

simplifying healthcare administration



CAQH CORE 360 Rule: *Uniform Use of CARCs and RARCs*

August 21, 2013
3-4:30pm ET

Additional information/resources available at www.caqh.org

This document is for educational purposes only; in the case of a question between this document and CAQH CORE Operating Rule text and/or Federal regulations, the latter take precedence.

Participating in Today's Interactive Event

- Download a copy of today's presentation [HERE](#)
- The phones will be muted upon entry and during the presentation portion of the session
- At any time throughout today's session, you may communicate with our panelists via the web
 - Submit your questions on-line **at any time** by entering them into the Q&A panel on the right-hand side of the WebEx desktop
 - On-line questions will be addressed first
- There will be an opportunity for the audience to submit questions through the telephone during today's presentation
 - When directed by the operator, press * followed by the number one (1) on your keypad

Agenda

- Introduction to CAQH CORE and the ACA Mandated Operating Rules
 - CAQH CORE and Healthcare Operating Rules
 - Scope and Timeline of Mandate
- ACA Mandated Operating Rules: EFT & ERA
 - Compliance Timeline
 - Scope of EFT & ERA Operating Rules
- CAQH CORE 360 Rule: Uniform Use of CARCs and RARCs
 - Overview of Rationale and Rule Requirements
 - CORE Code Combination Maintenance Process
 - Implementation Considerations
 - FAQs
- Q&A

Polling Question #1:

Stakeholder Type

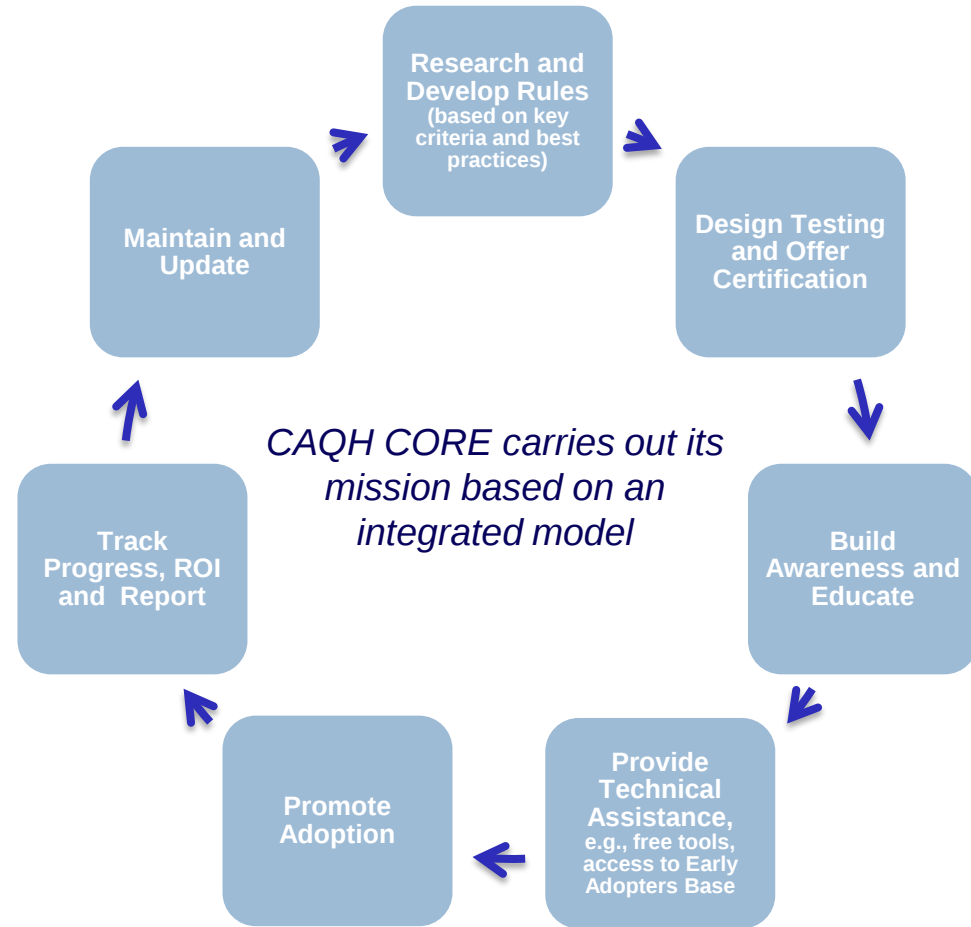
Choose the stakeholder category that best describes your company:

1. Health Plan/Third Party Administrator/Payer
2. Clearinghouse/Intermediary
3. Healthcare Provider
4. Product/Service Vendor
5. Government Entity
6. Other

Introduction to CAQH CORE and the ACA Mandated Healthcare Operating Rules

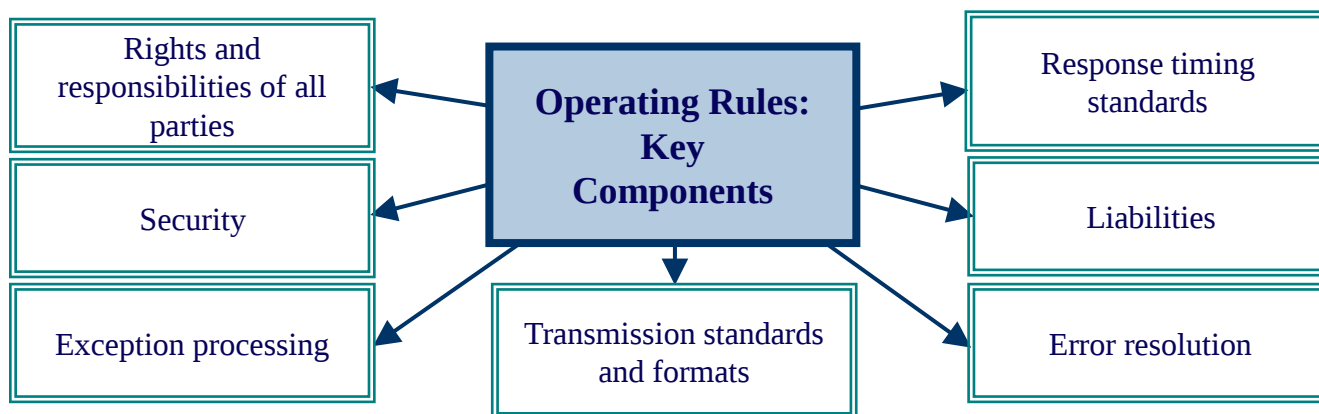
CAQH CORE

- Established in 2005
- **Mission:** Build consensus among healthcare industry stakeholders on operating rules that facilitate administrative interoperability between providers and health plans, and drive adoption of operating rules and the affiliated standards
- **Vision:** Streamlined, robust, efficient, and trusted administrative data exchange based on a set of Guiding Principles such as alignment of clinical and administrative, and use of Federally mandated standards
- Designated author of ACA-mandated operating rules



Purpose of CAQH CORE Healthcare Operating Rules

- Address gaps in standards, help refine the infrastructure that supports electronic data exchange and recognize interdependencies among transactions
- Ensure data flows consistently in *varied* settings and with *various* vendors
- Do not duplicate standards, but rather integrate the use of a range of standards to support the national HIT agenda; healthcare-specific (e.g., ASC X12) and industry-neutral (e.g., OASIS, W3C, ACH CCD+) standards



