowing the indicated standard version to be edited in the Master Companion Guide will <b>accommodate the adoption of CAQH CORE Infrastructure and Data Content Rules for Attachments</b> that reference v6020 of the X12 Standard.</li> <li>➤ Additionally, the template can also be used to inform the creation of companion guides for transactions using non-X12 standards, which <b>supports the standard-agnosticism of the CAQH CORE Attachments Operating Rules</b> and better reflects a dual standard environment.</li> </ul>

**CAQH CORE**

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

**5A. Updated CAQH CORE Connectivity Rule (vC4.0.0): Impact of Changes**

Request from NCVHS	Benefits of the Updated CAQH CORE Connectivity Rule vC4.0.0: Impact
<p>As part of the re-structuring of the CAQH CORE operating rules for each administrative transaction, CAQH CORE updated the connectivity requirements and published a stand-alone Connectivity Rule (vC4.0.0), for which it is seeking a recommendation for adoption. In addition to the requirements for the use of HTTPS over the public internet and minimum-security conditions, the Connectivity Rule addresses Safe Harbor, Transport, Message Envelope, Security, and Authentication.</p> <p><i>What changes would be necessary to your organizational infrastructure, policies, and contracts to implement the CAQH CORE vC4.0.0 Connectivity rule?</i></p>	<p>All versions of the CAQH CORE Connectivity Rule provide a safe harbor for trading partners to exchange payloads using a variety of formats. Updates included in vC4.0.0 of the Connectivity Rule <b>expands support for APIs and focuses on enhancing security and digital certification and authorization</b>. Though these changes may impact implementers, <b>maintaining outdated Connectivity requirements fail to represent current industry best practices and hinder technological growth and interoperability across the industry</b>. Below are several key points that highlight how the benefit of adopting vC4.0.0 of the CAQH CORE Connectivity Rule outweigh the potential resource impacts.</p> <ul style="list-style-type: none"> <li>➤ <b>Carries forward key requirements:</b> vC4.0.0 does not abandon requirements of the mandated Phase I and II versions of the CAQH CORE Connectivity Rule and therefore HIPAA-covered entities and CORE-certified organizations <b>will have already implemented key requirements of the most current version</b>, limiting the resources necessary to accommodate updates. These standing requirements include safe harbor requirements for public internet and HTTPS transport standards, usage of SOAP protocols for messaging, and standards for batch and real-time transactions – among others.             <ul style="list-style-type: none"> <li>○ Additionally, the established safe harbor ensures that trading partners do not need to abandon any existing connections. While the rule supports more modern standards, it does not require their usage if mutually agreed upon between trading partners.</li> </ul> </li> <li>➤ <b>Updates to digital certification requirements:</b> vC4.0.0 references <b>new technology for digital certification using an X.509 standard</b>. Counteracting the potential of implementation costs, the modernization the Connectivity Rule removes reliance on outdated username and password authentication – which often has high associated maintenance costs – and <b>aligns requirements with contemporary web-based traffic</b> that overwhelmingly rely on digital certification, which is provided for free by most major authorities.</li> <li>➤ <b>Alignment with infrastructure requirements:</b> <b>HIPAA-covered entities and CORE-certified organizations will be required to implement the latest version of the CAQH CORE Connectivity Rule</b> to meet requirements laid out in the CAQH CORE Eligibility and Benefits, Claim Status, and ERA Infrastructure Rules that are concurrently being considered for Federal Mandate. <b>Meeting this requirement ensures the streamlined, secure exchange of information</b> for the indicated electronic transactions, which will ultimately save time and money relative to performing these manually.</li> <li>➤ <b>General benefits and modernization:</b> The updates contained within the CAQH CORE Connectivity Rule vC4.0.0 create a secure, standard pathway to exchange electronic health information. <b>Many organizations may already be supporting these new enhanced technologies as they seek to remain on the cutting edge of technology and implement best practices</b>. A comprehensive list is included below.             <ul style="list-style-type: none"> <li>○ Continues Safe Harbor Connectivity requirements to use SOAP messaging standards</li> <li>○ HTTPS security based on TLS 1.2 or higher</li> <li>○ Digital certification based on X.509</li> <li>○ Authorization standards based on OAuth 2.0</li> <li>○ Support for standard-agnostic exchange of attachments</li> <li>○ Incorporation of REST standards (web-resources, human-readable JAVA, support for API integration and versioning standards for CORE Connectivity)</li> </ul> </li> </ul>



## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

### Key Components of CAQH CORE Connectivity Rules Between HIPAA-mandated Phase I and II Rules and vC4.0.0

#### Existing: HIPAA-mandated Connectivity Rule

*Established transport, authentication, data-inclusion and error-reporting standards for batch and real-time transactions.*

#### Key Connectivity Requirements:

- Use of **public internet** connection and HTTP transport standards to establish an industry **Safe Harbor**
- Employs **Username and Password** with optional use of **digital certificate** for authentication
- Use of both **SOAP** and **MIME messaging standards**
- **Defined metadata** to relieve burden of implementation and reduce variances across industry
- Supports **batch** and **real time** interactions meeting industry needs
- Specifies **error handling** processes and messaging requirements
- Requires development and implementation of a **capacity plan**

#### Update: CAQH CORE Connectivity Rule vC.4.0.0

*The updates to CORE Connectivity serve as a bridge between the existing and emerging standards and protocols and the adoption of contemporary security and authentication standards to ensure industry interoperability needs are met.*

#### Updates to the CORE Connectivity vC4.0.0:

- Continues **Safe Harbor** Connectivity requirements to support **SOAP messaging standards**
- Incorporation of HTTPS and more stringent security standards – **TLS 1.2 or higher**
- Requirement to use digital certificate for authentication – **X.509**
- Implementation of stronger authorization standards – **OAuth 2.0**
- Add support for the exchange of **Attachments transactions** – including **X12 275, HL7 C-CDA, FHIR, etc.**



#### Addition of REST standards in vC4.0.0:

- Support for standard-agnostic **REST** style web resources
- Messaging in human-readable **JAVA** format
- Support for **API integration and versioning standards** for CORE Connectivity

## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

### 5B. Updated CAQH CORE Connectivity Rule (vC4.0.0): Scope

Request from NCVHS	Benefits of the Updated CAQH CORE Connectivity Rule vC4.0.0: Scope
<p>The updated Connectivity rule adds support for the exchange of attachments transactions, adds OAuth [2.0] as an authorization standard, provides support for X12 (HIPAA) and non-X12 (non-HIPAA) exchanges, and sets API endpoint naming conventions. The CAQH CORE letter states that the impact of mandating these requirements for HIPAA covered entities includes: “setting a standards-agnostic approach to exchanging healthcare information in a uniform manner using SOAP, REST and other API technologies; facilitates the use of existing standards like X12 in harmony with new exchange methods like HL7 FHIR and enhancing security requirements to align with industry best practices.”</p> <p><b><i>Please comment on the scope of the CAQH CORE Connectivity operating rule vC4.0.0 under consideration for adoption under HIPAA.</i></b></p>	<p>The Phase I and II CAQH CORE Connectivity Rules were mandated by HHS in 2013, leading to a broad industry install-base among HIPAA-covered entities that exchange administrative transactions. The rules have set a national standard through the specification of minimum requirements for connectivity and security, and the establishment a safe harbor where application vendors, providers and health plans can be assured the connectivity method they use will be supported by any HIPAA-covered entity at the time of a request. The rules are centerpieces of CORE-certification, where health plans representing greater than 70 percent of insured lives and nearly 100 clearinghouses and vendors have publicly implemented the requirements laid out in the Connectivity Rules. Updates included in vC4.0.0 of the CAQH CORE Connectivity Rule provide necessary modernization to connectivity and security mechanisms that have evolved considerably since the Rules were originally developed over a decade ago.</p> <ul style="list-style-type: none"> <li>➤ <b>Advancement of industry technology:</b> vC4.0.0 of the CAQH CORE Connectivity rule continues to <b>provide a safe harbor for trading partners who need assurance that their payloads can be sent securely using a variety of formats.</b> The rule requirements promote industry-wide interoperability, and its updates save implementers from having to maintain outdated connectivity and security methods that no longer represent best practices. Though, if adopted under HIPAA, vC4.0.0 would only apply to the eligibility and benefits, claim status, and ERA transactions, <b>its requirements support connections beyond these three transactions</b> and can facilitate alignment between existing and emerging standards, and best practices.</li> <li>➤ <b>Long-term utility:</b> The Connectivity Rules were updated in December 2020 with the express desire to <b>support long-term industry interoperability through the most modern security and data-exchange standards.</b> The updates that support durable, system-wide interoperability include:             <ul style="list-style-type: none"> <li>○ Additional support for the exchange of Attachments.</li> <li>○ Security modernity through TLS 1.2 or higher for security and OAuth 2.0 as an authorization standard</li> <li>○ Support for REST for X12 and non-X12 exchanges using human-readable JSON formats.</li> <li>○ Establishment of specific HTTP Methods, HTTP Error/Status Codes, and specifications for REST error handling.</li> <li>○ Institution of API Endpoint naming conventions.</li> </ul> </li> <li>➤ <b>Industry impacts:</b> The comprehensiveness and flexibility of the CORE Connectivity Rule has benefited implementation of administrative transactions by offering a <b>common connectivity method, reducing time and cost.</b> It has additionally enhanced business practices by allowing implementers to connect to a greater number of trading partners. The updates to the rule expand the applicability and scope of connectivity by adding technical requirements that support APIs through incorporation of the REST protocol. Additional impacts of mandating these requirements for all HIPAA-covered entities include:             <ul style="list-style-type: none"> <li>○ Creates a standard agnostic approach to exchange healthcare information in a uniform manner using SOAP, REST and other API technologies.</li> <li>○ Facilitates the use of existing standards, like X12, in harmony with new exchange methods like HL7 FHIR, providing a flexible framework for the industry to move forward in alignment with HHS strategy.</li> <li>○ Enhances security requirements to align with industry best practices.</li> </ul> </li> </ul>

## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

### 6. Implementation Costs of Updated CAQH CORE Operating Rules for Eligibility and Benefits and Claims Status

Request from NCVHS	Opportunity Costs of Implementing Updated CAQH CORE Operating Rules																
<p>If your organization has conducted a cost analysis to determine the impact of implementing the updated eligibility and benefits and or claim status operating rule updates for your entity type, what are the estimated costs or types of costs for system and operational changes?</p> <p><i>In what programmatic ways do the updates to the operating rule for infrastructure (system availability and response time), data content, additional data elements for telemedicine, prior authorization coverage benefits, tiered benefits and procedure-level information add value for your organization? Please provide examples pertinent to your organization.</i></p>	<p>Updates to the CAQH CORE Eligibility and Benefits Data Content and Infrastructure Rules, and the Claim Status and ERA Infrastructure Rules provide necessary modernity and close operational gaps that may drive more implementers to carry out common healthcare transactions fully electronically. Based on 2020 data, the 2021 CAQH Index outlines the following time and cost savings that electronic transactions represent over performing them manually.</p> <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4a4a8a; color: white;">Transaction</th> <th style="background-color: #4a4a8a; color: white;">Cost Saving per Transaction (Comparison: Manual)</th> <th style="background-color: #4a4a8a; color: white;">Provider Time Saving per Transaction (Comparison: Manual)</th> <th style="background-color: #4a4a8a; color: white;">Number of transactions in 2020</th> </tr> </thead> <tbody> <tr> <td>Eligibility and Benefits</td> <td style="text-align: center;">\$15.09</td> <td style="text-align: center;">21 minutes</td> <td style="text-align: center;">17.5 billion</td> </tr> <tr> <td>Claim Status</td> <td style="text-align: center;">\$16.65</td> <td style="text-align: center;">22 minutes</td> <td style="text-align: center;">2.3 billion</td> </tr> <tr> <td>ERA</td> <td style="text-align: center;">\$4.06</td> <td style="text-align: center;">7 minutes</td> <td style="text-align: center;">4.4 billion</td> </tr> </tbody> </table> <p>➤ <b>Infrastructure updates:</b> Updates to the mandated CAQH CORE Infrastructure Rules better reflect the 24/7 nature of healthcare and the growing integration of technologies that are deployed to support healthcare transactions. Streamlining administrative transactions may drive more stakeholders toward eliminating manual transactions and adopting fully electronic automation.</p> <ul style="list-style-type: none"> <li>○ Programmatically, requirements <b>system availability updates lead to a more predictable, reliable schedule of system uptime</b> allowing transactions to be performed efficiently, and it contributes to the avoidance of unfavorable outcomes – such as delayed care. On the flip side, expanded quarterly allowances assure that vendors can modernize their systems, incorporating state-of-the-art technologies that benefit all stakeholders.</li> <li>○ Security and connectivity updates facilitated through the inclusion of the updated CAQH CORE Connectivity Rule vC4.0.0 <b>guarantee safe and efficient transactions that can be delivered across multiple formats and standards</b>, including existing and updated X12 Standards and emerging technologies, such as HL7 FHIR.</li> </ul> <p>➤ <b>Data content updates:</b> Updates to the CAQH CORE Eligibility and Benefits Operating Rule close administrative gaps that emerged since the electronic X12 standard (270/271), and original CAQH CORE Operating Rule were adopted. Mandating this updated rule has several clear, programmatic advantages and will allow more transactions to be performed fully electronically and a greater proportion of the nearly \$9.8 billion savings opportunity to be seized.</p> <ul style="list-style-type: none"> <li>○ For example, updates that require POS codes to be returned for services eligible for telehealth <b>eliminates coverage confusion and costly back-and-forth over phone, or other outmoded technologies</b>, between providers and health plans. Similarly, requirements to return patient financial responsibility for complex tiered benefit designs and an expanded list of service type and procedure codes, ensures that all information is available at a granular level across myriad business scenarios.</li> <li>○ The updated eligibility and benefits rule <b>supports emerging regulatory requirements</b>. Requirements to return <b>prior authorization information for service type and procedure codes allows providers and health plans to develop workflows that will ultimately support prior authorization standards and/or certification</b>. Additionally, the return of granular patient financial information <b>interacts synergistically with No Surprises Act GFE and AEOB requirements</b>, returning pertinent information required to construct those reports.</li> </ul>	Transaction	Cost Saving per Transaction (Comparison: Manual)	Provider Time Saving per Transaction (Comparison: Manual)	Number of transactions in 2020	Eligibility and Benefits	\$15.09	21 minutes	17.5 billion	Claim Status	\$16.65	22 minutes	2.3 billion	ERA	\$4.06	7 minutes	4.4 billion
Transaction	Cost Saving per Transaction (Comparison: Manual)	Provider Time Saving per Transaction (Comparison: Manual)	Number of transactions in 2020														
Eligibility and Benefits	\$15.09	21 minutes	17.5 billion														
Claim Status	\$16.65	22 minutes	2.3 billion														
ERA	\$4.06	7 minutes	4.4 billion														

