



CAQH CORE and NACHA Joint Webinar

*Implementation of the EFT Standard and the
ACA-mandated EFT & ERA Operating Rules*

December 4, 2013
2pm – 3:30 pm ET



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

Session Topics

- Welcome Introduction
- Level-set on Key Concepts
 - ACA Section 1104: January 2014 EFT/ERA Operating Rule Mandate
 - Cross-industry Collaboration: Alignment of Healthcare and Financial Services
- The Healthcare EFT Standard (CCD+): **NACHA**
 - **Priscilla Holland**, Senior Director of Healthcare Payments
- Industry Implementation Perspective: **Aultcare**
 - **Raza Fayyaz**, Director, IT and EDI Systems
 - **Chris Criswell**, EDI Support Supervisor
- Industry Implementation Perspective: **Bank of America Merrill Lynch**
 - **Curtis Crispin**, Director & Senior Product Sales Segment Manager, Industry Product Solutions
- Q&A

Introduction:

CAQH CORE EFT & ERA Operating Rules and Cross-industry Collaboration

Scope: ACA Mandated Operating Rules and Certification Compliance Dates

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

- Eligibility for health plan
- Claim status transactions

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



**Implement by
January 1, 2014**

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

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



**Implement by
January 1, 2014**

- **Health plans** certify via HHS certification program for Eligibility/Claim Status/EFT/ERA rules and underlying standards

Applies only to health plans and includes penalties until certification is complete; existing voluntary CORE Certification is for vendors/PMS/large providers, and health plans

**Implement by
January 1, 2016**

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



Mandated requirements available

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

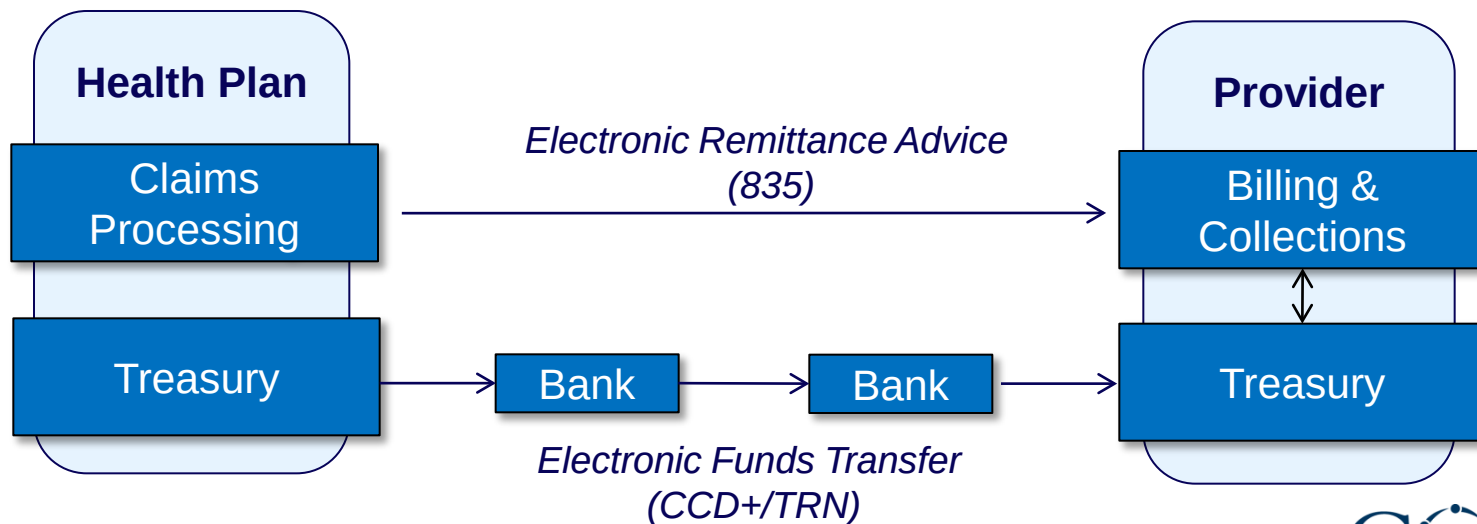
- **Healthcare EFT Standard:** July 2012 CMS announces [CMS-0024-IFC](#) is in effect
 - Adopts the NACHA ACH CCD plus Addenda Record (CCD+) and the X12 v5010 835 TR3 TRN Segment as the HIPAA mandated Healthcare EFT Standard
- **EFT & ERA Operating Rules:** April 2013 CMS announces [CMS-0028-IFC](#) 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**
 - CMS also confirms that the *CORE Code Combinations* maintenance process updates are immediately effective

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.

EFT and ERA Transaction Flow

- EFT and ERA Operating Rules represent the convergence of financial services and healthcare
- Together the transactions foster the goals of administrative simplification by moving the process of reimbursement from paper to electronic
 - ERA is an electronic transaction that enables providers to receive claims payment information from health plans electronically; ERA files are intended to replace the paper Explanation of Payment (EOP)
 - EFT enables providers to receive payments from health plans electronically



Mandated EFT & ERA Operating Rules:

Scope and Requirements

Rule		High-Level Requirements
Data Content	<i>Uniform Use of CARCs and RARCs (835) Rule</i> 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
	<i>EFT Enrollment Data Rule</i> 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
Infrastructure	<i>ERA Enrollment Data Rule</i> Rule 382	Similar to EFT Enrollment Data Rule
	<i>EFT & ERA Reassociation (CCD+/835) Rule</i> 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 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
	<i>Health Care Claim Payment/Advice (835) Infrastructure Rule</i> 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

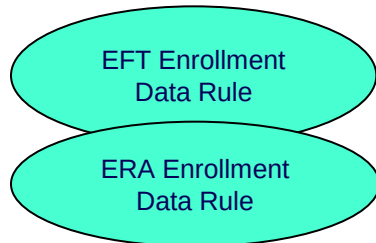
* [CMS-0028-IFC](#) excludes requirements pertaining to acknowledgements. The complete Rule Set is available [HERE](#).

