



Operating Rules

Streamline the Business of Healthcare



To effectively share electronic healthcare data, stakeholders from across the industry have come together to develop and adopt common sets of operating rules.

Operating rules are crucial in a technology-driven world.

The healthcare industry has a critical need to electronically share large quantities of data quickly and accurately and so requires technical standards and common business practices to simplify this data sharing among payers, providers and vendors. Industry-driven CAQH CORE operating rules support standards and specify the business actions each party must take to ensure the exchange of administrative transactions occurs smoothly and reliably.

Operating rules are developed through industry collaboration.

More than a decade ago, CAQH established the Committee on Operating Rules for Information Exchange® (CAQH CORE®), an industry-wide collaboration committed to the development and adoption of healthcare operating rules for administrative transactions. CAQH CORE gives participating entities a direct voice in the development and maintenance of operating rules. CAQH CORE represents the interests of more than 130 organizations, including healthcare providers, health plans, government agencies, vendors, associations and standards development organizations.

CAQH CORE Operating Rules.

To date, CAQH CORE has developed operating rules for eligibility, claim status, electronic funds transfer (EFT), electronic remittance advice (ERA), healthcare claims, prior authorization, enrollment and disenrollment and premium payments. The Department of Health and Human Services (HHS) requires use of CAQH CORE Operating Rules for eligibility, claim status, EFT and ERA transactions for all HIPAA-covered entities, and designated CAQH CORE as the author of national operating rules for the HIPAA administrative transactions.

—Eligibility and Claim Status.

In the future, anything less than a detailed, real-time response will be too little too late. Increased use of electronic transactions drives the industry toward this goal and cuts the number of denied claims. As of January 2013, all HIPAA-covered entities were required to adhere to operating rules for eligibility and claim status under the Phase I and II CAQH CORE Operating Rules. The Centers for Medicare & Medicaid Services (CMS) estimated that use of these two operating rule sets will save providers up to \$9.5 billion and health plans up to \$5.8 billion over ten years.

—Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA).

It is time to eliminate costly and cumbersome paper checks, along with the confusing disconnect between payment and the services provided. The Phase III CAQH CORE Operating Rules for EFT/ ERA have been mandated by HHS since 2014. They were designed in partnership with the banking industry operating rules. These rules require that plans offer a streamlined electronic payment option for providers. All providers should be requesting and using these streamlined transactions. Together, the standards and operating rules make convenient, quick and secure payments from plans to providers a reality.

—Healthcare Claims and Prior Authorization.

The sooner providers learn if there are problems with their submissions, the sooner they can correct obvious errors. The Phase IV CAQH CORE Operating Rules ensure providers know in real-time if claims and requests for prior authorization were received by the plan and are under review, among many other benefits. Taking an intended phased approach, CAQH CORE has begun the rulemaking process for additional electronic prior authorization transactions that build upon the foundational Phase IV Operating Rules.

— Enrollment and Disenrollment, and Premium Payments.

Errors or delays in employer-plan transactions can leave providers with uncollectable debt.

These are the first operating rules for administrative transactions between employers (or their benefit vendors) and plans, and address employee enrollment and premium payments. The rules require plans to immediately acknowledge receipt of this employee information, among other requirements.

— Value-based Payment.

As healthcare moves from fee-for-service to value-based care, CAQH CORE is in the process of determining where operating rules can help smooth that transition.

Certification demonstrates adoption and commitment to administrative simplification.

Widely viewed as the industry “gold standard,” CORE Certification enables organizations to demonstrate adoption of CAQH CORE Operating Rules and their underlying standards to their trading partners and the industry.

To date, more than 340 CORE Certifications have been awarded. Over 78 percent of commercially insured lives, 75 percent of Medicare Advantage insured lives, and 44 percent of lives covered by Medicaid agencies and health plans have some level of CORE Certification.

Increased adoption of the operating rules not only offers the promise of impressive cost savings, it also helps the industry spend less time on paperwork and focus more on patient care.

To learn more about CAQH CORE, becoming a participating organization, or for assistance with implementation and certification please contact us at core@caqh.org, or visit our website at www.caqhcore.org.
