

**CAQH Committee on Operating Rules for Information Exchange (CORE)  
FAQs Part B: ACA Section 1104 Mandate for Federal Operating Rules**

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*CAQH CORE is the authoring entity for two sets of ACA Section 1104 mandated Federal operating rules.*

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FAQs Part B: ACA Section 1104 Mandate for Federal Operating Rules**

## **I. Overview: ACA Section 1104 Provisions for Federal Operating Rules**

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The FAQs in this section have been developed to provide clarification on the [ACA Section 1104 Administrative Simplification provisions](#) requiring the Secretary of Health and Human Services (HHS) to adopt operating rules for the HIPAA-mandated transaction standards.

**Please Note:** The Centers for Medicare & Medicaid Services (CMS) is the [HHS designated authority](#) on any decisions regarding interpretation, implementation, and enforcement of the regulations adopting the HIPAA and ACA Administrative Simplification standards and provisions. Within CMS, the Office of E-Health Standards and Services (OESS) enforces the regulations addressing the HIPAA and ACA-mandated transactions, national identifiers, operating rules, health plan certification, and additional standards. More detailed information on the provisions, as well as compliance and enforcement requirements, is available on the [CMS website](#) and via the [CMS FAQs](#).

### **1. For what standard transactions does ACA Section 1104 require the HHS Secretary to adopt operating rules?**

ACA Section 1104 requires the HHS Secretary to adopt and regularly update *three sets* of operating rules for the [HIPAA-mandated healthcare administrative transactions](#):

- The first set of Federal operating rules addresses the eligibility and claims status transactions; the compliance date for these operating rules was January 1, 2013.
- The second set of Federal operating rules addresses the healthcare Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA) transactions; the compliance date for these operating rules was January 1, 2014.
- The third set of Federal operating rules addresses the health claims or equivalent encounter information, health plan enrollment/disenrollment, health plan premium payments, referral certification and authorization, and health claims attachments transactions. The compliance date for these operating rules is January 1, 2016.

### **2. What operating rules have been adopted by HHS to fulfill the ACA Section 1104 mandate?**

*First Set of ACA Section 1104 Mandated Operating Rules:* In December 2011, HHS [adopted](#) the [Phase I & Phase II CAQH CORE Eligibility and Claim Status Operating Rules](#) to fulfill the ACA Section 1104 Federal mandate, *with the exception of rule requirements pertaining to use of Acknowledgements*.

*Second Set of ACA Section 1104 Mandated Operating Rules:* In August 2012, HHS issued an Interim Final Rule [adopting](#) the [CAQH CORE EFT & ERA Operating Rules](#) to fulfill the ACA Section 1104 mandate, *with the exception of rule requirements pertaining to use of Acknowledgements*. On April 19, 2013, HHS issued an [industry notice](#) that the IFR is a Final Rule now in effect.

*Third Set of ACA Section 1104 Mandated Operating Rules:* Regulations on the ACA-mandated third set have not yet been published. On September 12, 2012, HHS issued a [letter](#) concurring with the NCVHS recommendation to designate CAQH CORE as the authoring entity for the remaining ACA-mandated operating rules.

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**3. What entities are required to comply with the ACA-mandated operating rules?**

As the [ACA Administrative Simplification provisions](#) build on and update the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), ACA Section 1104 requires all [HIPAA covered entities](#) to comply with the ACA-mandated standards and applicable operating rules by their compliance dates. The CMS website provides [charts](#) to help organizations determine whether an organization or individual is a HIPAA covered entity.

**NOTE:** ACA Section 1104 also mandates a certification process for **health plans only** to demonstrate compliance with the ACA-mandated operating rules. For information on the ACA-mandated health plan certification, see the [CAQH CORE FAQs Part F](#).

**4. Are product vendors required to comply with the ACA-mandated operating rules?**

ACA Section 1104 requires all [HIPAA covered entities](#) to comply with the ACA-mandated operating rules. The CMS website provides [charts](#) to help organizations determine whether an organization or individual is a HIPAA covered entity. CAQH CORE is not authorized to make this determination for entities.

A vendor's customers are likely HIPAA covered entities that must be compliant with the ACA-mandated rules. If vendor's product(s) or services support the use of the HIPAA transaction standards addressed by the operating rules, its customers are reliant upon the vendor to offer to them product(s) or services that enable them to be compliant. In many cases, a Business Associate relationship exists.