EFT & ERA Operating Rules

Rules in Action

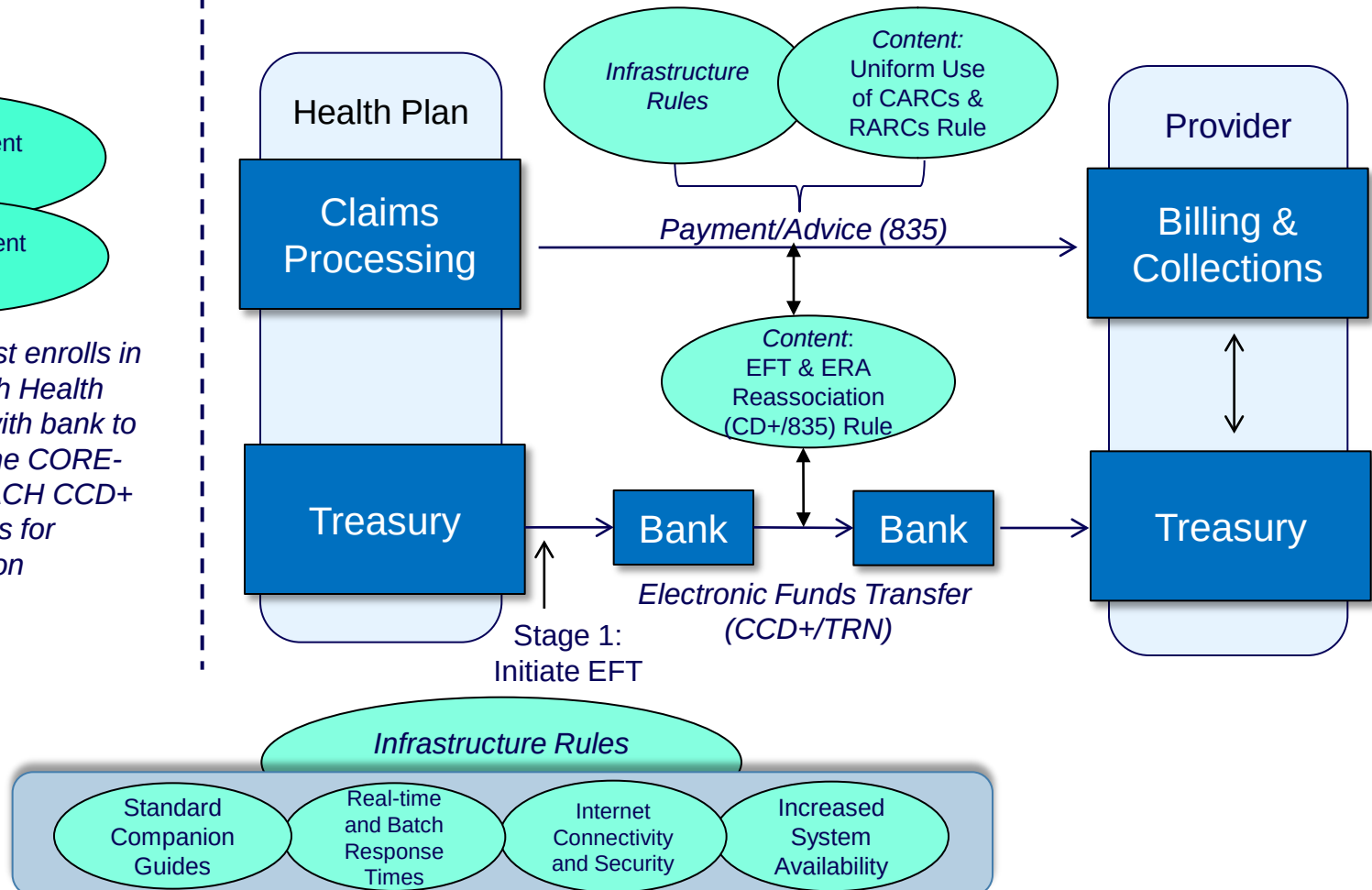
Indicates where
a CAQH CORE
EFT/ERA Rule
comes into play

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



EFT and ERA: Operating Rules Build On Standards

- Healthcare Operating Rules pair data content and infrastructure Operating Rules to help data flow consistently in *varied settings and with various vendors*
- Operating Rules can address gaps in standards, such as additional content available with further use of standard, or identify infrastructure needed to ensure electronic transaction flow among standards



ACH CCD+ & X12 v5010 835

- **EFT:** NACHA CCD+ Addenda (**must** contain the TRN Reassociation Trace Number data segment as defined by X12 835 TR3 version 5010)
- **ERA:** X12 v5010 835

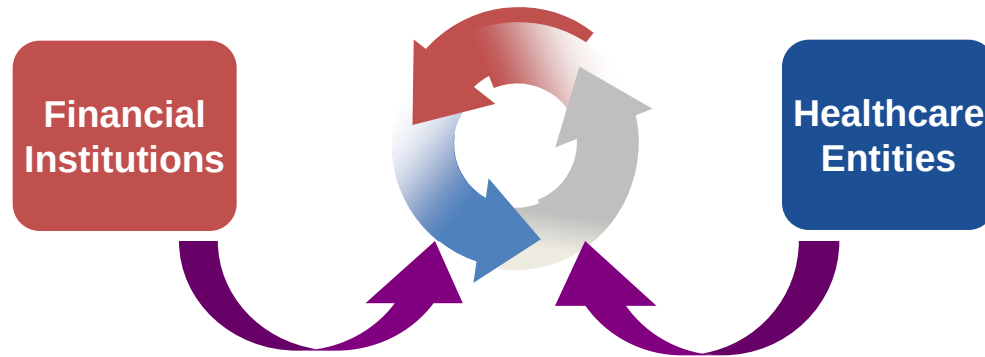
CAQH CORE EFT & ERA Operating Rules

- Provider enrollment in EFT and ERA
- Infrastructure for supporting the ERA
- Uniform use of codes for conveying claim adjustments/denials
- Reassociation of the EFT and ERA

Together, EFT & ERA Standards and Operating Rules will deliver efficiency and consistency across the healthcare industry

Compliance date for both the Healthcare EFT Standard and EFT & ERA Operating Rules is January 1, 2014; requirements to support the X12 v5010 835 are already in effect.

NACHA's Role in Supporting Healthcare Payments



- NACHA's focus is supporting efficiency for payments and related information sent through banks from health plans to providers
 - Maintains the *NACHA Operating Rules* and is the Standard Development Organization (SDO) for the Healthcare EFT Standard
 - Helping the healthcare industry understand the Healthcare EFT Standard
 - What are *NACHA Operating Rules* and how do they impact the standard?
 - How does it work?
 - [A Healthcare EFT Standard Implementation Guide](#) is available from NACHA

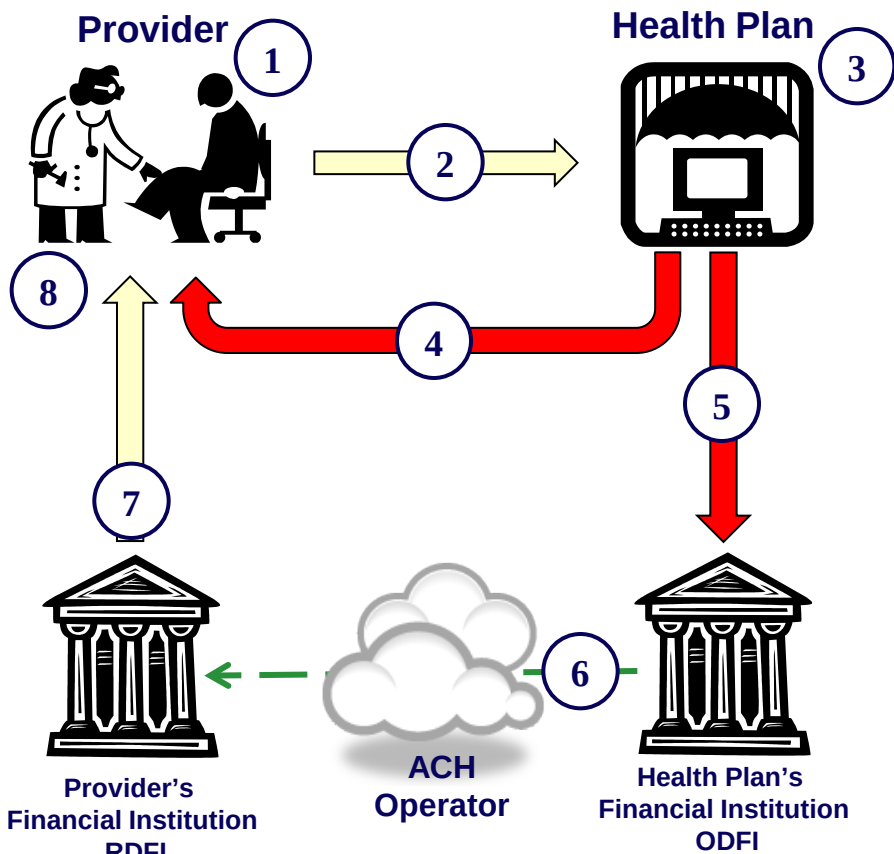
Cross Industry Collaboration for EFT & ERA Operating Rules

- CAQH CORE and NACHA: Healthcare and Financial Services Alignment
 - Due to the mandated healthcare Operating Rules on EFT and the opportunities for the healthcare industry to transform the way payments are made, there is a convergence of financial services and healthcare
 - CAQH CORE and NACHA partnership was established in 2005 and continues to build over time including collaboration to develop the healthcare EFT & ERA Operating Rules
 - In order to align with CAQH CORE EFT & ERA Operating Rules, the healthcare industry identified key areas where new or modified *NACHA Operating Rules* could address current issues in using the NACHA EFT Standard when doing EFT healthcare payments over the ACH Network
 - The *NACHA Operating Rules* and EFT Standard were subsequently adjusted to help align with the healthcare operating rules and had a compliance date of September 20, 2013
 - This compliance date was purposefully placed before the January 1, 2014 CAQH CORE EFT & ERA Operating Rule compliance deadline, as the NACHA Operating Rules act as “the tracks” upon which the CORE EFT & ERA Operating rules, or “the train,” can run smoothly and seamlessly
 - Ongoing collaboration between CAQH CORE and NACHA including extensive education and outreach efforts