ACA and Healthcare Operating Rules

- ACA Section 1104 on Administrative Simplification requires that healthcare operating rules become part of the healthcare regulatory framework
- ACA defines operating rules as “the necessary business rules and guidelines for the electronic exchange of information that are not defined by a standard or its implementation specifications”

Examples of Topics that Healthcare Operating Rules Address			
<u>Data Content</u> Enhances what your organization already supports	Addresses Need to Drive Further Industry Value in Transaction Processing	More Robust Eligibility Verification Plus Financials	Uniform Code Combination Reporting
	Addresses Industry Needs for Common/Accessible Documentation	Companion Guides	System Availability
<u>Infrastructure</u>	Addresses Industry-wide Goals for Architecture/Performance/Connectivity	Standard Response Times	Connectivity and Security

ACA Mandated Operating Rules Compliance Dates: *Required for all HIPAA Covered Entities*

Operating rules encourage an interoperable network and are therefore vendor agnostic

**Compliance in Effect
as of January 1, 2013**

- Eligibility for health plan
- Claims status transactions

*HIPAA covered entities conduct these transactions
using the CAQH CORE Operating Rules*



**Implement by
January 1, 2014**

- Electronic funds transfer (EFT) transactions
- Health care payment and remittance advice (ERA) transactions

*HIPAA covered entities will need to conduct these transactions
using the CAQH CORE Operating Rules*



**Implement by
January 1, 2016**

- Health claims or equivalent encounter information
- Enrollment and disenrollment in a health plan
- Health plan premium payments
- Referral certification and authorization
- Health claims attachments



Rule requirements available.

EFT Standard and EFT & ERA Operating Rules: *Required of All HIPAA Covered Entities*

- **EFT & ERA Operating Rules:** April 2013 CMS announces [CMS-0028-IFC](#) should be considered the Final Rule and is now in effect
 - Adopts Phase III CAQH CORE Operating Rules for the Electronic Funds Transfer (EFT) and Health Care Payment and Remittance Advice (ERA) transactions *except for rule requirements pertaining to Acknowledgements**
 - By virtue of adopting the CAQH CORE 360 Rule in the IFC, [HHS also adopted](#) the CORE Code Maintenance process
- **Healthcare EFT Standard:** July 2012 CMS announces [CMS-0024-IFC](#) is in effect
 - Adopts the NACHA ACH CCD plus Addenda Record (CCD+) and the X12 835 TR3 TRN Segment as the HIPAA mandated healthcare EFT standard

Compliance date for both the Healthcare EFT Standard and EFT & ERA Operating Rules is January 1, 2014

* [CMS-0028-IFC](#) excludes requirements pertaining to acknowledgements.

CAQH CORE EFT & ERA Operating Rules:

High Level Scope and Requirements

Mandated EFT & ERA Operating Rules:

January 1, 2014 Requirements Scope

Rule		High-Level Requirements
Data Content	Uniform Use of CARCs and RARCs (835) Rule Claim Adjustment Reason Code (CARC) Remittance Advice Remark Code (RARC) Rule 360	Identifies a <u>minimum</u> set of four CAQH CORE-defined Business Scenarios with a <u>maximum</u> set of CAQH CORE-required code combinations that can be applied to convey details of the claim denial or payment to the provider
Infrastructure	EFT Enrollment Data Rule Rule 380	- Identifies a maximum set of standard data elements for EFT enrollment - Outlines a flow and format for paper and electronic collection of the data elements - Requires health plan to offer electronic EFT enrollment
	ERA Enrollment Data Rule Rule 382	Similar to EFT Enrollment Data Rule
	EFT & ERA Reassociation (CCD+/835) Rule Rule 370	- Addresses provider receipt of the CAQH CORE-required Minimum ACH CCD+ Data Elements required for re-association - Addresses elapsed time between the sending of the X12 v5010 835 and the CCD+ transactions - Requirements for resolving late/missing EFT and ERA transactions - Recognition of the role of <i>NACHA Operating Rules</i> for financial institutions
	Health Care Claim Payment/Advice (835) Infrastructure Rule Rule 350	- Specifies use of the CAQH CORE Master Companion Guide Template for the flow and format of such guides - Requires entities to support the Phase II CAQH CORE Connectivity Rule - Includes batch Acknowledgement requirements* - Defines a dual-delivery (paper/electronic) to facilitate provider transition to electronic remits

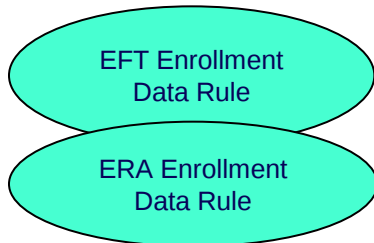
* [CMS-0028-IFC](#) excludes requirements pertaining to acknowledgements. The complete Rule Set is available [HERE](#).

Mandated EFT & ERA Operating Rules

Rules in Action

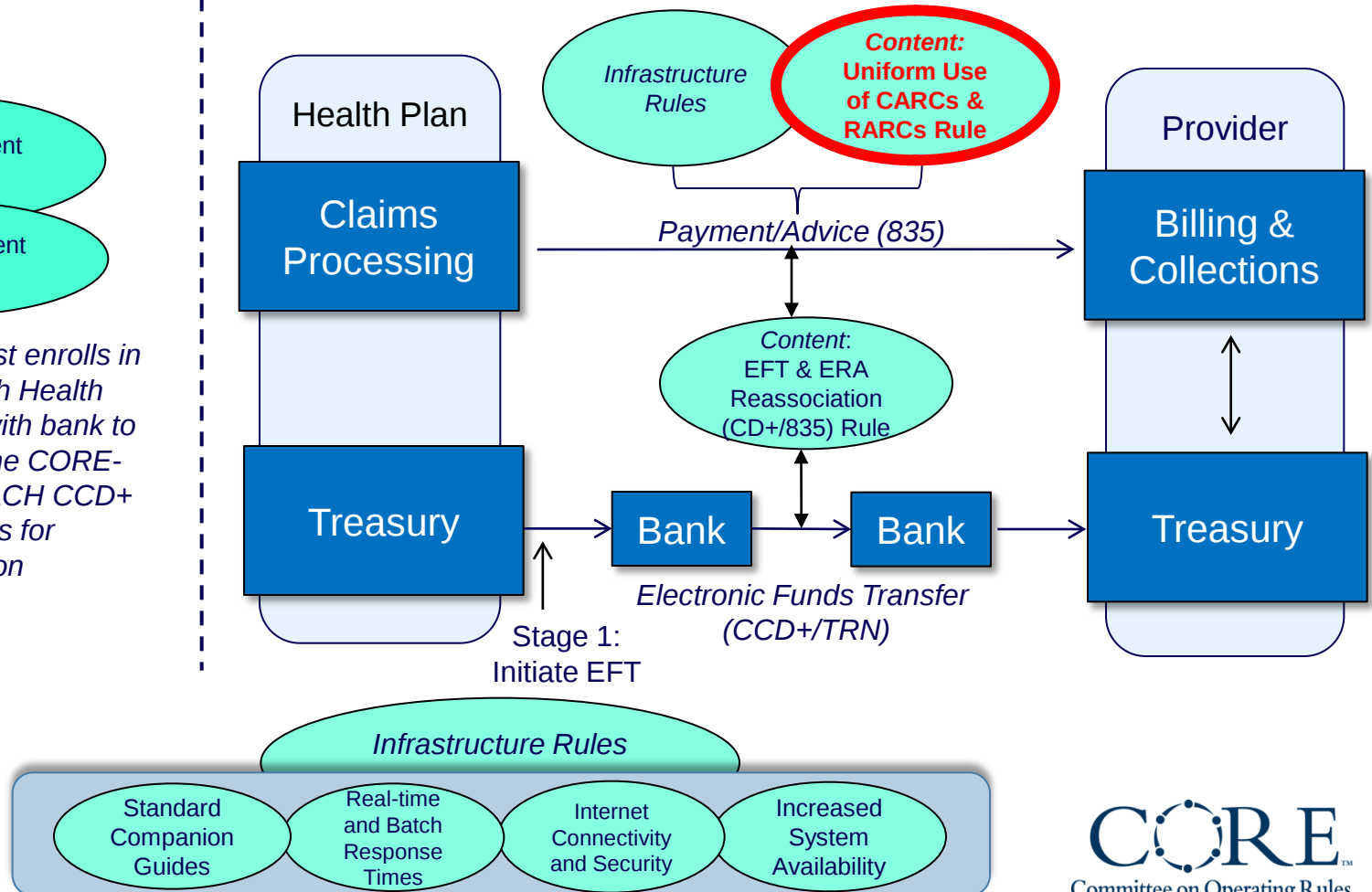
Indicates where
a CAQH CORE
EFT/ERA Rule
comes into play