**CAQH CORE**

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

**7. Consequences and Impact of Recommendation to Adopt Updated CAQH CORE Operating Rules**

Request from NCVHS	Impact of Adopting Updated CAQH CORE Operating Rules
<p>What are the consequences to your organization if NCVHS recommends adoption of the updated versions of the eligibility or claim status operating rules?</p> <p><i>Please provide specific examples to describe the impacts (benefits, opportunities) of the changes included in the update for each operating rule.</i></p>	<p>The proposed updated CAQH CORE Eligibility and Benefits Data Content and Infrastructure Rules, and the CAQH CORE Claim Status and ERA Infrastructure Rules provide necessary modernity that spans care settings, security requirements, and the standards used to exchange health information. The Operating Rules being updated were developed over a decade ago and no longer represent the unique challenges being faced by implementers or the best practices and solutions they are using to address them. Further, the updated rulesets take an important step forward in supporting a dual-standard environment, outlining support for existing and updated X12 Standards, and providing guidelines to uniformly implement using emerging standards, such as HL7 FHIR. Several of the key benefits are outlined below.</p> <ul style="list-style-type: none"> <li>➤ <b>System availability:</b> For the CAQH CORE Eligibility and Benefits and Claim Status Infrastructure Rules there is now a requirement for health plans and their agents to increase <b>weekly system availability from 86 percent to 90 percent</b>. This update better reflects the <b>24/7/365 nature of healthcare, and provides assurance to providers, and their patients, that transactions can be handled quickly and efficiently</b>.             <ul style="list-style-type: none"> <li>○ Offsetting this change, is an additional 24 hours of downtime health plans and their agents can <b>optionally undertake to accommodate larger system updates</b>. This reflects the need for scheduled downtime to maintain and modernize integrated systems, ultimately leading to a more technically advanced, interoperable healthcare system. Together, updated system availability requirements represent upwards of 364 hours of additional uptime annually, depending on baseline conformance.</li> </ul> </li> <li>➤ <b>Eligibility and benefits data content:</b> The Operating Rule <b>expands the list of service type codes and newly adds procedure codes for which patient financial information, benefit information, telehealth eligibility, and requirement for prior authorization must be returned</b>. These updates provide necessary granularity to eliminate confusion over benefit coverage and provides welcome transparency for patients who are often confronted with onerous structures when attempting to navigate their care.             <ul style="list-style-type: none"> <li>○ The <b>expanded rule requirements act synergistically with impending regulations</b>, like anticipated requirements for prior authorization, by establishing requirements for health plans to return when prior authorization is required. This will aid implementers in establishing workflows and policies that support conformance with any potential regulations. Additional granularity surrounding patient financial information provides a foundation to meet No Surprises Act requirements to provide a GFE and AEOB upon patient request or at the time a service is scheduled.</li> </ul> </li> <li>➤ <b>Connectivity updates:</b> All the proposed Infrastructure Rules updates including for eligibility and benefits, claim status, and ERA reference the updated CAQH CORE Connectivity Rule vC4.0.0, which is also proposed for mandate. The rule carries forward safe harbor connectivity, while strengthening security and authorization requirements and expanding support for APIs. It benefits the industry by ushering in a dual-standard context as more of the industry realizes the benefit of supporting X12 and HL7 FHIR standards simultaneously.</li> </ul>

## CAQH CORE

### Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules Background for Public Comment November 2022