**NOTE:** ACA Section 1104 also mandates a certification process for **health plans only**. ACA Section 1104 specifies that, as part of the health plan certification, "*a health plan shall be required to ensure that any entities that provide services pursuant to a contract with such health plan shall comply with any applicable certification and compliance requirements (and provide the Secretary with adequate documentation of such compliance).*" For information on the ACA-mandated health plan certification and provider vendor support role or Business Associate role, see the [CAQH CORE FAQs Part F](#).

**5. Is CAQH CORE the authoring entity for the *first* set of ACA-mandated operating rules adopted by HHS?**

Yes. In December 2011, HHS [adopted](#) the [Phase I](#) & [Phase II](#) CAQH CORE Eligibility and Claim Status Operating Rules to fulfill the ACA Section 1104 Federal mandate, *with the exception of rule requirements pertaining to use of Acknowledgements*.

**6. Is CAQH CORE the authoring entity for the *second* set of ACA-mandated operating rules adopted by HHS?**

Yes. In August 2012, HHS issued an Interim Final Rule [adopting](#) the [CAQH CORE EFT & ERA Operating Rules](#) to fulfill the ACA Section 1104 mandate, *with the exception of rule requirements pertaining to use of Acknowledgements*. On April 19, 2013, HHS issued an [industry notice](#) that the IFR is a Final Rule now in effect.

**7. Will CAQH CORE be the authoring entity for the *third* set of ACA-mandated operating rules?**

On September 12, 2012, HHS issued a [letter](#) concurring with the NCVHS recommendation to designate CAQH CORE as the authoring entity for the remaining ACA-mandated operating rules. The CORE Participants are using the open CAQH CORE process to develop a set of draft rules for consideration to fulfill the ACA Section 1104 third set.

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### 8. How do I determine if my organization is Federally required to comply with the ACA-mandated operating rules?

As the [ACA Administrative Simplification provisions](#) build on and update the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), ACA Section 1104 requires all [HIPAA covered entities](#) to comply with the ACA-mandated CAQH CORE Operating Rules ([Phase I](#) & [Phase II](#) Eligibility & Claim Status Operating Rules and [Phase III CAQH CORE EFT & ERA Operating Rules](#)).

CAQH CORE is **not** authorized to determine if an organization or individual is a HIPAA covered entity or a Business Associate. CMS provides [charts](#) to help organizations determine if they are a HIPAA covered entity. The Department of Health and Human Services (HHS) also provides [FAQs](#) on whether an organization constitutes a covered entity or Business Associate. As the regulator, additional questions regarding HIPAA and ACA compliance should be directed to the CMS Office of E-Health Standards and Services (OESS).

### 9. As a HIPAA covered entity, does HHS require my organization to demonstrate compliance with the ACA-mandated operating rules?

As the [ACA Administrative Simplification provisions](#) build on and update the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), ACA Section 1104 requires all [HIPAA covered entities](#) to comply with the ACA-mandated CAQH CORE Operating Rules ([Phase I](#) & [Phase II](#) Eligibility & Claim Status Operating Rules and [Phase III CAQH CORE EFT & ERA Operating Rules](#)).

#### **Demonstration of Compliance Requirements: All HIPAA Covered Entities**

The Secretary of HHS delegated to the CMS Administrator the authority to investigate complaints of noncompliance with the HIPAA and ACA Administrative Simplification provisions. Within CMS, the Office of E-Health Standards and Services (OESS) enforces the HIPAA regulations addressing Transactions and Code Sets and National Identifiers (Employer, Provider, and Health Plan identifiers) and the ACA requirements for operating rules, health plan certification, and additional standards (see [CMS FAQ#1793](#)).

The [CMS Enforcement](#) website specifies: “While the current HIPAA TCS [Transactions and Code Sets] and ACA operating rules enforcement process is primarily complaint-driven [...] with the implementation of Version 5010 and D.0 and the requirements of both the American Recovery and Reinvestment Act, and the Patient Protection and Affordable Care Act, we recognized the need for an enhanced enforcement process whereby CMS would proactively address HIPAA/ACA Transactions and Code Sets, Unique Identifiers, Operating Rule and Health Plan Certification compliance issues through a compliance audit process. Information on the CMS compliance audit process and potential non-compliance penalties is in development and will be forthcoming.”