Pre- Payment: Provider Enrollment



Content: Provider first enrolls in EFT and ERA with Health Plan(s) and works with bank to ensure receipt of the CORE-required Minimum ACH CCD+ Data Elements for reassociation

Claims Payment Process



Implementation Steps for HIPAA Covered Entities: *Where Are You?*

[FAQs:](#)
New EFT & ERA FAQs
are being posted
regularly

[CORE Partner Testing Page:](#)
Communicate your readiness
for conformance testing with
Trading Partners

Just
Getting
Started

Analysis and
planning
(budgeted,
resources
assigned, impact
analysis)

Systems
design
(software or
hardware
upgrades
identified,
coordinating
with vendors)

Systems
implementation
(software/hardware
and vendor services
upgrades fully
implemented)

Integration &
testing
(internal and
trading partners
testing)

Deployment/
maintenance
(full production
use with one or
more trading
partners)

[Free CAQH CORE Analysis
and Planning Guide](#)

[Voluntary CORE Certification](#) Test
Site for conformance testing of
the EFT & ERA Operating Rules;
jointly offered by CAQH CORE-
authorized testing entity Edifecs

Polling Question #2:

CAQH CORE 360 Rule Implementation Status

Select the response that best describes how far along your organization is with implementing the CAQH CORE Uniform Use of CARCs and RARCs Rule:

1. Awareness
2. Getting Started
3. Fully Underway
4. Completed
5. I'm Not Sure
6. Does not apply to me (not a HIPAA-covered Entity)

CAQH CORE 360 Rule:
Uniform Use of CARCs and RARCs
Goal and Key Rule Requirements

CORE 360 Rule: Uniform Use of CARCs & RARCs

Problem Addressed and Rationale for Rule

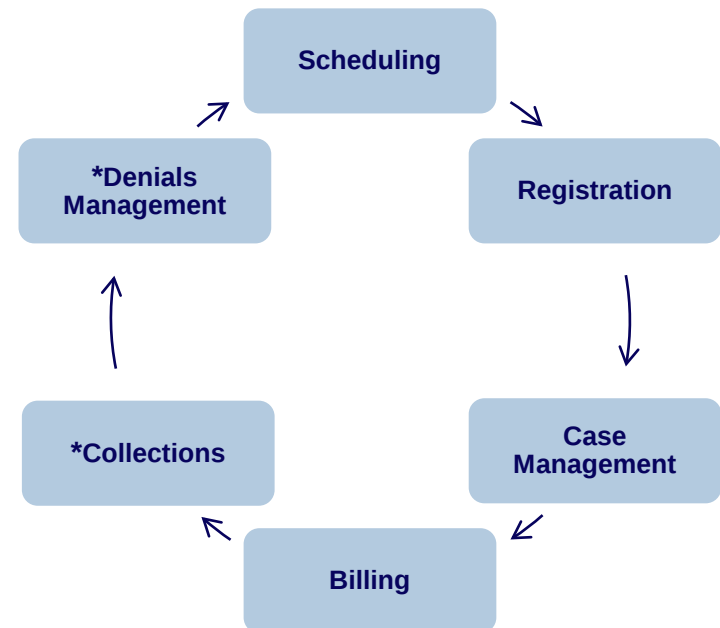
- Research and industry feedback identified extensive industry confusion regarding the use of the claim denial/adjustment codes. Non-uniform use of CARCs and RARCs throughout the industry for electronic reporting of claims adjustment and denials result in:
 - Inability to automatically post claim payment adjustments and denials accurately and consistently
 - Unnecessary manual provider follow-up
 - Faulty electronic secondary billing
 - Inappropriate write-offs of billable charges
 - Incorrect billing of patients for co-pays and deductibles
 - Posting delays
- Industry observed that achieving a consistent and uniform approach in such a complex area requires using a *multi-step process* focused on actively enabling the industry to reach its *long-term goal* of a maximum set of CARC/RARC/CAGC (claim adjustment group code) and CARC/NCPDP Reject Code/CAGC Combinations
 - As a result, CORE Operating Rules focus on a minimum set of business scenarios with a maximum set of code combinations, starting with targeting the major provider usage problems/high volume code combinations
 - Maintenance of the code combinations necessary and built into the rule; iterative process expected given level of challenge

CORE 360 Rule: Uniform Use of CARCs and RARCs

Key Impact

The use of the CARCs and RARCs will be more uniform across health plans. Additionally, the rule requirements for vendor's with provider-facing systems/solutions ensure providers consistently receive this information and can more accurately determine the reason for a denial or adjustment. The result for providers will be:

- ✓ **Potential reduction in manual claim rework:** With more consistent use of denial and adjustments codes per the CORE-defined Business Scenarios, providers will have less rework and can automate payment posting
 - Less staff time spent on phone calls and websites and increased ability to conduct targeted follow-up
- ✓ **Improved denials management:** Providers will be able to more accurately understand reasons for claim adjustments and denials due to more consistent use of codes across health plans
- ✓ **Improved collections:** Providers can more effectively obtain payment from patients, more quickly generate cross-over claims to other payers, and reduce open accounts receivable
- ✓ **Reduction in cost-to-collect:** Consistent use of the CARCs and RARCs will enable providers spent less time/money resolving adjustments and denials
- ✓ **Aggregated Data Analysis:** Cross-industry ability to analyze detailed data, e.g. attachment types



*Indicates revenue cycle components where CAQH CORE 360 Rule will have greatest impact