#### 8. Assessment of CAQH CORE Operating Rules for Attachments

Request from NCVHS	Benefits of CAQH CORE Operating Rules for Attachments
<p>CAQH CORE has proposed infrastructure and data content operating rules for Prior Authorization and health care claims. The proposed infrastructure rules for attachments for prior authorization and health care claims include requirements for the use of the public internet for connectivity, Batch and Real Time exchange of the X12 v6020 275 transaction, minimum system availability uptime, consistent use of an acknowledgement transaction, use of uniform data error messages, minimum supported file size, a template for Companion Guides for entities that use them, a policy for submitting attachment specific data needed to support a claim adjudication request (standard electronic policy), and support for multiple electronic attachments to support a single claim submission. The operating rules include the requirement for a health plan or its agent to offer a “readily accessible electronic method to be determined.... For identifying the attachment-specific data needed to support a claim adjudication request by any trading partner, and electronic policy access requirements so services requiring additional documentation to adjudicate the claim are easily identifiable (health care claims only).”</p> <p><i>The CAQH CORE letter indicates that the proposed attachments data content rules for prior authorization and health care claims apply to attachments sent via an X12 (HIPAA) transaction and those sent without using the X12 transaction (non-HIPAA). Please provide your assessment of this proposed operating rule.</i></p>	<p>The exchange of health information through attachments is a time-consuming, expensive, and burdensome process. There is support to minimize the burden of this exchange by facilitating the electronic exchange of this information but, to-date, it is underutilized. In 2020, only 21% of attachments transactions were carried out fully electronically. The remaining 79% relied on outmoded methods including proprietary portals, fax, email, and even snail mail. This represents missed savings opportunities of almost \$4.02 and 6 minutes of provider time per transaction. A driving factor of why Attachments are rarely exchanged fully electronically is that no single standard exists to support this workflow. Though regulations setting a standard are anticipated, they have not yet been delivered. The standard agnostic CAQH CORE Attachments Infrastructure and Data Content rules support uniform implementation for the exchange of attachments that can be used without a guiding standard, but also support conformance with any future regulations.</p> <ul style="list-style-type: none"> <li>➤ Attachments are integral to healthcare operations and <b>support the adjudication of prior authorization requests and health care claim transactions</b>. Files are sent <b>using many formats, including C-CDA, Excel and PDF</b>, which contributes to implementation variety and difficulties reassociating submitted files with a request. The CAQH CORE Operating Rules <b>set minimum data content and infrastructure requirements that support efficient exchange and uniform data inclusions</b>.</li> <li>➤ The operating rules provide uniformity to an industry desperately seeking a standard; however, the rules are authored to be standard agnostic and can be applied to multiple business scenarios and formats. If <b>standards are set through regulatory action, the uniformity presented in the CAQH CORE Operating Rules can be adapted to their requirements and can support implementation and conformance with announced requirements</b>.             <ul style="list-style-type: none"> <li>○ As such, the rules should be seen as a complement to any standards that are set, and simultaneous adoption should be considered. Doing so would align <b>implementation resources to speed up conformance</b>, especially considering regulatory lead-time that would not require full conformance until 2026, at the earliest.</li> </ul> </li> <li>➤ Several key structural components of the <b>data content and infrastructure rules</b> highlight their importance in promoting uniformity and their support of any eventual standard-setting regulation.             <ul style="list-style-type: none"> <li>○ The Attachments Infrastructure Rule requires that all health plans and their agents can accept at least a <b>64mb</b> file size, <b>eliminating unnecessary rejections of supporting information and the costly follow-up that results</b>. Additionally, the rule requires that submission requirements are easily accessible by trading partners, once again preventing costly downstream rejections.                 <ul style="list-style-type: none"> <li>▪ The Attachments Infrastructure Rule <b>carries forward security and connectivity requirements</b> outlined in other infrastructure rules proposed for mandate and includes the updates to the CAQH CORE Master Companion Guide Template ensuring implementers <b>can indicate the referenced X12 v6020 standard</b>.</li> </ul> </li> <li>○ The data content rule aids in <b>reassociation activities, requiring health plans and providers to indicate electronic transfer for X12 and non-X12 transaction</b>. The rule additionally recommends that trading partners mutually agree on code sets, such as LOINC, and data inclusions to ensure correct information is sent the first time.                 <ul style="list-style-type: none"> <li>▪ Further, in support of agnostic standards, the rule <b>outlines support for non-X12 SOAP and REST headers</b>.</li> </ul> </li> </ul> </li> <li>➤ This relatively simple ruleset has outsized impact by providing industry uniformity that can be applied with or without a guiding standard. It also further advances a dual standard setting as industry stakeholders realize the value of supporting existing and updated X12 Standards and emerging methods, such as HL7 FHIR.</li> </ul>

## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

<b>CAQH CORE Attachments Infrastructure Rules Requirements</b> <i>Delivery method agnostic and support both X12 and non-X12 transaction methods</i>	<b>Non-X12 Method</b>	<b>X12 Method</b>
<p><b>System Availability</b> Weekly system availability must be no less than <b>90% per calendar week</b>. Includes the option for <b>24 additional downtime hours per calendar quarter</b> for larger system upgrades.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Connectivity</b> Support most <b>current CAQH CORE Connectivity</b> standard, presently vC4.0.0.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>File Size</b> Systems must have the capability to <b>accept 64MB of data</b> to ensure attachments can be processed across varying systems. Please note for <b>healthcare claims only</b> there was a minimum file size support when sending multiple attachments in a singular 275.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Electronic Policy Access of Required Information</b> For <b>healthcare claims only</b>, health plans must offer readily accessible information identifying data needed to support a claim adjudication request.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Processing Mode and Response Time</b> Health plans must implement the server requirements for <b>Batch or Real Time Processing Modes</b> and support 2<sup>nd</sup> business day response or 20 second response, respectively, 90% of the time</p>		<input checked="" type="checkbox"/>
<p><b>Acknowledgements and Addressing Errors</b> System must return errors and acceptance for batch processing and errors for real-time processing. Requires providers and their agents to address errors within 1 business day of notification from health plans.</p>		<input checked="" type="checkbox"/>
<p><b>Companion Guide</b> If a Companion Guide covering X12 transaction (v6020) is published, it must follow the format/flow defined in the CORE Master Companion Guide Template</p>		<input checked="" type="checkbox"/>