#### **Additional Demonstration of Compliance Requirements: HIPAA Covered Health Plans**

In addition to general HIPAA compliance, [ACA Section 1104](#) requires **health plans** to certify with HHS that their data and information systems are in compliance with HIPAA-mandated transaction standards and associated operating rules. **NOTE:** The ACA-mandated health plan certification applies to *health plans only*.

For more information on the ACA-mandated HHS Health Plan Certification, please see the [CAQH CORE FAQs Part F](#).

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### 10. Can penalties be assessed against HIPAA covered entities that fail to comply with the ACA-mandated operating rules?

Yes. As the [ACA Administrative Simplification provisions](#) build on and update the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), ACA Section 1104 requires all [HIPAA covered entities](#) to comply with the ACA-mandated CAQH CORE Operating Rules ([Phase I & Phase II Eligibility & Claim Status Operating Rules](#) and [Phase III CAQH CORE EFT & ERA Operating Rules](#)).

#### All HIPAA Covered Entities

The [penalties to be assessed for HIPAA non-compliance](#) were formalized in the original HIPAA legislation and updated by the HITECH rules in 2009. Due to HITECH, CMS Office of E-Health Standards and Services (OESS) penalties for HIPAA non-compliance have increased, now up to \$1.5 million per entity per year for all violations of an identical provision. More information on the operating rules compliance and enforcement requirements is available on the [CMS website](#).

#### Additional Penalties: HIPAA Covered Health Plans

In addition to general HIPAA compliance, [ACA Section 1104](#) requires **health plans** to certify with HHS that their data and information systems are in compliance with HIPAA-mandated transaction standards and associated operating rules. **NOTE:** The ACA-mandated health plan certification applies to *health plans only*.

ACA Section 1104 also directs the HHS Secretary to assess penalties against health plans that fail to complete the ACA-mandated HHS Health Plan Certification. Per ACA Subsection 1104(b)(2):

- The penalty fee will be **\$1 per covered life** until certification is complete. The penalty shall be assessed per person covered by the plan for which its data systems for major medical policies are not in compliance and shall be imposed against the health plan for each day that the plan is not in compliance.
- A health plan that knowingly provides **inaccurate or incomplete information** in a statement of certification or documentation of compliance shall **be subject to a penalty fee that is double the amount** that would otherwise be imposed.
- The amount of the penalty fee imposed shall be **increased on an annual basis** by the annual percentage increase in total national health care expenditures, as determined by the HHS Secretary.
- A penalty fee assessed against a health plan shall **not exceed, on an annual basis**, either: 1) **\$20** per covered life under such plan **OR** 2) **\$40** per covered life under the plan if such plan has knowingly provided inaccurate or incomplete information.

For more information on the ACA-mandated health plan certification see the [CAQH CORE FAQs Part F](#).

### 11. Are dental plans required to comply with the ACA-mandated operating rules?

ACA Section 1104 requires all [HIPAA covered entities](#) to comply with the ACA-mandated operating rules. The CMS website provides [charts](#) to help organizations determine whether an organization or individual is a HIPAA covered entity. CAQH CORE is not authorized to make this determination for entities although dental plans are typically considered HIPAA-covered health plans.

**NOTE:** ACA Section 1104 also mandates a certification process for **health plans only**. For information on the ACA-mandated health plan certification and provider vendor support role or Business Associate role, see the [CAQH CORE FAQs Part F](#).

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**II. Requirements for Federal Operating Rules Addressing the Eligibility & Claim Status Transactions**

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The FAQs in this section have been developed to provide clarification on the [ACA-mandated](#) CAQH CORE Operating Rules for the eligibility and claim status transactions.

**1. What do the ACA-mandated CAQH CORE Eligibility and Claim Status Operating Rules address?**

The [Phase I](#) and [Phase II](#) CAQH CORE Eligibility and Claim Status Operating Rules streamline the way eligibility/benefits and claim status healthcare administrative information is exchanged electronically. Easier, more reliable access to this information at the point of care can reduce the amount of time providers spend on administration by improving the accuracy of claims submitted, providing enhanced information on patient financial responsibility, and checking the status of a patient claim electronically.

