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## **New National Healthcare Operating Rules Approved for Electronic HIPAA Transactions**

*CAQH CORE Announces Phase IV Package for  
Claims, Prior Authorization, Employee Premium Payment, Enrollment and Disenrollment*

**WASHINGTON, DC – September 23, 2015** – The CAQH® Committee on Operating Rules for Information Exchange (CORE®) today announced the approval of the [Phase IV CAQH CORE Operating Rules](#) package for four healthcare business transactions: healthcare claims; prior authorization; employee premium payment; and enrollment and disenrollment in a health plan.

In an effort to ensure that large amounts of data can be shared electronically across the healthcare system, the Affordable Care Act (ACA) mandated national operating rules for the existing HIPAA administrative standards. The Department of Health and Human Services (HHS) selected CAQH CORE as the authoring entity to develop those operating rules, which specify the actions needed to ensure uniform, reliable electronic data transmission. The rules apply to all HIPAA-covered entities, including health plans, clearinghouses and healthcare providers. Phase IV represents the next step in developing operating rules for all HIPAA transactions.

“These operating rules are an important step in moving the healthcare system from manual to electronic business transactions,” said CAQH CORE Board Chair George S. Conklin, Senior Vice President and Chief Information Officer, CHRISTUS Health. “When each entity in the process follows the operating rules, everyone benefits from reductions in costs, time and confusion.”

Based on industry-wide input, the Phase IV Operating Rules focus on infrastructure requirements for data exchange, including:

- Offering at least one common method of connectivity (i.e., a “safe harbor”) among entities transmitting data electronically.
- A minimal amount of time that systems must be available to receive and send data.
- An acknowledgement to ensure the transaction has been received, has not been lost between entities, and will be addressed.
- Required response times for acknowledgement and processing for both real-time and large record “batch” submissions.
- A common format that entities must use when providing information about their proprietary data exchange systems via “companion guides.”

**Healthcare claims** are one of the most frequent transactions between providers and health plans or clearinghouses. Use of these operating rules means providers will immediately learn if the claim submission was successfully received by the plan and moved into their adjudication system. The provider is quickly made aware of obvious errors, so they can be corrected, reducing payment time.

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**Prior authorization requests** are often submitted by providers to health plans manually by fax and phone. Responses may come days later, causing reimbursement concern for both the provider and patient. When each entity in the transaction follows the operating rules, providers learn immediately whether the plan has received and is reviewing the request for a specific medical procedure or service.

In addition to affecting health plans and providers, Phase IV also includes the first operating rules for administrative transactions between employers (or their employee benefit vendors) and health plans. Delays or errors in processing employee change-of-life events in the **enrollment and disenrollment** transaction, or employee data in **premium payment** transactions may result in healthcare services being provided to patients whose coverage has changed or is no longer in force, leaving providers with uncollectable debt. To reduce these delays and avoidable errors, the operating rules require health plans to immediately acknowledge receipt of this employee information and that the transaction is being processed.

A multi-stakeholder collaboration, CAQH CORE has developed voluntary operating rules for the past decade. The review and approval process includes voting by Subgroups and Work Groups that develop the draft rules and subsequent approval by those CAQH CORE participating organizations that create, transmit or use healthcare administrative data. The operating rules package is then forwarded to the CAQH CORE Board for final review and approval. For the Phase IV package, more than 90 percent of these participating organizations took part in the final vote, resulting in 88 percent approval; the board approval was unanimous.

“This marks the culmination of three years of enormous effort by CAQH CORE and participating organizations,” said CAQH CORE Board Vice Chair Louis Ursini, Jr., Vice President, Program Delivery and Testing, Aetna. “Only this kind of collaborative endeavor, by organizations strongly motivated to drive needed industry change, could have achieved this overwhelming consensus.”

Previous CAQH CORE Operating Rules (Phases I, II and III) are now federally mandated for HIPAA-covered entities. HHS will determine if the new Phase IV Operating Rules will be included in any regulatory mandates.

To drive and track market adoption, CAQH CORE offers a voluntary certification program, widely viewed as the industry “gold standard,” enabling organizations to demonstrate they have adopted and are adhering to the operating rules and their underlying standards. Based on the Test Suite, which was also approved as part of the Phase IV package, a CAQH CORE-authorized testing vendor will build the Phase IV testing site over the coming months and voluntary CORE Certification will be available in summer 2016. CAQH CORE will also roll out a set of educational resources and tools to help organizations implement Phase IV.

Additional information about CAQH CORE and the Phase IV Operating Rules is available online at <http://www.caqh.org/core/caqh-core-phase-iv-rules>.

#### **About CAQH CORE**

More than 140 organizations participate in CAQH CORE and provide input on the development of operating rules. They represent healthcare providers, health plans, vendors, associations, government entities, and the organizations that set standards for healthcare and data exchange. The health plans in CAQH CORE cover more than 75 percent of all Americans with commercial insurance, Medicare or Medicaid. [www.caqhcore.org](http://www.caqhcore.org).