## CAQH CORE

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
Background for Public Comment  
November 2022

### Reassociation Requirements

*Support X12 and non-X12 methods and leverage notifications and recommended reference data to ease these burdens.*

Non-X12 Method	X12 Method
<ul style="list-style-type: none"><li>▪ <b>Provider requirement:</b><ul style="list-style-type: none"><li>○ Indicate that additional documentation was <b>sent electronically, specifying attachment type.</b></li><li>○ Utilize SOAP or REST <b>Headers consistent with CORE Connectivity vC4.0.0.</b></li><li>○ Providers are encouraged include the <b>data elements</b> to assist with reassociation.</li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ <b>Provider requirement:</b><ul style="list-style-type: none"><li>○ Must use <b>code 'EL'</b> to notify health plans that additional information is being transmitted electronically.</li><li>○ Encouraged to send <b>recommended metadata and/or reference data</b> to assist with reassociation.</li></ul></li><li>▪ <b>Health plans:</b><ul style="list-style-type: none"><li>○ Must use <b>code 'EL'</b> to request the electronic submission of additional information in a pended response.</li><li>○ Should use appropriate <b>LOINC</b> code to make requests as specific as possible for the claims use case.</li></ul></li></ul>

**CAQH CORE**

Testimony and Comment Letter Preparation for January 2023 NCVHS Standards Subcommittee Hearing on CAQH CORE Operating Rules  
 Background for Public Comment  
 November 2022

**9. Considerations for Mandating CAQH CORE Operating Rules for Attachments**

Request from NCVHS	Benefits of Mandating CAQH CORE Operating Rules for Attachments without a Corresponding Standard
<p>HHS has not proposed adoption of a standard for attachments under HIPAA.</p> <p><i>Please comment on the proposed operating rules for attachments. What should NCVHS consider prior to making any recommendations to HHS regarding operating rules for attachments?</i></p>	<p>CAQH CORE was designated the operating rule authoring entity by HHS for attachments in 2012. The industry cannot wait for standards implementation prior to the adoption of operating rules and HHS should adopt both concurrently. Operating rules have proven to be an effective tool in driving adoption of electronic standards as demonstrated by the CAQH Index data. The CAQH CORE Infrastructure and Data Content Rules for Attachments are standard agnostic and support a variety of standards previously recommended by NCVHS for HHS adoption.</p> <ul style="list-style-type: none"> <li>➤ <b>Operating rules support implementation uniformity:</b> Future regulations are anticipated to support more than one standard for the electronic exchange of attachments. The CAQH CORE Operating Rules provide uniformity across standards and facilitate implementation alignment and should be adopted simultaneously to attachments standards. This will lead to greater immediate adoption of impending standards and will optimize timelines for conformance.</li> <li>➤ <b>Operating rules support judicious resource use:</b> In an environment where efficiency is key for healthcare stakeholders, projects must be evaluated for their synergistic opportunity. Aligning implementation of attachments standards with the requirements set forth in the CAQH CORE Operating Rules allows implementers to efficiently devote resources to a single project versus two, time-separated initiatives.</li> <li>➤ <b>Operating rules promote transparency and diminish confusion:</b> Adopting CAQH CORE Attachments Operating Rules establishes a predictable implementation timeline and will reduce industry ambiguity and burden across the industry. Even if a standard is released through regulation in Q1 2023, implementation and conformance timelines extend to 2026. Adopting Operating Rules fills this gap through uniform data content and infrastructure requirements that will speed conformance and create a more durable framework for a time to come.</li> </ul>