The ACA-mandated CAQH CORE Eligibility and Claim Status Operating Rules address the following:

Type of Rule	Addresses	High-Level CAQH CORE Key Requirements
<a href="#">Data Content: Eligibility</a>	Need to drive further industry value in transaction processing	Respond to generic and explicit inquiries for a defined set of 50+ high volume services with: <ul style="list-style-type: none"> <li>• Health plan name and coverage dates</li> <li>• Static financials (co-pay, co-insurance, base deductibles)</li> <li>• Benefit-specific and base deductible for individual and family</li> <li>• In/Out of network variances</li> <li>• Remaining deductible amounts</li> <li>• Enhanced Patient Identification and Error Reporting requirements</li> </ul>
<a href="#">Infrastructure: Eligibility and Claim Status</a>	Industry needs for common/accessible documentation	<ul style="list-style-type: none"> <li>• Companion Guide – common flow/format</li> <li>• System Availability service levels – minimum 86% availability per calendar week</li> <li>• Real-time and batch turnaround times (e.g., 20 seconds or less for real time and next day for batch)</li> <li>• Connectivity via Internet and aligned with NHIN direction, e.g., supports plug and play method (SOAP and digital certificates and clinical/administrative alignment)</li> <li>• Acknowledgements (transactional)*</li> </ul>

\*NOTE: The HHS Final Rule excludes rule requirements pertaining to use of Acknowledgements.

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See [CAQH CORE FAQs Part C: CAQH CORE Eligibility & Claim Status Operating Rules](#) for guidance on the technical rule requirements.

**2. What CAQH CORE Eligibility and Claim Status Operating Rules have been adopted to fulfill the ACA Section 1104 mandate?**

The [December 2011 HHS Final Rule](#) adopts the use of all the CAQH CORE Operating Rules related to the eligibility and claim status transactions (both [Phase I](#) and [Phase II](#)) to fulfill the ACA mandate, *with the exception of rule requirements pertaining to use of Acknowledgements*. Specifically, the Final Rule adopts the following CAQH CORE Operating Rules:

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- Rules addressing the ASC X12 270/271 Eligibility & Benefits Request/Response Transactions:
  - [CAQH CORE 152: Companion Guide Rule\\*](#)
  - CAQH CORE [153](#) & [270](#): Connectivity Rules\*
  - CAQH CORE [154](#) & [260](#): Eligibility & Benefits Data Content Rules
  - [CAQH CORE 155: Batch Response Time Rule for Eligibility\\*](#)
  - [CAQH CORE 156: Real time Response Rule for Eligibility\\*](#)
  - [CAQH CORE 157: System Availability Rule\\*](#)
  - [CAQH CORE 258: Normalizing Patient Last Name Rule for Eligibility](#)
  - [CAQH CORE 259: AAA Error Code Rule for Eligibility](#)
- Rules addressing the ASC X12 276/277 Claim Status Inquiry/Response Transactions:
  - [CAQH CORE 250: 276/277 Claim Status Infrastructure Rule](#)

\*The CAQH CORE 250 Rule applies this infrastructure requirement to exchange of the X12 276/277 transactions.

**NOTE:** Rule requirements pertaining to use of Acknowledgements are *not* included for adoption in the HHS Final Rule.

### **3. Does the [HHS Final Rule](#) adopting the CAQH CORE Eligibility and Claim Status Operating Rules to fulfill the ACA Section 1104 mandate require adoption of the CAQH CORE Rule requirements pertaining to use of Acknowledgements?**

No. The HHS Final Rule does not require adoption of the CAQH CORE Operating Rule requirements pertaining to use of Acknowledgements. The Final Rule does note that, “*without Acknowledgements, it is difficult for the sender to know whether the intended recipient received the transmission, which often results in the sender repeatedly querying the intended receiver as to the status of the transmission...until such time as the {Health and Human Services} Secretary adopts a standard for Acknowledgments, we support the industry’s ongoing voluntary use of Acknowledgements and encourage even more widespread use.*”

### **4. What entities are required to comply with the ACA-mandated CAQH CORE Eligibility and Claim Status Operating Rules?**

By January 1, 2013, [HIPAA covered entities](#) must meet all technical rule requirements outlined in the CAQH CORE Eligibility and Claim Status Operating Rules (both [Phase I](#) and [Phase II](#)) that apply to their organizations, *except* implementation of the rule requirements for Acknowledgements. The CMS website provides [charts](#) to help organizations determine whether an organization or individual is a HIPAA covered entity. See the [CMS website](#) for more information on the operating rules compliance and enforcement requirements.