The Healthcare EFT Standard

ACH CCD+Addenda

Healthcare Payment Chain



1. Patient encounter with **Provider**
2. Provider submits Claim (837) to **Health Plan**
3. Health Plan adjudicates Claim
4. *Health Plan sends Electronic Remittance Advice (ERA) (835) to **Provider**; the ERA contains TRN Reassociation Trace Number.
5. *Health Plan sends CCD+ to **ODFI** for claim reimbursement, including a matching TRN Reassociation Trace Number
6. ODFI Sends ACH CCD+ Addenda through ACH Network to **RDFI**
7. RDFI receives CCD+ for Provider, deposits credit to Provider account and delivers the TRN Reassociation Trace Number to Provider if requested by Provider
8. Provider reconciles the payment and ERA by matching the TRN segment from both transactions

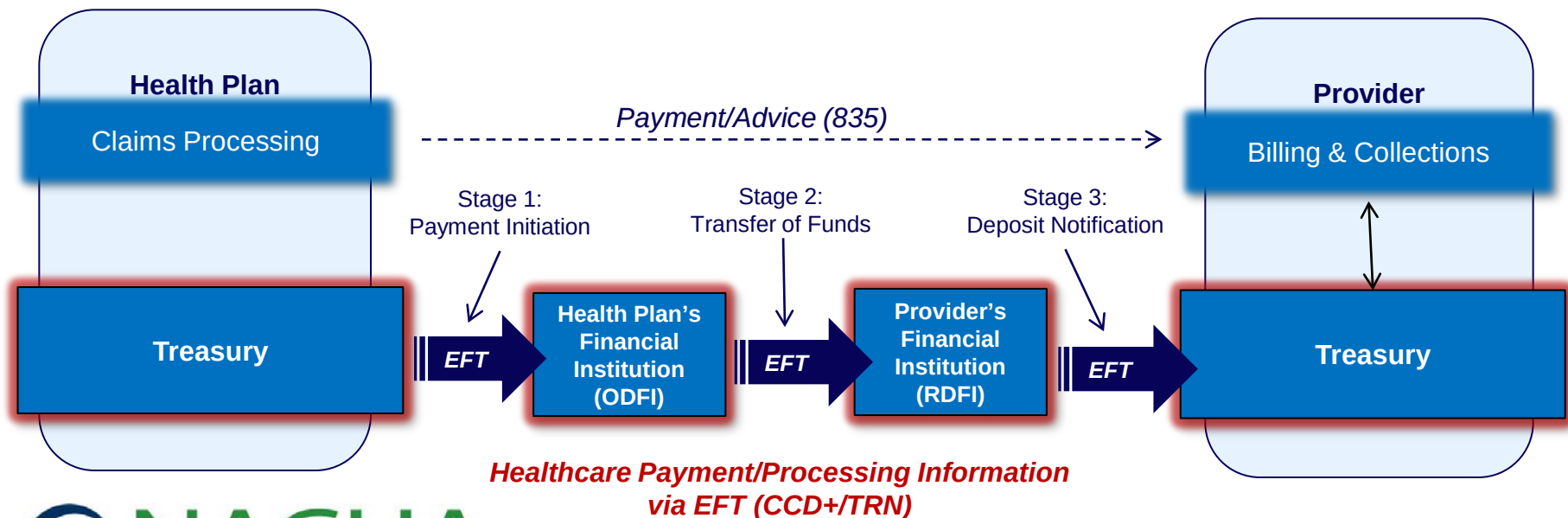
ACH Network* Participants:

Roles and Responsibilities

Participant	Role	Role and Responsibility
Health Plan	Originator	• Maintains relationship with the receiver (Provider) • Maintains record of authorization for entry • Assigns entry type to each entry (debit or credit and SEC code); Transmits entry information to the ODFI
Health Plan's Financial Institution	Originating Depository Financial Institution (ODFI)	• Initiates all payments into the network • Secures contractual relationship with originator and ACH operator • Maintains responsibility for all entries • Warrants entry is authorized and contains correct data
• Federal Reserve • Electronic Payments Network (EPN)	ACH Operators	• Maintains contractual relationship with ODFI and RDFI • Receives entries from ODFI and transmits entries to RDFI
Provider	Receiver	• Maintains relationship with originator • Maintains a checking/savings account at the RDFI
Provider's Financial Institution	Receiving Depository Financial Institution (RDFI)	• Maintains contractual relationship with receiver • Credits or debits receiver's account according to entry • Provides re-association TRN segment to physician practice if requested by Provider

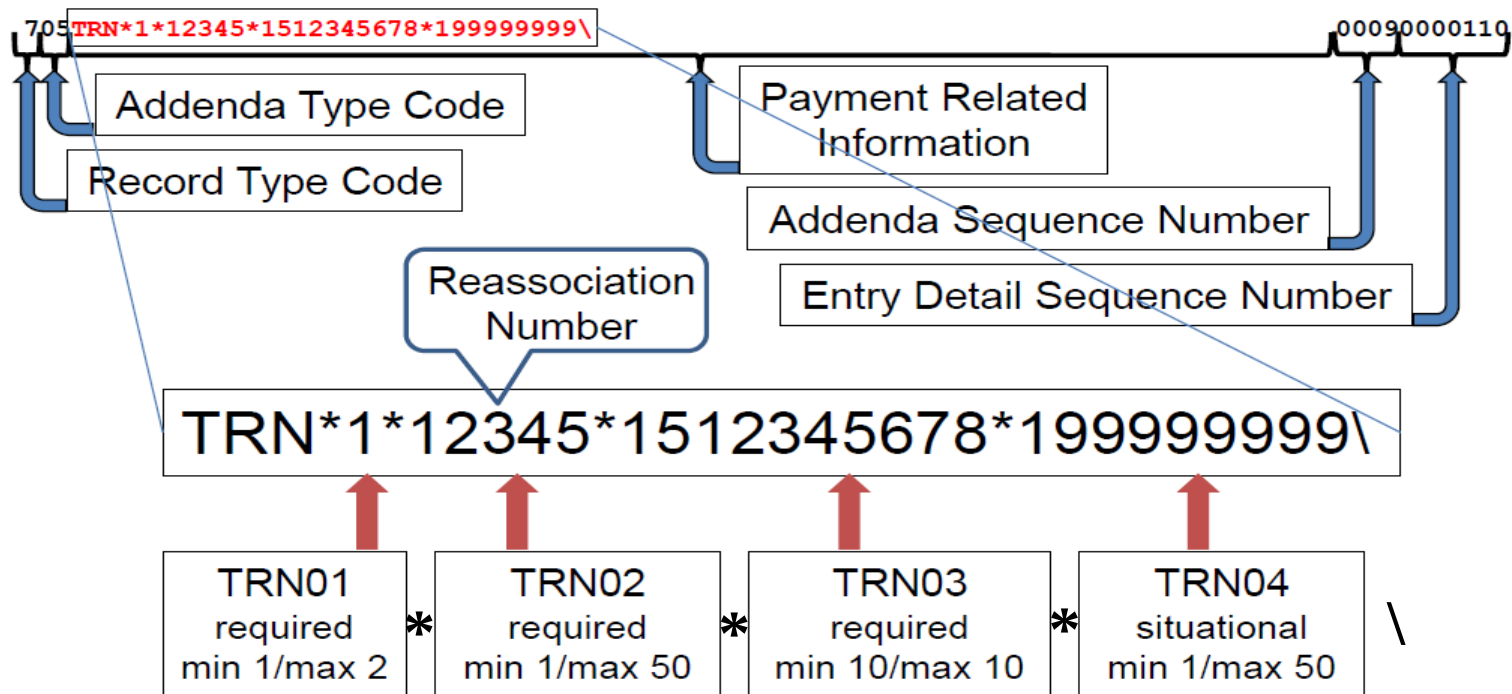
The Healthcare EFT Standard

- Divides the healthcare EFT payment flow into three stages
 - Stage 1: Payment Initiation
 - Stage 2: Transfer of Funds
 - Stage 3: Deposit Notification
- Mandates NACHA CCD+Addenda for **Stage 1: Payment Initiation**
- Assumes that dollars and data move separately but can be linked via a reassociation number