CORE 360 Rule: Uniform Use of CARCs and RARCs

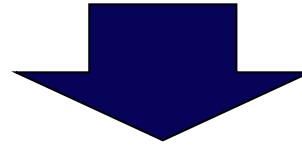
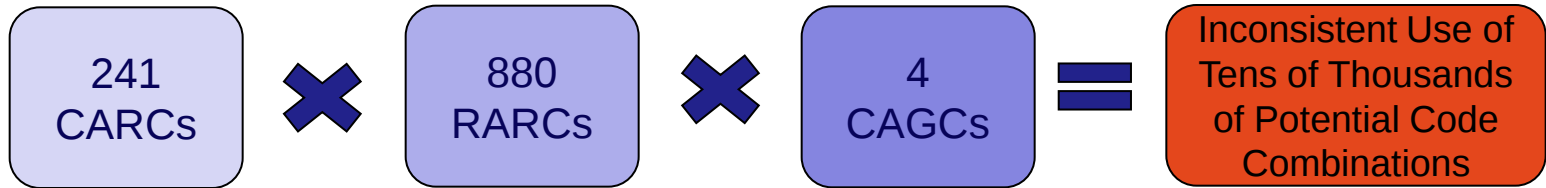
Scope & High-level Rule Requirements

- Foundational requirements
 - HIPAA covered entities should currently support the X12 v5010 835 transaction
- Scope of the rule
 - Applies to entities that use, conduct or process the X12 v5010 835 transaction
 - Builds on your existing X12 v5010 835 implementation bringing consistency and uniformity by establishing uniform business scenarios and code combinations
- High-level rule requirements
 - Identifies minimum set of four CORE-defined Business Scenarios with a maximum set of code combinations to convey claim denial/adjustment details (codes in separate document)
 - Establishes quality improvement maintenance process to review and update the *CORE Code Combinations*
 - Enables health plans and PBM agents to:
 - Use new/modified codes with CORE-defined Business Scenarios prior to CAQH CORE Compliance-based Review
 - Develop additional, non-conflicting business scenarios when CORE-defined Business Scenario do not meet business needs
 - Identifies applicable CORE-defined Business Scenarios for retail pharmacy

CORE 360 Rule: Uniform Use of CARCs and RARCs

Four Business Scenarios

**Pre-CORE
Rules**



**Post CORE
Rules**

Four Common Business Scenarios

**CORE Business
Scenario #1:**

Additional
Information
Required –
Missing/Invalid/
Incomplete
Documentation
(≈316 code combos)

**CORE Business
Scenario #2:**

Additional
Information
Required –
Missing/Invalid/
Incomplete Data
from Submitted
Claim
(≈289 code combos)

**CORE Business
Scenario #3:**

Billed Service Not
Covered by Health
Plan
(≈343 code combos)

**CORE Business
Scenario #4:**

Benefit for Billed
Service Not
Separately Payable
(≈31 code combos)

Code Combinations not included in the CORE-defined Business Scenarios may be used with other non-CORE Business Scenarios

CORE 360 Rule: Uniform Use of CARCs and RARCs

Requirements by Stakeholder Type

Requirements for Health Plans/ PBM Agent

- A health plan or its PBM agent must:
 - ✓ Align internal codes and business scenarios to the CORE-defined Business Scenarios
 - ✓ Support the maximum CORE-required Code Combinations as specified in [Core Code Combinations](#)
- **NOTE:**
 - Published new or modified codes per the codes committees can be used until an updated version of the *CORE Code Combinations* is published; a deactivated code must not be used after deactivation date (determined by code committees)

Requirements for Receivers of the v5010 835¹

- When receiving a X12 v5010 835, the product extracting the data (e.g., a vendor's provider-facing system or solution) from the X12 v5010 835 for manual processing must make available to the end user:
 - ✓ Text describing the codes included in the remittance advice, ensuring that the actual wording of the text displayed accurately represents the corresponding code description specified in the code lists without changing the meaning and intent of the description
 - ✓ Text describing the corresponding CORE-defined Business Scenario

¹Requirements do not apply to an entity that is simply forwarding the X12 v5010 835 to another system for further processing.

CORE 360 Rule: Uniform Use of CARCs and RARCs

Rule Requirements FAQs

Q:

As a health plan, are we allowed by the CAQH CORE 360 Rule to use code combinations that are not included in the CORE-required Code Combinations for CORE-defined Business Scenarios for other business scenarios beyond the minimum set of CORE-defined Business Scenarios?

Q:

I am a vendor, CAQH CORE 360 Rule, Section 4.2, Basic Requirements for Receivers of the X12 v5010 835, requires that provider facing products display text describing the CORE-defined Claim Adjustment/Denial Business Scenarios and Code Combinations to the end user. Is there specific text that such products must display?

Q:

To what types of entities do the requirements in Section 4.2, Basic Requirements for Receivers of the X12 v5010 835, of the CAQH CORE 360 Rule apply?

Q:

Do all of the CARCs in the CORE-required Code Combinations tables have to be used with a corresponding RARC?

Access all EFT & ERA Operating Rule FAQs [HERE](#)

Polling Question #3:

Code Maintenance Committee Awareness

Rate your level of understanding of the roles and responsibilities of the CARC Code Maintenance Committee and the RARC Code Maintenance Committee (these committees are independent of each other and of CAQH CORE).

1. Very Limited
2. Limited
3. Fair
4. Strong
5. Very Strong

NOTE: CAQH CORE Code Combinations Task Group is separate from the code committees, which author the codes. This said, operating rules always support HIPAA mandated standards and code sets, therefore, the Task Group aligns with the ongoing work of the code committees.

CAQH CORE 360 Rule:
Uniform Use of CARCs and RARCs
Code Maintenance

University of Washington School of Medicine

Implementation Preparation

- **About:** UW Medicine owns or operates four hospitals, a network of nine UW Neighborhood Clinics that provide primary care and secondary care, the physician practice UW Physicians, the UW School of Medicine and Airlift Northwest; UW Medicine shares in the ownership and governance of Children's University Medical Group and Seattle Cancer Care Alliance, a partnership among UW Medicine, Fred Hutchinson Cancer Research Center and Seattle Children's.
- Shannon Baber represents UW Medicine as co-chair for CAQH CORE Code Combinations Task Group.
- **Preparing for CAQH CORE 360 Rule and 01/01/2014 Compliance Date**
 - We are reviewing all CARC and RARC mappings for each payor within our billing system (Epic)
 - We have been working with Payors to correct issues and will continue as CARCs and RARCs are updated
 - Reviewing CORE-defined Business Scenarios to make sure we are processing per all guidelines
 - Re-mapping our five entities CARCs and RARCs where needed
 - Monitoring all payors after 01/01/2014 to verify CARCs and RARCs are processing appropriately

CARCs and RARCs Code List Maintenance

External to CAQH CORE

As the recognized Federal standard/code authors, ASC X12 and the Code Maintenance Committees (which are separate from ASC X12) are responsible for maintaining CARC/RARC/CAGC definitions. Adjustments to the definition of such codes must be addressed via the specific author.