### **5. What entities are required to certify with HHS that their data and information system are in compliance with the ACA-mandated CAQH CORE Eligibility & Claim Status Operating Rules?**

Beyond general HIPAA compliance, ACA Section 1104 requires health plans to file a statement with HHS certifying that their data and information systems are in compliance with any applicable standards and associated operating rules for eligibility for a health plan and health claim status. For more information on the ACA-mandated HHS Health Plan Certification, see the [CAQH CORE FAQs Part F](#).

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**6. Does the [HHS Final Rule](#) adopting the CAQH CORE Eligibility & Claim Status Operating Rules to fulfill the ACA Section 1104 mandate require HIPAA covered entities to adopt the CAQH CORE requirements for real time processing?**

Yes. The ACA-mandated CAQH CORE Eligibility & Claim Status Operating Rules require that all entities support real time processing of both the X12 270/271 and X12 276/277 transactions. Real time requirements are addressed in the following ACA-mandated CAQH CORE Eligibility & Claim Status Operating Rules:

- [CAQH CORE 153: Connectivity Rule \(Phase I\)](#)
- [CAQH CORE 156: Eligibility and Benefits Real Time Response Time Rule](#)
- [CAQH CORE 157: Eligibility and Benefits System Availability Rule](#)
- [CAQH CORE 250: Claim Status Rule](#)
- [CAQH CORE 270: Connectivity Rule \(Phase II\)](#)

**NOTE:** The CAQH CORE Operating Rules do not require entities to support batch processing if they do not currently do so. However, if entities do currently support batch processing, they must also implement and conform to all applicable batch processing requirements outlined in the ACA-mandated CAQH CORE Eligibility & Claim Status Operating Rules. Batch requirements are addressed in the following ACA-mandated CAQH CORE Eligibility & Claim Status Operating Rules:

- [CAQH CORE 153: Connectivity Rule \(Phase I\)](#)
- [CAQH CORE 155: Eligibility and Benefits Batch Response Time Rule](#)
- [CAQH CORE 157: Eligibility and Benefits System Availability Rule](#)
- [CAQH CORE 250: Claim Status Rule](#)
- [CAQH CORE 270: Connectivity Rule \(Phase II\)](#)

The [CAQH CORE FAQs Part C: CAQH CORE Eligibility & Claim Status Operating Rules](#) provide guidance on implementing the CAQH CORE requirements related to real time and batch mode processing. See the [CMS website](#) for more information on the ACA requirements and the [HHS website](#) for more information on which entities are covered entities.

**7. Are entities using e-prescribing required to comply with the ACA-mandated CAQH CORE Eligibility & Claim Status Operating Rules?**

No. Per ACA Section 1104, HIPAA covered entities must comply with all applicable requirements of the ACA-mandated CAQH CORE Eligibility & Claim Status Operating Rules. However, CMS did not adopt operating rules for e-prescribing; see [CMS FAQ 7357](#) for more information.

**8. Do the ACA-mandated CAQH CORE Eligibility & Claim Status Operating Rules apply to Direct Data Entry (DDE)?**

No. Per CMS, the ACA-mandated CAQH CORE Eligibility & Claim Status Operating Rules would not apply to DDE transactions; see [CMS FAQ 6117](#) for more information.

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**III. Requirements for Federal Operating Rules Addressing the EFT & ERA Transactions**

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The FAQs in this section have been developed to provide clarification on the requirements of the [ACA-mandated](#) CAQH CORE EFT & ERA Operating Rules for the HIPAA-mandated EFT and ERA transactions.

**1. What do the Phase III CAQH CORE EFT & ERA Operating Rules address?**

Payment and remittance advice processing are faster when a provider receives payment via Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA) instead of via paper check and corresponding paper remittance advice. Despite these administrative savings, it is estimated that currently only 45% of all health care payments are made electronically. Several key barriers exist to achieving rapid, industry-wide adoption of EFT and ERA including:

- Non-uniform and inconsistent use of the 1000+ Claims Adjustment Reason Codes (CARCs) and Remittance Advice Remark Codes (RARCs)
- Inconsistent data elements required by health plans for provider EFT and ERA enrollment
- In-ability of providers to specify to the health plan how payments should be made, i.e., by National Provider Identifier (NPI) or Tax ID
- Challenges to provider reassociation of the EFT and ERA due to non-matching trace numbers and extensive time delays between receipt of the EFT and ERA