Healthcare EFT Standard CCD+ Addenda: *Rule Requirements*

- The CCD+Addenda must contain the TRN Reassociation Trace Number data segment as defined by ASC X12 version 005010 835 Implementation Guide



Healthcare EFT Transaction Volumes

	Sep-13*	Oct-13	Y-T-D Totals
Number of Forward CCD Credits	1,319,207	5,628,162	6,947,369
Total \$ Value of CCD Credits	\$ 7,467,200,857.99	\$25,090,277,618.94	\$32,557,478,476.93
Number of Forward CCD Debits	1,555	4,289	5,844
Total \$ Value of CCD Debits	\$1,714,608.54	\$562,345,466.55	\$564,060,075.09
Total # of addenda records with forward debits and credits	1,293,744	5,630,232	6,923,976
Number of Returns of CCD Credits and Debits	534	1,251	1,785
Average \$ value of transaction	\$5,655	\$4,554	\$4,763
Avg # of credit trans per business day	188,458	255,826	
% of transactions with addenda records	97.95%	99.96%	

Changes to the *NACHA Operating Rules* to Align with Healthcare

Details of the changes to the NACHA Operating Rules and CCD+ Standard that were refined to align with Healthcare Operating Rules and ensure that a framework is in place for banks and their healthcare clients for the EFT

Overview of NACHA Rule Changes	Detail
Standard Identification of Health Care EFTs	The rule requires health plans to clearly identify CCD Entries that are Health Care EFT Transactions through the use of the specific identifier "HCCLAIMPMT"
Additional Formatting Requirements for Health Care EFTs	For a CCD Entry that contains the healthcare indicator, as described above, the health plan must include an addenda record that contains the ASC X12 Version 5010 835 TRN (Reassociation Trace Number) data segment; and to identify itself in the transaction by its name as it would be known by the provider
Delivery of Payment Related Information (Reassociation Number)	The rule requires an RDFI to provide or make available, either automatically or upon request, all information contained within the Payment Related Information field of the Addenda Record, no later than the opening of business on the second Banking Day following the Settlement Date. Further, this Rule would require the RDFI to offer or make available to the healthcare provider an option to receive or access the Payment Related Information via a secure, electronic means
Addition of New EDI Data Segment Terminator	The rule provides for the use of a second data segment terminator, the tilde ("~"), to any data segments carried in the Addenda Record of the CCD Entry
Health Care Terminology within the NACHA Operating Rules	The rule includes healthcare-related definitions

Impact of *NACHA Operating Rule* Changes on Health Plans

- Health plans should have implemented the NACHA rule changes by September 20th:
 - If your health plan is currently originating EFT claims reimbursements via the ACH using the CCD format the following changes need to be made:
 - Include “HCCLAIMPMT” in the Company Entry Description (Field 7 of the Company/Batch Header Record)
 - Must include one addenda record (Field 10 of the Detail Record must be a “1”)
 - Company Name (Field 3 of the Company/Batch Header Record) must be populated with the name of the health plan or the party to which the provider submits its claims
 - Payment Related Information (Field 3 of the CCD Addenda Record) must contain the TRN Reassociation Trace Number
 - Optional – is the use of the tilde “~” as the data segment terminator in the TRN Reassociation Trace Number. Both the backslash “\” and the tilde “~” will be valid data segment terminators effective 9/20/13
 - Plans that do not currently offer EFT claims reimbursement via ACH will have to implement the *NACHA Operating Rule* changes concurrently with the EFT Standard
 - Plans currently originating ACH transactions have signed ACH Origination Agreements with their financial institution that bind them to the *NACHA Operating Rules* and therefore must implement changes to the Rules on the effective date

Impact of *NACHA Operating Rules* Changes on Providers

- Providers should take advantage of the Rule changes to enable electronic receipt of reassociation data:
 - Subsection 3.1.5.3 requires that all financial institutions must provide the Payment Related Information to the Receiver/Provider if it is requested, by opening of business on the 2nd banking day following settlement
 - As of September 20, 2013 the financial institution must offer or make available to the healthcare provider an option to receive or access the Payment Related Information via a secure, electronic means
 - All financial institutions must have the ability to deliver the Payment Related Information field data to the Provider if it is requested
 - Discuss the delivery method options and timing
 - Testing of delivery method if electronic
 - Discuss possible fees associated with delivery of information
 - Terminology when talking to your financial institution
 - While financial institutions are required to provide the Payment Related Information upon request, terminology used may cause challenges in getting this established. The following terms should be considered:
 - ACH Payment Related Information
 - Addenda Record Information
 - CORE-required Minimum CCD+ Data Required for Reassociation

Key Observations/Considerations to Date Regarding EFT Standard and *NACHA Operating Rules* Implementation

- A pre-note of the CCD+Addenda may include the addenda record and “dummy” TRN data segment, but they are not required
- CCD transactions for vendor payments or other transactions that are not claims reimbursements should not be identified with “HCCLAIMPMT” in the Company Entry Description
- Healthcare EFT Standard can be used for both credits and debits transactions
 - Health Plans must have authorization to debit a provider. The authorization that a provider can sign during enrollment generally gives the health plan the authorization to debit a provider for duplicate entries or transactions sent to a wrong account and NOT the authorization to reverse correct entries or send debits to collect for overpayments or adjustments
- Health plans must deliver claims reimbursement payments using the HIPAA Healthcare EFT Standard if it is requested by the provider (45 CFR § 162.925)

AULTCARE

Raza Fayyaz
Chris Criswell



AultCare: Company Overview

AultCare provides local, affordable and quality health care administration for more than 2,300 local companies

- Established in 1985 and located in Canton, Ohio
- One of the largest hospital based PPOs in the Midwest
- HMO, PPO, Self-funded, Medicare Advantage, Commercial Insured, Individual Plans, Workers Comp & Disability programs
- 97% retention rate of clients
- NCQA Health Plan Accreditation awarded to AultCare's Commercial HMO, Commercial PPO, and Medicare PPO products by the National Committee for Quality Assurance. NCQA Health Plan Accreditation evaluates how well a health plan manages all parts of its delivery system -- physicians, hospitals, other providers and administrative services -- in order to continuously improve the quality of care and services provided to its members
- AultCare in combination with Aultman Hospital received first national J.D. Power & Associates for outstanding patient and member experiences



AultCare: Provider Network Operations

Integrated Delivery System Components

- Consists of 20,000 providers serving 500,000 covered lives
- Aultman Hospital & Satellite Facilities
 - AultCare PPO network
 - Non-PPO providers

AultCare Service Orientation

- Servicing 500,000 covered lives
- Commitment to providers to ease their administrative burdens
- CAQH CORE Operating Rules helped us to achieve those goals

Administrative Simplification Goals

- Automate everything
- Encourage adoption



AultCare: Clinical Quality and Customer Excellence

AultCare is a leader in its **commitment to administrative simplification**

- A founding member of CAQH
- Represented on CAQH CORE Board
- A Phase I and Phase II CORE certified health plan
- A participant in the CAQH CORE and IBM Measures of Success Study

“We do what our customers ask” ...they asked for **more automation**, and we automated as much as one can

- Through our ongoing provider councils, providers shared their needs
- CAQH CORE Operating Rules provided a mechanism to implement electronic funds transfers and move away from paper