CARCs (CARC Code Committee)

- Total # of CARCs: **241**
 - not all in *CORE Code Combinations*
- There are approximately 35 CARC Committee members representing a variety of stakeholder including health plans, associations, vendors, and government entities
- Entities can complete the CARC Change Request Form found [HERE*](#)

RARCs (RARC Code Committee)

- Total # of RARCs: **880**
 - not all in *CORE Code Combinations*
- The RARC Committee members represent various components of CMS
- Entities can complete the RARC Change Request Form found [HERE](#)

CAGCs (ASC X12)

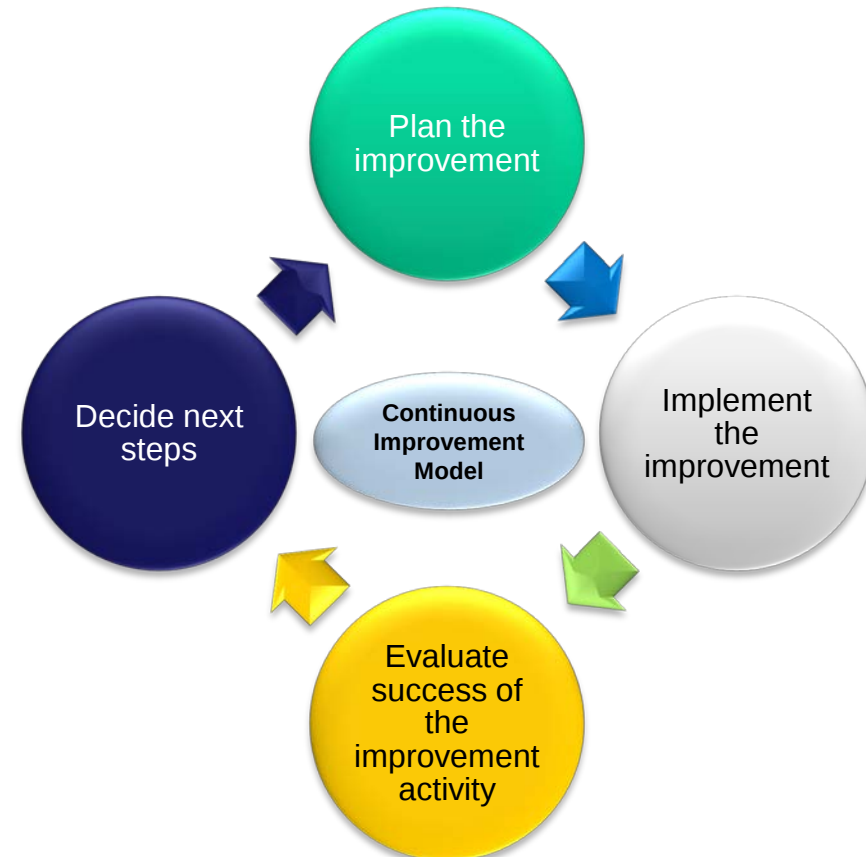
- Total # of CAGCs: **4**
 - All are in *CORE Code Combinations*
- Part of the ASC X12 standard, therefore, can only be revised when a new HIPAA mandated version of X12 standards is issued; current version is ASC X12 v5010
- Entities can submit a request to ASC X12

*Before submitting a CARC Change Request Form, entities are first encouraged to contact a member of the committee to “facilitate their request by allowing someone familiar with the approval process to discuss an alternate solution (if appropriate) for their need, or enabling that committee member to obtain additional background information which could help with the request”. Committee list is available [HERE](#)

CORE 360 Rule: Uniform Use of CARCs and RARCs

Maintenance and Quality Improvement Goals

- CAQH CORE 360 Rule includes a continuous quality improvement process to address evolving industry needs and published code list updates which occur three times per year; As part of this process:
 - An open process for soliciting feedback and input from the industry on a periodic basis, no less than three times per year, on the *CORE Code Combinations* will be established and a Task Group will be convened to agree on appropriate revisions
 - A public request will be made to receive real-world data to support updates to the *CORE Code Combinations* and the analysis of the data will incorporate traditional Quality Improvement (QI) reviews as well as commitment to CORE Guiding Principles
 - Health plans/providers/vendors are expected to report additional Business Scenarios not covered in the rule that they may be using on a frequent basis for consideration for additional Business Scenarios



CAQH CORE Code Combinations Maintenance Process

CORE Business

Scenario #1:

Additional Information
Required –
Missing/Invalid/
Incomplete
Documentation
(≈316 code combos)

CORE Business

Scenario #2:

Additional Information
Required –
Missing/Invalid/
Incomplete Data from
Submitted Claim
(≈289 code combos)

CORE Business

Scenario #3:

Billed Service Not
Covered by Health
Plan
(≈343 code combos)

CORE Business

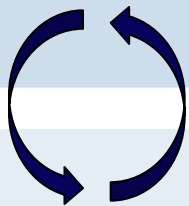
Scenario #4:

Benefit for Billed
Service Not Separately
Payable
(≈31 code combos)

CAQH CORE Compliance-based Reviews

Stability of
*CORE Code
Combinations*
maintained

- Occur 3x per year
- Triggered by tri-annual updates to the published CARC/RARC lists by code authors
- Include only adjustments to code combinations to align with the published code list updates (e.g. additions, modifications, deactivations)



Supports ongoing
improvement of
the *CORE Code
Combinations*

CAQH CORE Market-based Reviews

- Occur 1x per year
- Considers industry submissions for adjustments to the *CORE Code Combinations based on business needs* (addition/removal of code combinations and potential new Business Scenarios)
- *Opportunity to refine the CORE Code Combinations as necessary to ensure the CORE Code Combinations reflect industry usage and evolving business needs*

Update from the CORE Code Combinations Task Group

- Task Group has been meeting on a regular basis throughout 2013
 - Utilize teleconferences and tools such as online surveys to ensure maximum participation
 - Composed of more than 45 CAQH CORE Participating Organizations from a wide variety of stakeholders; led by four multi-stakeholder Co-Chairs:
 - Shannon Baber, *UW Medicine*
 - Janice Cunningham, *RelayHealth*
 - Heather Morgan, *Aetna*
 - Deb Smith-Fedon, *United Healthcare*
 - 2013 Compliance-based Review work efforts:
 - Issued the *May 2013 CORE Code Combinations* which included Compliance-based adjustments
 - In response to the July 2013 published code lists, the second 2013 CORE Compliance-based Review is in process; *CORE Code Combination* updates to be completed in September 2013 (see next page)
 - 2013 Market-based Review work efforts:
 - Focus for last two months has been planning for the first 2013 Market-based Review
 - Agreed on scope of 2013 Market-based Review
 - Developed an online submission form which entities will use to submit potential Market-based Adjustments

Current Compliance-based Review: July 2013 Published Code List Adjustments & Potential Impact on *CORE Code Combinations*

- In response to the July 2013 published code list updates, the Task Group just completed a Compliance-based straw poll on potential adjustments to the *CORE Code Combinations*; an updated version of the *CORE Code Combinations* will be published by October 1st, 2013

Summary of July 2013 Code List Adjustments		
Type of Code List Adjustments	Total Published Code List Adjustments	Potential Impact on <i>CORE Code Combinations</i> (Task Group in process of reviewing)
Code List Deactivations in July 2013*	0 CARCs removed 0 RARCs removed	0 CARCs removed 0 RARCs removed
Code List Description Modifications In July 2013	25 CARC descriptions modified 4 RARC descriptions modified	12 of the 25 modified CARC descriptions are in the existing <i>CORE Code Combinations</i> 3 of the 4 modified RARC descriptions are in the existing <i>CORE Code Combinations</i>
Code List Additions in July 2013	9 CARCs added 103 RARCs added	7 of the 9 CARCs to consider for addition meet the CORE Code Combination Evaluation Criteria 43 of the 103 RARCs to consider for addition meet the CORE Code Combination Evaluation Criteria

Level Set: Scope of 2013 Market-based Review (MBR)

Per the [CAQH CORE Code Combination Maintenance Process](#), the 2013 Market-based Review (MBR) will consider two types of industry submissions – Code Combination Adjustments and ideas for potential New Business Scenarios.

