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CAQH CORE Study Shows Routine Use of Patient Insurance Eligibility Verification Significantly Improves Validation, Paid Account Rates

California HealthCare Foundation-funded Study Focused on Impact of Missing/Invalid Member IDs

Washington, DC (Feb. 5, 2008) – Providers who routinely verify patient insurance eligibility and benefits through electronic or other means experience higher rates of paid accounts. That is the key finding from a newly-released study conducted by CAQH, a leading nonprofit alliance of health plans and trade associations.

Supported by a grant from the California HealthCare Foundation (CHCF), the CORE Phase II Patient Identification Study was conducted by CAQH as part of its Committee on Operating Rules for Information Exchange (CORE) initiative. CAQH launched CORE to develop a set of universal operating rules aimed at dramatically simplifying communication and administrative processes between providers and health plans.

Other study findings include:

- Routine eligibility verification by providers improves patient matching rates.
- Invalid patient matches are a key reason why automated administrative data inquiries fail.
- Missing and invalid member ID numbers cause re-work and affect providers' ability to do eligibility verification; however, patient names are almost always available and could be used as an alternative to help identify the patient.
- Health plan data show that more flexible searches, such as a search using the member's name and date of birth, improve the validation rate of the HIPAA 270/271 transaction and reduce the labor that physicians and health plans encounter when ID numbers are missing. For example, one large health plan achieved successful HIPAA 270/271 eligibility matches without a member ID for 500,000 transactions in one month, thus eliminating a significant number of unnecessary provider phone inquiries. The plan's provider call volume was potentially reduced by up to 38 percent, as a result.

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"This study makes a strong business case for creating routine insurance verification processes supported by standardized approaches to patient identification," said Robin J. Thomashauer CAQH executive director. "We greatly appreciate the support CHCF has provided to help us better understand health plan and provider revenue cycle needs."

The study, which included inpatient facilities and ambulatory physician practices in California and New York, will be used to help create CORE Phase III operating rules aimed at improving patient identification. The goal is to develop rules for more flexible matching criteria, which will enhance automated, real-time processing of eligibility inquiries and responses. CORE Phase III activities are scheduled to begin later this year.

About CAQH

CAQH is a catalyst for industry collaboration on initiatives that simplify healthcare administration for health plans and providers, resulting in a better care experience for patients and caregivers. CAQH solutions help promote quality interactions between plans, providers, and other stakeholders, reduce costs and frustrations associated with healthcare administration, facilitate administrative healthcare information exchange and encourage administrative and clinical data integration. Visit www.caqh.org for more information.

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