The Phase III CAQH CORE EFT & ERA Operating Rules address these challenges by requiring:

Rules		Key Rule Requirements
Data Content	<b>CAQH CORE 360: Uniform Use of CARCs and RARCs (835) Rule</b>	<ul style="list-style-type: none"> <li>• Identifies a <i>minimum</i> set of four CAQH CORE-defined Business Scenarios with a <i>maximum</i> set of CAQH CORE-required code combinations that can be applied to convey details of the claim denial or payment to the provider</li> </ul>
Infrastructure	<b>CAQH CORE 350: Health Care Claim Payment/Advice (835) Infrastructure Rule</b>	<ul style="list-style-type: none"> <li>• Specifies use of the CAQH CORE Master Companion Guide Template for the flow and format of such guides</li> <li>• Requires entities to support the Phase II CAQH CORE Connectivity Rule.</li> <li>• Includes batch Acknowledgement requirements*</li> <li>• Defines a dual-delivery (paper/electronic) to facilitate provider transition to electronic remits</li> </ul>
	<b>CAQH CORE 370: EFT &amp; ERA Reassociation (CCD+/835) Rule</b>	<ul style="list-style-type: none"> <li>• Addresses provider receipt of the CAQH CORE-required Minimum ACH CCD+ Data Elements required for re-association</li> <li>• Addresses elapsed time between the sending of the v5010 835 and the CCD+ transactions</li> <li>• Requirements for resolving late/missing EFT and ERA transactions</li> <li>• Recognition of the role of NACHA Operating Rules for financial institutions</li> </ul>
	<b>CAQH CORE 380: EFT Enrollment Data Rule CAQH CORE 382: ERA Enrollment Data Rule</b>	<ul style="list-style-type: none"> <li>• Identifies a maximum set of standard data elements for EFT enrollment</li> <li>• Outlines a flow and format for paper and electronic collection of the data elements</li> <li>• Requires health plan to offer electronic EFT enrollment</li> <li>• Requires providers to specify how payments should be made, i.e., by NPI or by Tax ID, as part of the EFT &amp;/or ERA enrollment process</li> </ul>

\* CMS-0028-IFC excludes requirements pertaining to acknowledgements.

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**2. What CAQH CORE EFT & ERA Operating Rules have been adopted to fulfill the ACA Section 1104 mandate?**

The [August 2012 Final Rule](#) adopts all the Phase III CAQH CORE EFT & ERA Operating Rules to fulfill the ACA mandate, *with the exception of rule requirements pertaining to use of Acknowledgements*. Specifically, the Final Rule adopts the following Phase III CAQH CORE EFT & ERA Operating Rules:

- [CAQH CORE 350: Health Care Claim Payment/Advice \(835\) Infrastructure Rule](#)
- [CAQH CORE 360: Uniform Use of CARCs and RARCs \(835\) Rule](#)
- [CAQH CORE 370: EFT & ERA Reassociation \(CCD+/835\) Rule](#)
- [CAQH CORE 380: EFT Enrollment Data Rule](#)
- [CAQH CORE 382: ERA Enrollment Data Rule](#)

**NOTE:** Rule requirements pertaining to use of Acknowledgements are *not* included for adoption in the HHS Final Rule given that standards for Acknowledgements have not yet been adopted under HIPAA.

**3. Does the [HHS Final Rule](#) for EFT and ERA operating rules adopt the CAQH CORE Rule requirements pertaining to use of Acknowledgements?**

No. The August 2012 [HHS Final Rule](#) adopting the CAQH CORE EFT & ERA Operating Rules *does not* adopt the Acknowledgement requirements in Section 4.2 of the [CAQH CORE 350: Health Care Claim Payment/Advice \(835\) Infrastructure Rule](#).

The Final Rule does note that, “*without Acknowledgements, it is difficult for the sender to know whether the intended recipient received the transmission, which often results in the sender repeatedly querying the intended receiver as to the status of the transmission...until such time as the {Health and Human Services} Secretary adopts a standard for Acknowledgments, we support the industry’s ongoing voluntary use of Acknowledgements and encourage even more widespread use.*” The CAQH CORE 350 Rule supports the use of Acknowledgements.