1. Code Combination Adjustments

- **Scope:** Includes **code additions/removals** for existing CORE-defined Business Scenarios
- **High-Level Approval Process:** Submissions are reviewed and approved by CAQH CORE Code Combinations Task Group
- **2013 MBR:** Task Group will collect industry submissions for code combination additions/removals via an online tool

2. New Business Scenarios

- **Scope:** Includes addition of **new** CORE-defined Business Scenarios and/or **substantive adjustments** to existing CORE-defined Business Scenarios
- **High-Level Approval Process:** Any adjustment or addition to the CORE-defined Business Scenarios will require substantive adjustment to CAQH CORE 360 Rule and thus require formal CAQH CORE Approval and Voting Process:

Task Group → Rules Work Group → All-CORE Vote
- **2013 MBR:** Given CAQH CORE 360 Rule is not yet mandated and ongoing industry implementation, no new business scenarios will be included at this time; an “Early Call for Submissions of New Business Scenario Ideas” will occur; Task Group will **only** be collecting ideas for potential New Business Scenarios in 2013 – no voting will occur and a second, “Formal Call,” will occur in 2014

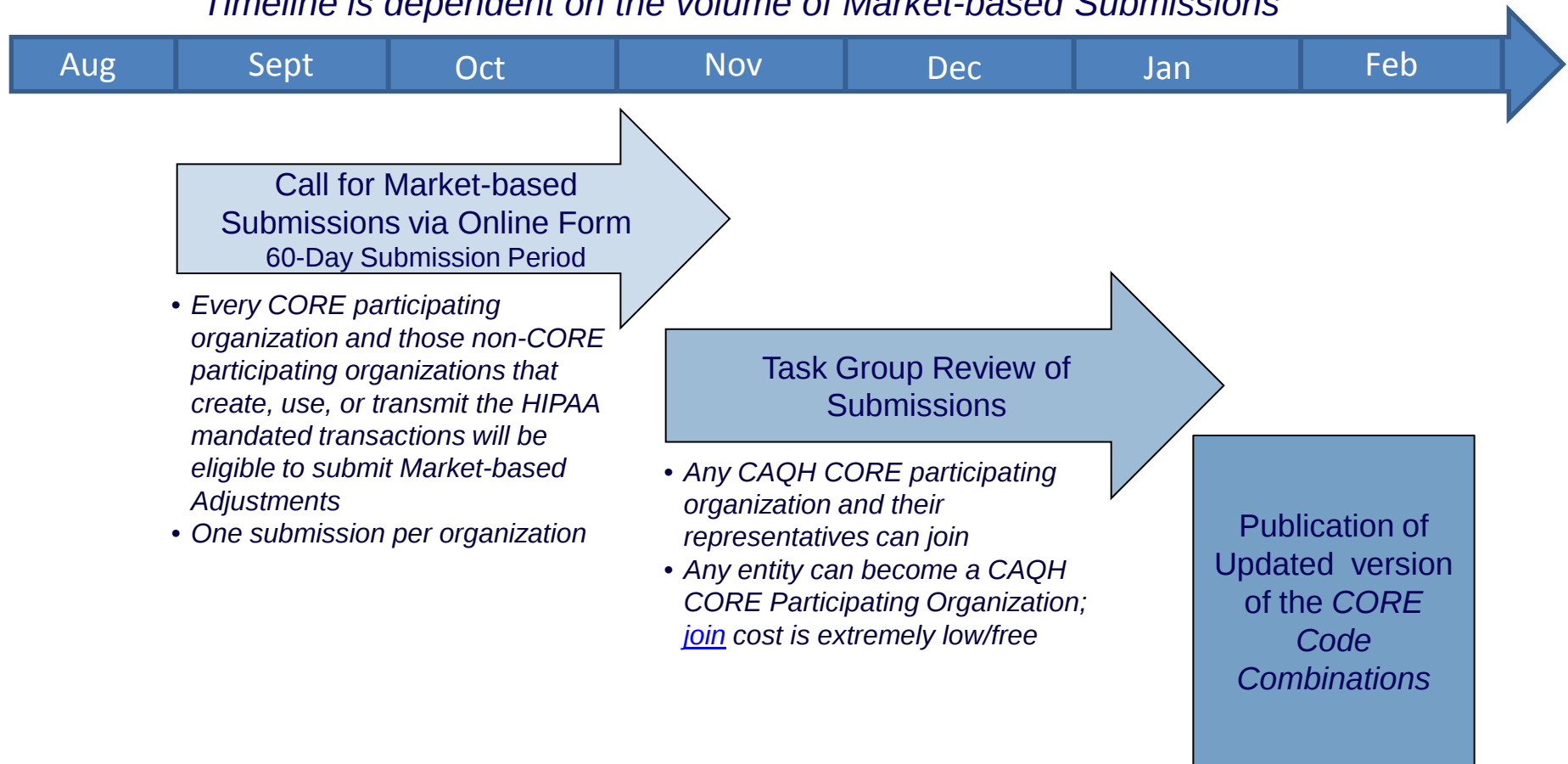
2013 Market-based Review Includes **Only** “Early Call” for Potential New Business Scenarios

Per the CORE Code Combinations Task Group, the 2013 Market-based Review will **only** include an “early call” for submissions of potential New Business Scenarios; no New Business Scenarios will be added as priority is refinement of existing CORE-required Code Combinations in the existing CORE-defined Business Scenarios

Market-based Review Year:	2013	2014
Scope	<i>Early Call for Submissions</i> Ideas for Potential New Business Scenarios	<i>Formal Call for Submissions</i> Potential New Business Scenarios and Adjustments to Existing Scenarios
Will Associated Code Combinations be Collected?	No	Yes
Will New Business Scenarios be Added?	No	Yes (if approved)
Rationale for Scope	- Enables the Task Group to get a sense of potential New Business Scenarios and a jump start on outlining future scenario options understanding that: - CAQH CORE 360 Rule is not mandated until 01/01/14 - Industry experience with the current Business Scenarios is needed prior to adding more - Entities are still busy implementing the existing four CORE-defined Business Scenarios	- Provides industry a second opportunity to submit potential New Business Scenarios given current focus on implementation - Will require more detailed submissions including code combinations and any adjustments to existing CORE-defined Business Scenarios - Submissions from 2013 will inform approach for 2014

Estimated Timeline for 2013 Market-based Review

Timeline is dependent on the volume of Market-based Submissions



Compliance with Updated Versions of the *CORE* Code Combinations

How long do HIPAA covered entities have to comply with the updated versions of the *CORE-required Code Combinations for the CORE-defined Business Scenarios* (e.g. the *CORE Code Combinations*)?

HIPAA covered entities have **90 days** from the date of publication of an updated version of the *CORE Code Combinations* until compliance with that version is required.