AultCare: EFT and ERA Transaction Profile

- **EFT Population segment:** 50% of AultCare provider payments are EFT and ERA transactions
- **Deployment Approach:** Began in 2009 working with the 20% of providers which represented 80% of claims payments to hospital-based practices

Factors Affecting Rates of Adoption

- We had a pre-requisite of 837 before 835 could be implemented
- We require physicians to implement EFT and ERA simultaneously
- Our “one-penny-test” confirms that the financial information is accurate
- Our ERA test file confirms that the vendor information is accurate
- Providers must comply with our 835 checklist



AultCare: Exchange System Capabilities

Internal Systems

- TriZetto QICLINK Claims Management System
- Data Warehouse (Internal)



Cloud-Based Systems

- Phase I and Phase II CORE-certified HIPAA compliant gateway for transaction connectivity and management [PCS]
- Web Portal



Transactions Supported

- Real-time 270/271, 267/277
- Batch 270/271, 276/277, 820, 834, 835 and 837

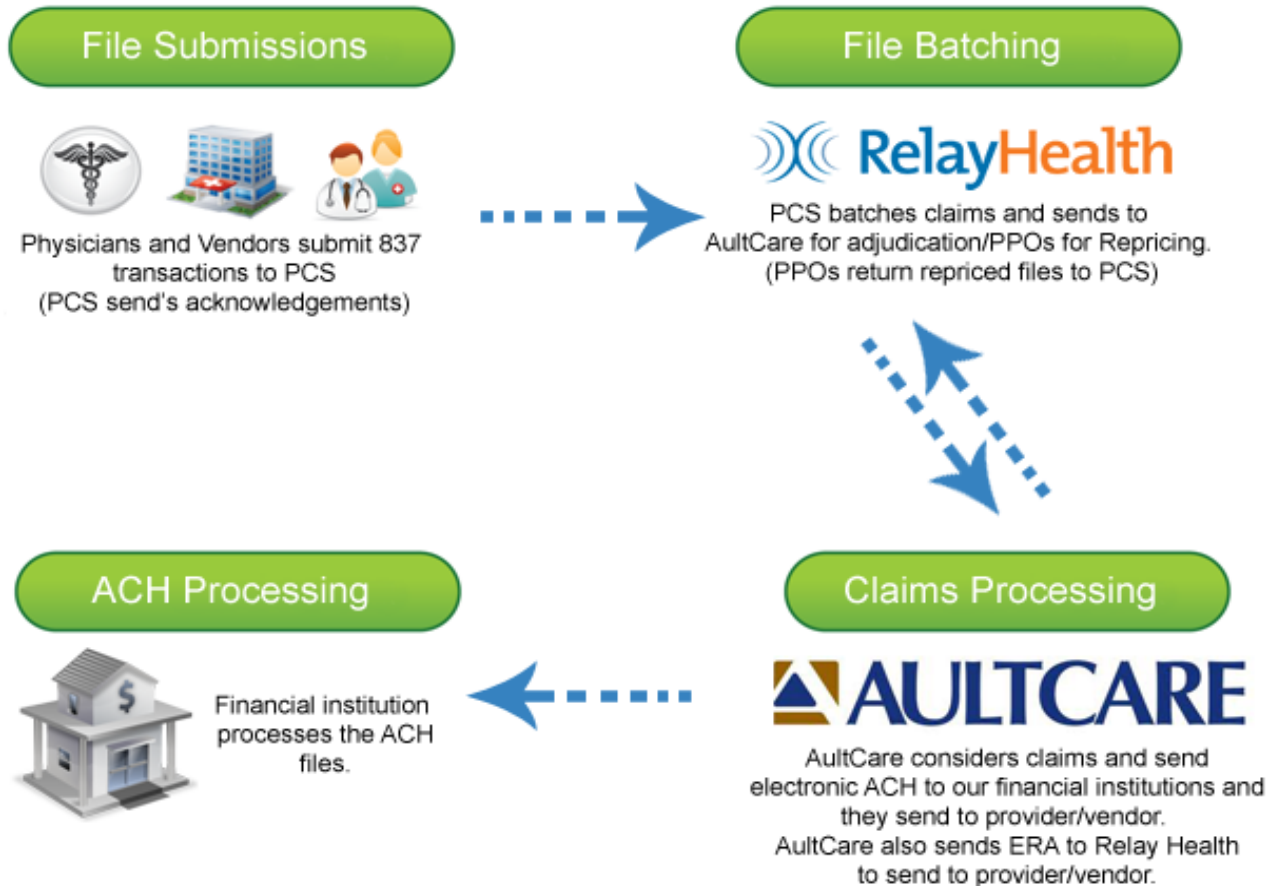
Secure Web Portal

- Eligibility and benefit information
- Claim Submission and Claim Status Inquiries
- Claim Payment via EFT & ERA



AultCare: System Interoperability

AultCare utilizes the Payer Connectivity System (PCS) to manage all HIPAA Transactions. PCS is a product of Relay Health. AultCare and Relay Health work together towards obtaining CORE Certifications



Implementing CAQH CORE Operating Rules

Stakeholder & Business Type Evaluation:

Objective: Understand what aspects of your business and/or outsourced functions are impacted by the CAQH CORE Operating Rules (e.g., do we meet the basic requirements?)



Inventory & Impact Assessment Worksheet:

Objective: Understand how many of your systems/products are impacted by each CAQH CORE Operating Rule and understand with which vendors you will need to coordinate



Gap Analysis Worksheet:

Objective: Understand the level of system(s) remediation necessary for adopting each CAQH CORE Operating Rule requirement; results of completed Gap Analysis Worksheet will allow for development of a detailed project plan. (this is available in CORE planning toolkit)



AultCare: Our Approach

Pre-Planning Decisions

- Start early by recognizing CORE's initiatives
- Decide on what and how to communicate with physicians and financial institutions
- Develop a checklist that physicians must comply with before implementing
- Utilizing [CAQH CORE Gap Analysis Worksheet](#) to determine who will complete all tasks required for the implementation
 - Internal staff vs. External vendors
 - Leverage CAQH CORE's [Planning and Analysis Guide](#)

Assemble Internal Team

- Designate project leads and empower them appropriately
- Work with the Compliance Department to assure all requirements are met
- Plan mapping and test extensively
- Track the progress of the overall project to completion

Expand Existing Setup

- Electronic Enrollment Process
- CARCs and RARCs
- CCD+
- CORE Phase III Certification



AultCare: Financial Institutions

▪ ACH File Creation

- ❖ AultCare began working with First Merit (due to our good relations with them)
- ❖ First Merit's VP of Treasury Management provided AultCare their "EDI specialist's" contact information
- ❖ This EDI Specialist is in charge of reviewing and approving test ACH files

▪ Testing with Additional Financial Institutions

- ❖ Issues were addressed/resolved while working with First Merit which streamlined testing with additional financial institutions.

▪ Lessons Learned

- ❖ Start with a financial institution you feel most comfortable with and have good relations
- ❖ Ask for one point of contact instead of multiple individuals
- ❖ Ensure your point of contact is knowledgeable



Huntington



Citizens Bank



AultCare: Goals and Challenges

Our Goal

- Increase adoption by educating providers
- Reduce Cost
- Improve Efficiencies

How to Communicate

- Face to Face (Provider Relations)
- Provider Newsletters
- Education through Email and Web Portal

Challenges

- Staffing
- New System Implementing
- CARCs and RARCs implementation (2014 EFT/ERA compliancy)
- Other regulations (Exchange, ICD-10, 5010/4010, HPID)



AultCare: Our Keys to Success

- Existing relationship with RelayHealth (CORE certified vendor)
 - ❖ RelayHealth is contracted to remain CORE Certified
- Voluntary preparation and adoption of CORE rules
 - ❖ The base setup was already completed
- Effective communication via “Provider Advisory Group”
 - ❖ Benefits of paper vs. electronic EFT/ERA
 - ❖ Mailing of checks vs. electronic EFT
 - ❖ Automation means less mistakes
- Carefully implemented IT strategy
 - ❖ Plan and document the tasks that need to be completed
 - ❖ Communicate changes quickly and accurately
 - ❖ Test, test and test



Prescription for Financial Success Electronic Claim Payments

December 4, 2013

- **Curtis Crispin, Director**

*Senior Product Sales Segment Manager, Industry
Product Solutions, Bank of America Merrill Lynch*

About Bank of America Merrill Lynch



Bank of America is one of the world's leading financial institutions, serving individuals, small- and middle-market businesses, large corporations, and governments with a full range of banking, investment management and other financial and risk management products and services. Since the beginning of 2010, we have made significant progress transforming the company into a simpler, more efficient enterprise. We serve approximately 51 million consumers, clients and small businesses.