**4. What transactions are addressed by the ACA-mandated CAQH CORE EFT & ERA Operating Rules?**

The CAQH CORE EFT & ERA Operating Rules apply to use, conduct, or processing of the ASC X12 005010X221A1 Health Care Claim Payment/Advice (835) transaction and the [HIPAA-mandated Healthcare EFT Standards](#) (the NACHA ACH CCD+ and the ASC X12 835 TR3 TRN Segment).

**5. What are the HIPAA-mandated Healthcare EFT Standards?**

ACA Subsection 1104(c)(2) adds the Electronic Funds Transfer (EFT) transaction to the list of electronic health care transactions for which the HHS Secretary must adopt a HIPAA standard. Specifically, ACA Section 1104 requires the HHS Secretary to promulgate a final rule to establish a HIPAA transaction standard for healthcare EFT no later than January 1, 2012, with the rule effective January 1, 2014.

In January 2012, HHS issued an [Interim Final Rule with Comment \(IFC\)](#) adopting the NACHA ACH CCD+ and the ASC X12 835 TR3 TRN Segment together as the Healthcare EFT Standards. On July 10, 2012, CMS [announced](#) that the IFC is a Final Rule now in effect. The CMS announcement notes that “*we have decided not to change any of the policies established in CMS-0024-IFC.*”

**NOTE:** The HHS Final Rule [adopting](#) the Healthcare EFT Standards does not prohibit use of other electronic payment methods (e.g., Fedwire, card payment networks, ACH CTX, etc.) to make electronic healthcare claim

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## CAQH Committee on Operating Rules for Information Exchange (CORE) FAQs Part B: ACA Section 1104 Mandate for Federal Operating Rules

payments. However, per [CMS](#), “if a provider requests that a health plan conduct EFT using the ACH Network, the health plan is required to do so.” See [CMS FAQ 6343](#).

### 6. What entities are required to comply with the ACA-mandated EFT & ERA operating rules?

The ACA Administrative Simplification provisions require all [HIPAA covered entities](#) to comply with the ACA mandated standards and applicable operating rules by their compliance dates. The compliance date for the ACA mandated operating rules for EFT and ERA is *January 1, 2014*.

Per ACA Section 1104, by *January 1, 2014* HIPAA covered entities must meet all applicable rule requirements outlined in the ACA mandated CAQH CORE EFT & ERA Operating Rules. The CMS website provides [charts](#) to help organizations determine whether an organization or individual is a HIPAA covered entity. The role of a Business Associate should also be considered.

See the [CMS website](#) for more information on the operating rules compliance and enforcement requirements.

### 7. What entities are required to certify with HHS that their data and information system are in compliance with the ACA-mandated EFT and ERA Operating Rules?

Beyond general HIPAA compliance, ACA Section 1104 requires health plans to file a statement with HHS certifying that their data and information systems are in compliance with any applicable standards and associated operating rules for electronic funds transfers (EFT) and electronic remittance advice (ERA). For more information on the ACA-mandated HHS Health Plan Certification, see the [CAQH CORE FAQs Part F](#).

### 8. Do the CAQH CORE EFT & ERA Operating Rules apply when entities make electronic healthcare payments via other Electronic Funds Transfer (EFT) standards (e.g., Fedwire, card payment networks, ACH CTX, etc.) instead of the HIPAA-mandated Healthcare EFT Standards (NACHA ACH CCD+ and the ASC X12 835 TR3 TRN Segment)?

No. The CAQH CORE EFT & ERA Operating Rules apply only when entities are using the HIPAA-mandated EFT & ERA standards. While the HHS Final Rule permits entities to use EFT transaction standards beyond the HIPAA-mandated Healthcare EFT Standards (the NACHA ACH CCD+ and the ASC X12 835 TR3 TRN Segment), these other standards are outside the scope of the CAQH CORE EFT & ERA Operating Rules.

**NOTE:** The HHS Final Rule [adopting](#) the Healthcare EFT Standards does not prohibit use of other EFT transaction standards outside of the ACH Network (e.g., Fedwire, card payment networks, ACH CTX, etc.) to make electronic healthcare payments. However, per [CMS](#), “if a provider requests that a health plan conduct EFT using the ACH Network, the health plan is required to do so.” See [CMS FAQ 6343](#).

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