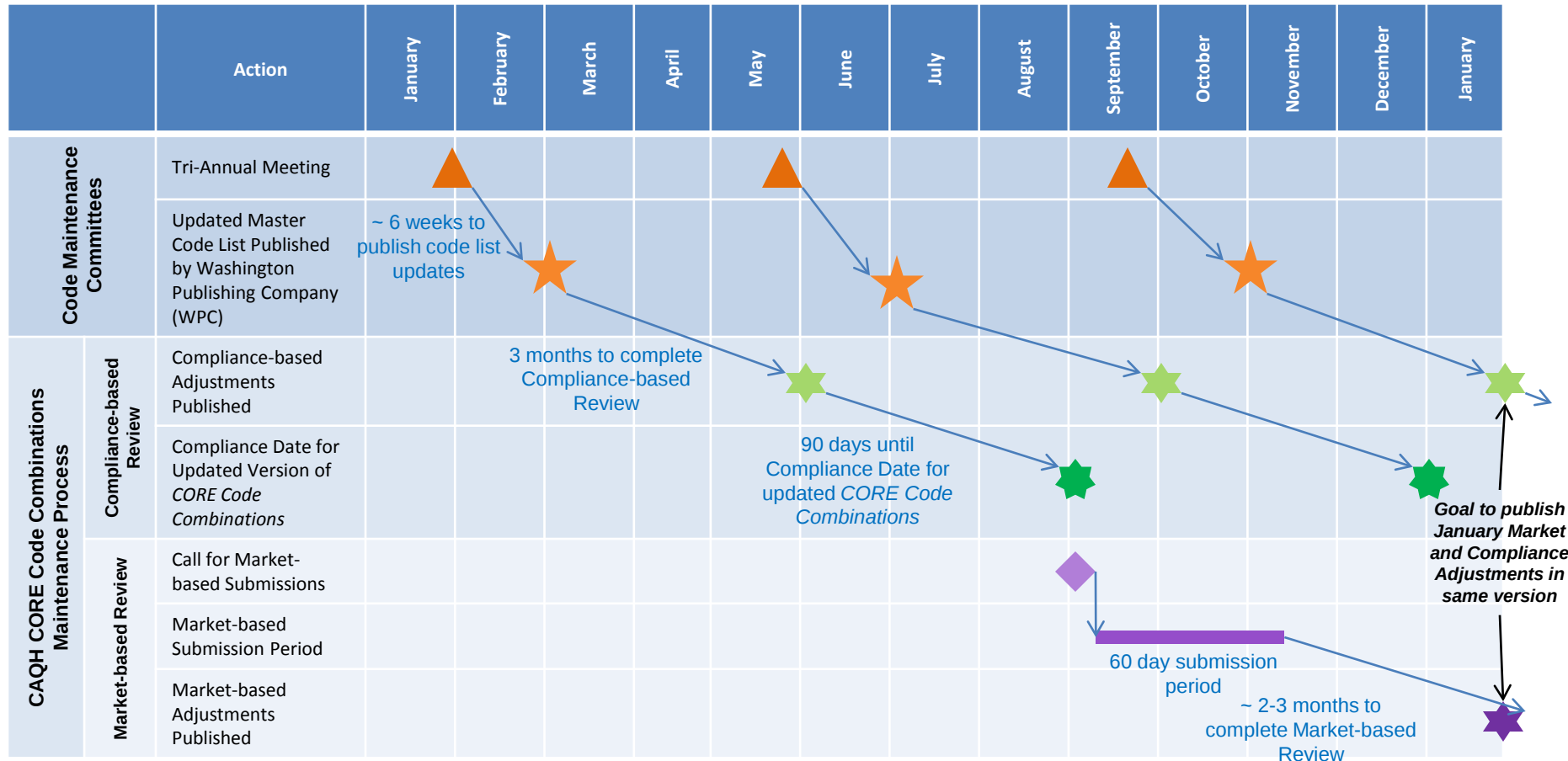
Exceptions: When CARCs and RARCs have modification or deactivation/stop dates after the *CORE Code Combinations* Compliance Date (6 months after publication on the WPC website):

1. Deactivated CARCs and RARCs may continue to be used in the CORE-defined Business Scenario in which they were included until their deactivation/stop date. After the deactivation/stop date the code can only be used in derivative business transactions (See FAQs on the WPC website [HERE](#)).
2. Modified CARCs and RARCs may continue to be used with their previous description in the CORE-defined Business Scenario in which they were included until the date the modification is effective. After the date modification is effective the previous description can only be used in derivative business transactions.

NOTE: CAQH CORE has established a policy to publish updated versions of the *CORE Code Combinations* on February 1st, June 1st, and October 1st of each year (e.g. approximately 3 months after the code list updates). Thus compliance with the updated versions will be required 3 months after the *CORE Code Combinations* publication dates, e.g. May 1st, September 1st, and January 1st of each year.

Proposed <i>CORE Code Combinations</i> Timeline		
Projected Code List Updates	CORE Code Combos Publication Date	CORE Code Combos Compliance Date (90 days from date of publication)
~November 1	February 1	May 1
~March 1	June 1	September 1
~July 1	October 1	January 1

Industry Timeline for Code List Updates and *CORE* Code Combinations Updates



CORE 360 Rule: Uniform Use of CARCs and RARCs

Code Maintenance FAQs

Q:

How can my organization submit codes for consideration during the CAQH CORE Code Combinations Market-based Review?

Q:

Our health plan uses a code combination that meets the definition of a CORE-defined Business Scenario but is not currently included in the scenario's maximum set of CORE-required Code Combinations in the CORE-required Code Combinations for CORE-defined Business Scenarios. How can we request addition of this code combination to the CORE-required maximum set?

Q:

How are the CORE-required Code Combinations for CORE-defined Business Scenarios maintained via the CAQH CORE Code Combinations Maintenance Process?

Q:

How long does my health plan have to comply with the updates to the CAQH CORE CARC/RARC Code Combinations for the existing scenarios?

Access all EFT & ERA Operating Rule FAQs [HERE](#)

CAQH CORE Rule 360:
Uniform Use of CARCs and RARCs
Implementation Considerations

Polling Question #4:

Code Maintenance Process Implementation

Is your organization actively working on implementing an ongoing CARC and RARC maintenance process given the *CORE Code Combinations* are updated three times per year – can be either within your own organization or with your Business Associate (i.e. a provider working with a vendor)?

1. Yes
2. No
3. I am not sure
4. Does not apply (not a HIPAA covered Entity)

CORE 360 Rule: Uniform Use of CARCs and RARCs

Stakeholder Actions

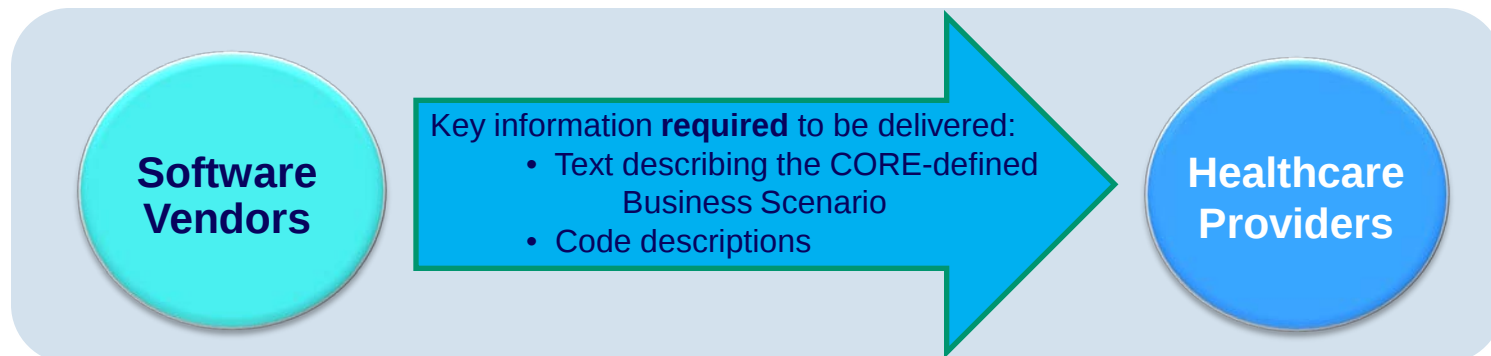
As of January 1, 2014 HIPAA Covered Entities and their business associates should have:

- **All stakeholder types:** *e.g. Health plans, providers, clearinghouses, vendors*
 - Aligned systems to support the maximum set of CORE-required Code Combinations and minimum set of CORE-defined Business Scenarios as specified in the most recent version of the *CORE Code Combinations*
 - A process to implement/support updated versions of the *CORE Code Combinations* on a tri-annual basis
 - A process to monitor ongoing compliance with the most recent version of the *CORE Code Combinations*
- **Health Plans:**
 - Coordinated with vendors to ensure compliance and alignment
- **Providers:**
 - Ensured vendor (e.g. receiver of the X12 v5010 835) has updated its systems to align with the *CORE Code Combinations*
 - Educated staff on any workflow changes due to the ERA now containing Business Scenarios and uniform Code Combinations
- **Provider-facing Vendors**
 - Adjusted products extracting data from the X12 v5010 835 for manual process to make available appropriate text to the end user as specified in CAQH CORE 360 Rule

CORE 360 Rule: Uniform Use of CARCs and RARCs

Importance of Industry Collaboration

- **HIPAA-covered entities**, including healthcare clearinghouses, health plans, and providers, work together to exchange transaction data in a variety of ways
- **Non-HIPAA-covered entities** (e.g. vendors) play a crucial role in enabling their provider clients to realize the benefits of industry adoption of CAQH CORE Operating Rules; these entities may act as Business Associates on behalf of a HIPAA covered entity
- Key steps to ensuring streamlined administrative data exchange with CAQH CORE 360 Rule:
 - **Assess impacted systems/vendors:** Understand which systems/vendors touch the X12 v5010 835
 - **Engage with your vendors:** Confirm with vendors compliance/ability to support CAQH CORE Rule 360 as certain vendors, including PMSs, third-party billing companies, etc. are not considered HIPAA-covered entities rather they act as the provider's business associate
 - **Encourage voluntary CORE Certification:** Work with your vendors to publicly confirm systems are conformant with applicable operating rules



CORE 360 Rule: Uniform Use of CARCs and RARCs

Keys to Success for Health Plans

Consider how your health plan's CARC/RARC/CAGC message reaches the provider:

- Provide a complete message about a claim adjustment or denial using accurate CARC/RARC/CAGC mapping
- Test with key practice management systems, vendors and clearinghouses to ensure that all reported information is passed along to the provider
- Test with high-volume physician, hospital and medical groups to determine how they use claim adjustment/denial information to accurately apply any payments, denials, and positive or negative adjustments to their patient accounting systems

REMINDER: *Only when all parties involved utilize the standard transaction, code values, and operating rules correctly and consistently will administrative simplification between the payer and provider occur, thus reducing rework, phone calls and member concerns.*

Participate in the CAQH CORE Code Combinations Maintenance Process

- ***CAQH CORE Participants can join Task Group***
 - Meeting on a regular basis due to Compliance based review and preparation for Market-based review
- ***Entities are encouraged to join CAQH CORE***
 - Any CAQH CORE participating organization and their representatives can join
 - Any entity can become a CAQH CORE Participating Organization; cost to [join](#) is extremely low/free
- ***Entities can also contribute a number of other ways, for example:***
 - Submission of Market-based Adjustments to the CORE Code Combinations
 - Work directly with other key entities to advance knowledge and adoption: CMS OESS, the standard setting bodies like ASC X12, and the various industry code committee authors
 - CAQH CORE Town Hall Calls
 - Respond to public surveys or submit requests to CORE@caqh.org

CORE 360 Rule: Uniform Use of CARCs and RARCs

Key Implementation Resources

- Access the most current version of the [CORE-required Code Combinations for CORE-defined Business Scenarios](#) is ALWAYS available for free on the CAQH CORE website
 - Formal announcements are sent to all stakeholders through multiple channels when new versions are issued, and a request that stakeholders distribute the update, e.g. sent to ASC X12, WEDI, NUBC
 - Entities may email core@caqh.org to request a marked-up version of the *CORE Code Combinations* that highlights adjustments made between versions
- CAQH CORE is launching a dedicated webpage for the CAQH CORE 360 Rule and the Code Combinations Maintenance Process: *Coming soon – see next page!*
 - In addition to current announcements, future versions of the *CORE Code Combinations* will also be announced on the webpage and deprecated versions will be available for reference

Highlights of the New CAQH CORE 360 Rule and the Code Combinations Maintenance Process Website

- A free and accessible “one stop shop” website to provide resources and tools to implementers of the CAQH CORE 360 Rule
- Interactive website will include easy to access information and valuable tools for implementers including:
 - Access to current and past versions of the *CORE Code Combinations*
 - Publication schedule and Compliance Dates for updated versions of the *CORE Code Combinations*
 - Status of CORE Code Combinations Task Group efforts
 - Process and online form for industry submission of Market-based Adjustments
 - Outline the impact of updated versions of the *CORE Code Combinations* for each stakeholder
 - Online submission of questions/feedback regarding the CORE Code Combinations Maintenance Process
 - Lists of Internal and External Resources Related to the CARCs and RARCs

Please send any additional ideas or needs for this website to CORE@caqh.org

CAQH CORE EFT & ERA Operating Rules:

Additional Implementation Tools

- ***Just Getting Started/Planning & Analysis***
 - [CAQH CORE EFT & ERA Operating Rules](#): Master your understanding of the ACA mandated EFT & ERA operating rule requirements
 - The [Analysis and Planning Guide](#) provides guidance to complete systems analysis and planning for implementation of the CAQH CORE EFT & ERA Operating Rules
- ***Systems Design/Implementation***
 - [Education Sessions](#): CAQH CORE holds frequent sessions with partners such as WEDI, associations, and Medicaid workgroups that often include speakers from organizations that have implemented the CAQH CORE Operating Rules
 - [FAQs](#): CAQH CORE has a list of FAQs to address typical questions regarding the operating rules; *new EFT & ERA FAQs are being posted regularly*
 - [Request Process](#): Contact technical experts as needed at CORE@caqh.org
- ***Integration/Testing***
 - [CORE Operating Rule Readiness](#): HIPAA covered entities can quickly communicate their organization's readiness to testing their conformance with trading partners by adding their company information to the CORE Partner Testing page of the CAQH website
- ***Deployment/Maintenance***
 - [Voluntary CORE Certification](#): Test Site for conformance testing of the EFT & ERA Operating Rules are now available; jointly offered by CAQH CORE-authorized testing entity Edifecs

Q&A

Please submit your question:

- Enter your question into the Q&A pane in the lower right hand corner of your screen

Upcoming CAQH CORE Education Events

- Join us for a free CAQH CORE webinar
 - CAQH CORE and NACHA Joint Education Session, September 5
 - CAQH CORE and Edifecs: EFT & ERA CORE Certification, September 12
- Hear More about Operating Rules at an industry event
 - [NPAG 2013 Conference](#), *EDI: Unwrapped*, September 17
 - [GACHA Solutions 2013 Conference](#), September 18-20
- Visit the CORE [Education Events](#) page of the CAQH website
 - Access *free* recordings of previous education events & stay informed of upcoming joint webinars with key partners such as NACHA, ASC X12, vendors and provider associations