Leadership in healthcare

With over 30 years of industry experience and expertise, we are a powerful provider to healthcare organizations of every size and sector. From improved cash flows to streamlined processes, we provide tailored solutions to meet your treasury objectives.

- #1 bank in domestic cash management for healthcare, in terms of market penetration²
- #1 bank in advisory relationships for healthcare²
- #1 bank in key treasury products for healthcare, such as collections, wire transfers, corporate credit/debit card and information reporting²
- Leading innovator for moving from paper to electronic HIPAA-compliant processing with HealthLogic systems

Healthcare Revenue Cycle Solutions

Bank of America Merrill Lynch healthcare revenue cycle solutions can help your organization replace paper-intensive processes with streamlined, automated solutions and meet the demands of these emerging trends.

- Commercial payment solutions:
 - Convert paper remittance and Explanation of Benefits to an electronic version
 - Streamline processes and improve collections with advanced denial management tools
 - Post electronic remittance to your accounting system and reconcile ERAs to the corresponding EFT
- Patient payment solutions:
 - Leverage electronic processing of patient payments across all channels: in person, online and phone support
 - Streamline and automate posting of paper and electronic patient payments
 - Maximize patient collections with efficient and effective payment options for patients and staff

The ACA paves the way...

The Affordable Care Act (ACA)

Streamlines and makes consistent the data needed for enrollment across payer systems

Mandates the adoption of a healthcare EFT standard

Mandates that Medicare payments are made via EFT by 1/1/2014

ACA required Health and Human Services (HHS) to adopt a standard for electronic funds transfers

- NACHA selected as standards development organization for maintenance of the healthcare EFT standard
- Effective September 20 2013, when ACH is used to pay healthcare claim payments electronically, HHS and NACHA recommend the use of the CCD+ transaction format to pay healthcare providers.

Implications

No mandate to force electronic payment, other than Medicare

Healthcare payers may start to include contractual requirements for the provider to accept EFT and ERA.

Objectives of the NACHA Rules: Promote the safe exchange of payments and data

Opportunities for Payers

- Ability to distinguish healthcare claim payments from other transactions
- Use of standard Reassociation Trace Number format may encourage electronic payments, reducing costs

Opportunities for Providers

- Encourage Providers to receive electronic claim payments
- Facilitate electronic access to the CCD+ payment-related data included in the transaction
- Make sure there is consistency/efficiency through the Reassociation Trace Number, which is used to match the payment to the claim data

Major elements of the Healthcare CCD+

Healthcare EFT Payments		
Record	Field	Description
Batch Header (5)	Company Entry Description	“HCCLAIMPMT”
	Company Name	The name of the Health Plan originating the Entry. Must be easily recognizable to the healthcare Provider (Receiver)
Entry Detail (6)	CCD	CCD+ is the designated standard . The addenda record is required .
	Addenda Record Indicator	Must contain a value of “1”.
Addenda (7)	Payment Related Information	The healthcare ASC X12 version 835 TRN (Reassociation Trace Number) Segment.
		Either Tilde (“~”) or Backslash (“\”) must be used as the terminator Example: TRN*1*12345*1512345678*999999999\ Example: TRN*1*12345*1512345678*999999999~

Example Healthcare EFT CCD+ Transaction

The NACHA file is a fixed width format, with a record type field at the beginning of each record

This extract shows three record types from a Healthcare EFT (the larger file would contain additional transactions as well as header and footer records) in the standard CCD+ format

- Record 5: Company/Batch Header Record, identifies the originating company, designates the settlement date, and describes the content of the Entry Detail Records
- Record 6: Entry Detail Record, specifies the detail of each entry (payment transaction)
- Record 7: Addenda Record, contains payment related detail about the Entry Detail Record

Company Name Name of the payer		Healthcare EFT Indicator "HCCLAIMPMT" in the Company Entry Description field		Settlement Date (YYMMDD) Should match BPR16 in the 835
5200	ABC PAYER	9999999999	CCD	HCCLAIMPMT
622	999999999200000000000000	0000009073430738490	LOCAL HOSPITAL	1086500636723855
705	TRN*1*9095972152*1521846973*0000AAA01\			00016723855

Payment Amount (\$\$\$\$\$\$cc)
Should match BPR02 in the 835

Payment Related Information

- Must match the TRN segment in the 835
- Backslash (\) commonly used as a segment terminator instead of the tilde (~)

