



The Connectivity Conundrum: How a Fragmented System Is Impeding Interoperability and How Operating Rules Can Improve It

EXECUTIVE SUMMARY

Connectivity is essential for successful interoperability as it enables the transport of information to support data exchange. It encompasses the capacity to connect applications, computers, systems and networks to one another in a coordinated manner, within and across organizations. Perhaps the most critical component of connectivity is the use of communication protocols, which are the set of rules and standards by which data is transported, messaged, secured, authenticated and acknowledged.

In the healthcare industry, stakeholders have implemented a multitude of connectivity methods, based on open standards and proprietary approaches, to facilitate the exchange of administrative and clinical healthcare data. This has created a fragmented connectivity ecosystem where senders and receivers of electronic data are required to support multiple communication channels and protocols. The connectivity environment of today adds additional levels of operational complexity and elevated costs for stakeholders. This burden is amplified by transactions, such as prior authorization, that require the intersection of administrative and clinical data. Further, the need to support multiple connectivity methods dissuades interoperability goals set forth by the 21st Century Cures Act¹ and interoperability rules proposed by the Office of the National Coordinator for Health Information Technology (ONC)² and the Centers for Medicare and Medicaid Services (CMS).³

To address the industry need to align on a common set of communication protocols, CAQH CORE developed and published three operating rules addressing connectivity and security of data exchange to establish a national base guiding healthcare communication of administrative data:

- Phase I CAQH CORE Connectivity Rule
- Phase II CAQH CORE Connectivity Rule
- Phase IV CAQH CORE Connectivity Rule

The CAQH CORE Connectivity Rules drive industry alignment by converging on common transport, message envelope, security and authentication standards to reduce implementation variations, improve interoperability and advance the automation of administrative data exchange.

In 2013, the Phase I and II CAQH CORE Connectivity Rules were nationally mandated by the Department of Health and Human Services (HHS) per Section 1104 of the Affordable Care Act (ACA). The Phase IV CAQH CORE Connectivity Rule was published in 2015. As a result of the federal mandate, a large industry installed

base of the Phase II CAQH CORE Connectivity Rule exists among HIPAA-covered entities that exchange administrative transactions. Further, as tracked via CORE Certification, health plans representing 188 million covered lives in the United States have publicly certified they can exchange healthcare data via Phase II CAQH CORE Connectivity, in addition to nearly 100 clearinghouses and vendor products. As such, a strong industry foundation for communication interoperability has been set by the CAQH CORE Connectivity Rules.

As the healthcare industry progresses towards achieving alignment and interoperability across administrative and clinical systems, common methods of connectivity could ease the burden of data exchange. The industry is beginning to gravitate to Application Programming Interfaces (API) and Representational State Transfer (REST) as methods for connectivity and data sharing. In 2020, CAQH CORE participating organizations will consider updates to the CAQH CORE Connectivity requirements to move the industry towards a common set of Safe Harbor connectivity methods that address existing and emerging standards and protocols to support the intersection of administrative and clinical data exchange. CAQH CORE Operating Rules, which can be federally mandated for all HIPAA-covered entities, can serve as a bridge between existing and emerging standards, while ensuring connectivity alignment and common data content across exchanges.

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- 1 "H.R.34 - 21st Century Cures Act," Congress.gov website, accessed October 30, 2019, <https://www.congress.gov/bill/114th-congress/house-bill/34/text>.
 - 2 "21st Century Cures Act: Interoperability, Information Blocking, and the ONC Health IT Certification Program," regulations.gov website, accessed October 30, 2019, <https://www.regulations.gov/document?D=HHS-ONC-2019-0002-0001>.
 - 3 "Medicare and Medicaid Programs; Patient Protection and Affordable Care Act; Interoperability and Patient Access for Medicare Advantage Organization and Medicaid Managed Care Plans, State Medicaid Agencies, CHIP Agencies and CHIP Managed Care Entities, Issuers of Qualified Health Plans in the Federally-Facilitated Exchanges and Health Care Providers," federalregister.gov website, accessed October 30, 2019, <https://www.federalregister.gov/documents/2019/03/04/2019-02200/medicare-and-medicaid-programs-patient-protection-and-affordable-care-act-interoperability-and>.