Obligations of Receiving Banks

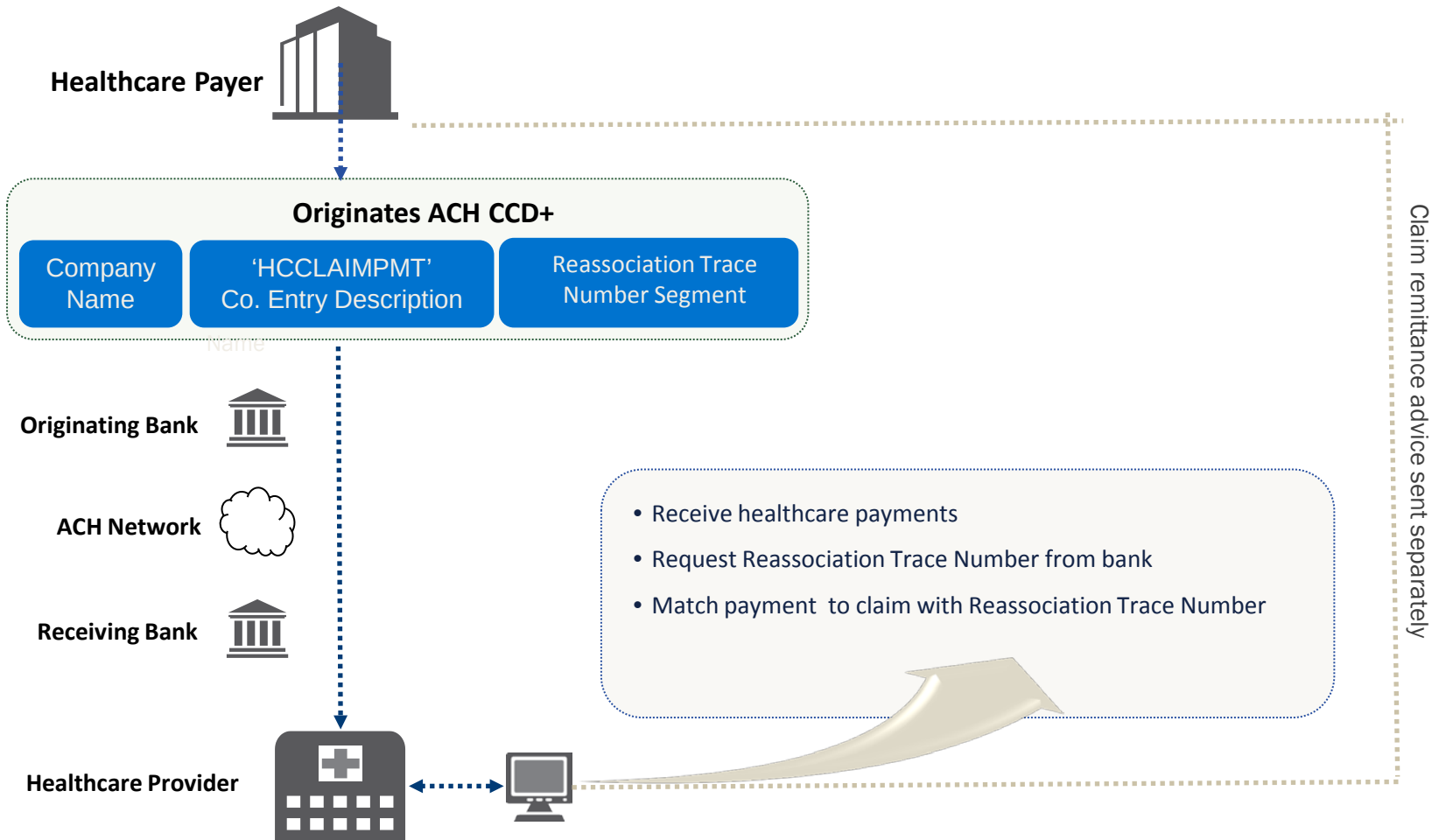
The RDFI (Provider's Bank) must

- Make available all information contained in the Payment Related Information field of the Addenda Record transmitted with the healthcare EFT Transaction
 - Immediately or upon request of the Provider
 - By the opening of business on the RDFI's second banking day following the settlement date of the Entry
- Offer secure electronic delivery - minimum equivalent of 128-bit RC4 encryption technology

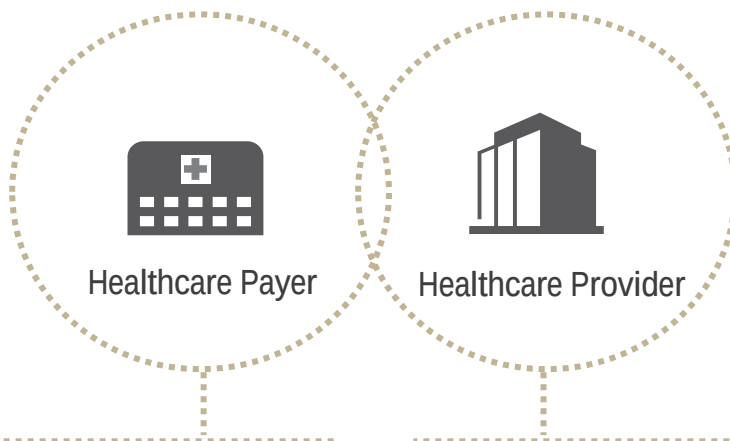
Options for electronic delivery

- Some banks offer access to the Payment Related Information through online reporting or statements
- Many providers will need automated daily transfer of deposit data over secure FTP
- Multiple file based options are available
 - NACHA file is the most common
 - ASC X12 820 or 835 (note: the 835 will not contain the Table 3/claim data)
 - Some banks will offer custom or client-defined formats, e.g. CSV, fixed width, XML
- Available options may vary based on provider size/type and the type of account

How it works: Linking the payment to the remittance advice



Preparing for implementation



- Be aware that Providers may request EFT enrollment
 - Review enrollment processes
- Identify healthcare claim payments made using ACH
 - Plan to comply with the NACHA rules
 - Populate file fields as specified
- If you are already originating ACH payments to providers, insure you using the CCD+ and make sure data elements are properly populated and formatted
- If you will be originating ACH payments for the first time, work with your Treasury Management banking contact to identify the best payment product and data format for your needs

- Contact your bank about receiving the Payment Related Information
 - Commercial/corporate customers can speak with their usual Treasury Management representative
 - Work with your Treasury department, they will have the right banking contacts
 - Small business customers will need to contact Customer Service for their online banking channel
- Ask your bank to describe all of the healthcare payment reporting options
- Determine which payment reporting option is optimal for your environment
 - Is online access sufficient or do you need an automated file transfer of data?

Preparing for Implementation



Our experience at Bank of America Merrill Lynch

The EFT standard and the CAQH CORE Operating Rules were based on existing best practices, minimizing the impact to banking systems

Beginning in late 2011, we reviewed our systems and determined that in most cases no changes were required to support the new standards, and that we could successfully pass the Payment Related Information to providers

- Systems were updated to recognize the tilde (~), commonly used in ASC X12 transactions but not in NACHA, as a valid segment terminator
- Our online systems were updated to support the Healthcare EFT standard for manually initiated ACH payments

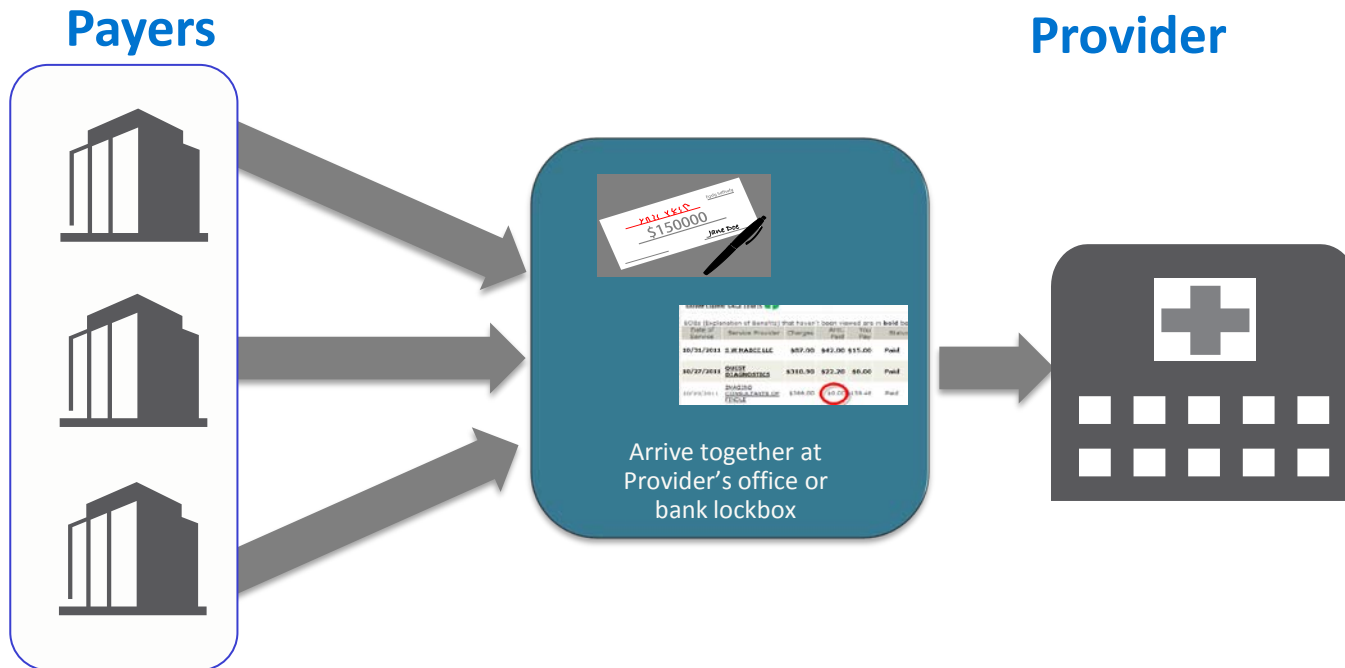
Many payers' existing ACH origination practices were close to the new standards, minimizing their technical effort

Communications and outreach

Much of our effort has been on ensuring that our associates are aware of the industry changes and can assist payers and providers with the transition

Bank of America Merrill Lynch hosted a webinar in August to educate payers and providers on the new Healthcare EFT standard

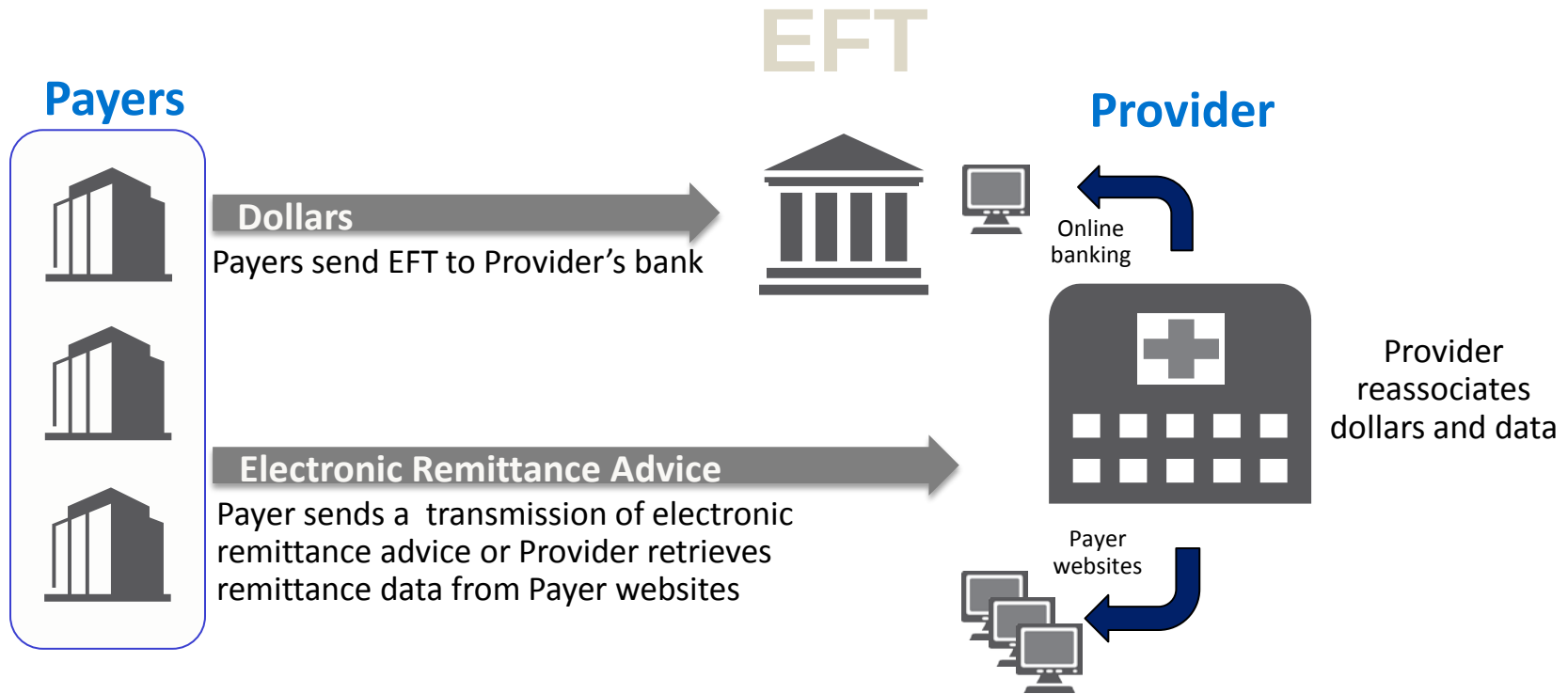
CHECK



Considerations

- Remittance advice generally arrives with the payment
- No reassociation needed
- Process is consistent across payers
- Posting is usually manual; key-entry from check and Explanation of Payment (EOP)

What happens when providers adopt EFT?



Considerations

- Electronic payment may be faster than check
- Providers see ACH credits in online banking / information reporting
- Electronic remittance advice travels different route, so reassociation is necessary
- Providers may access payer web sites to see the remittance data and reconcile
- Accessing multiple Payer web sites may not be scalable
- Reassociation trace number in CCD+ eases reassociation
- Allows for more automated posting

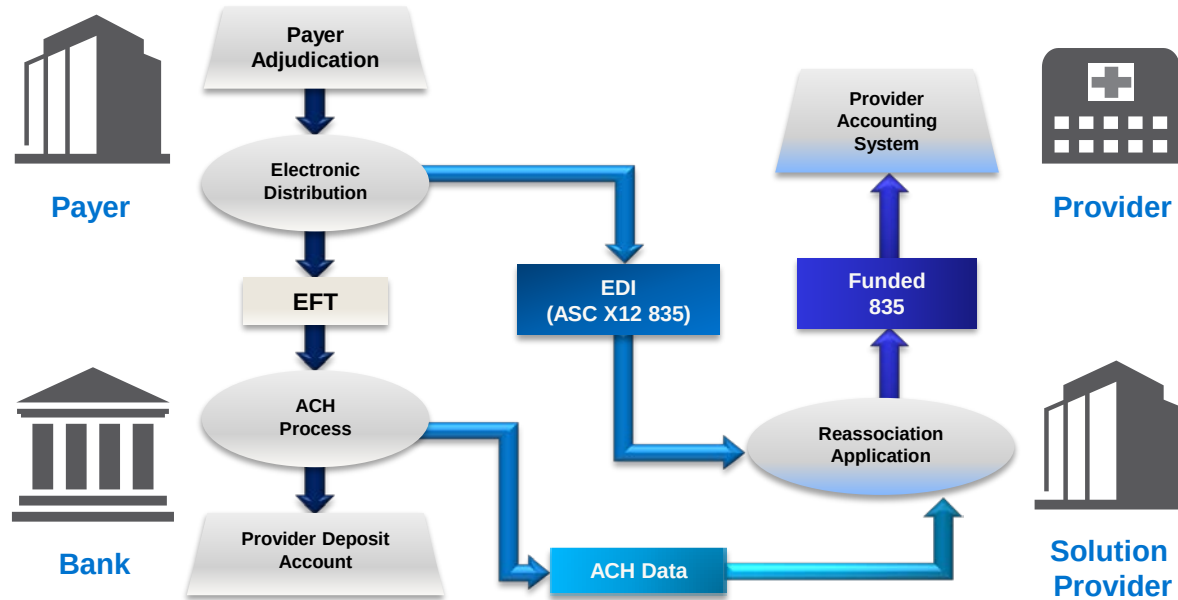
How can providers associate the payment to a remittance?

Reassociation

- Receive / view the ACH payment detail EFT
- Receive the electronic remittance advice ERA
- Associate the dollars with the data:
 - CCD+ dollar amount matches the ERA dollar amount
 - Match CCD+ Reassociation Trace Number (TRN) against TRN in the ASC X12 835
 - Payer Identification
 - EFT Trace Number
 - ERA must be transmitted within three business days of the CCD+ effective entry date

Electronic payments pave the way for automated posting

Adopting ACH can enable easier reassociation and automated posting:



Advanced solutions for providers: reduce exceptions and increase automation for larger volumes

- Interface to payer systems and multiple clearinghouses to directly retrieve 835 files
- Deploy logic to improve exceptions
- Ease enrollment
- Offer online tools and reports to manage unassociated and aged transactions
- May support paper transactions when warranted

Sample Tool: New Provider EFT/ERA Reassociation Data Request Letter

- In order for providers to maximize the benefits available to them through the CAQH CORE Reassociation Rule, they must reach out to their financial institutions and request that the necessary data for reassociation of an EFT and ERA be sent with each payment
- To help facilitate this request, CAQH CORE developed the [Sample Provider EFT Reassociation Data Request Letter](#)
- Providers can use this sample letter as
 - A template that can be customized with your organization's information and emailed directly to your bank contacts
 - An outline of talking points for a phone or in-person meeting with bank contacts
- The Sample Provider Letter document consists of four main parts
 - Background information on the benefits of the sample letter
 - Key steps for requesting delivery of the reassociation data
 - The actual letter itself—with customizable sections clearly identified
 - Glossary of key terms

NOTE: Given January 1, 2014 deadline, CAQH CORE will issue a similar sample letter in the coming weeks that providers can use to request payment via EFT from health plans.

Q&A

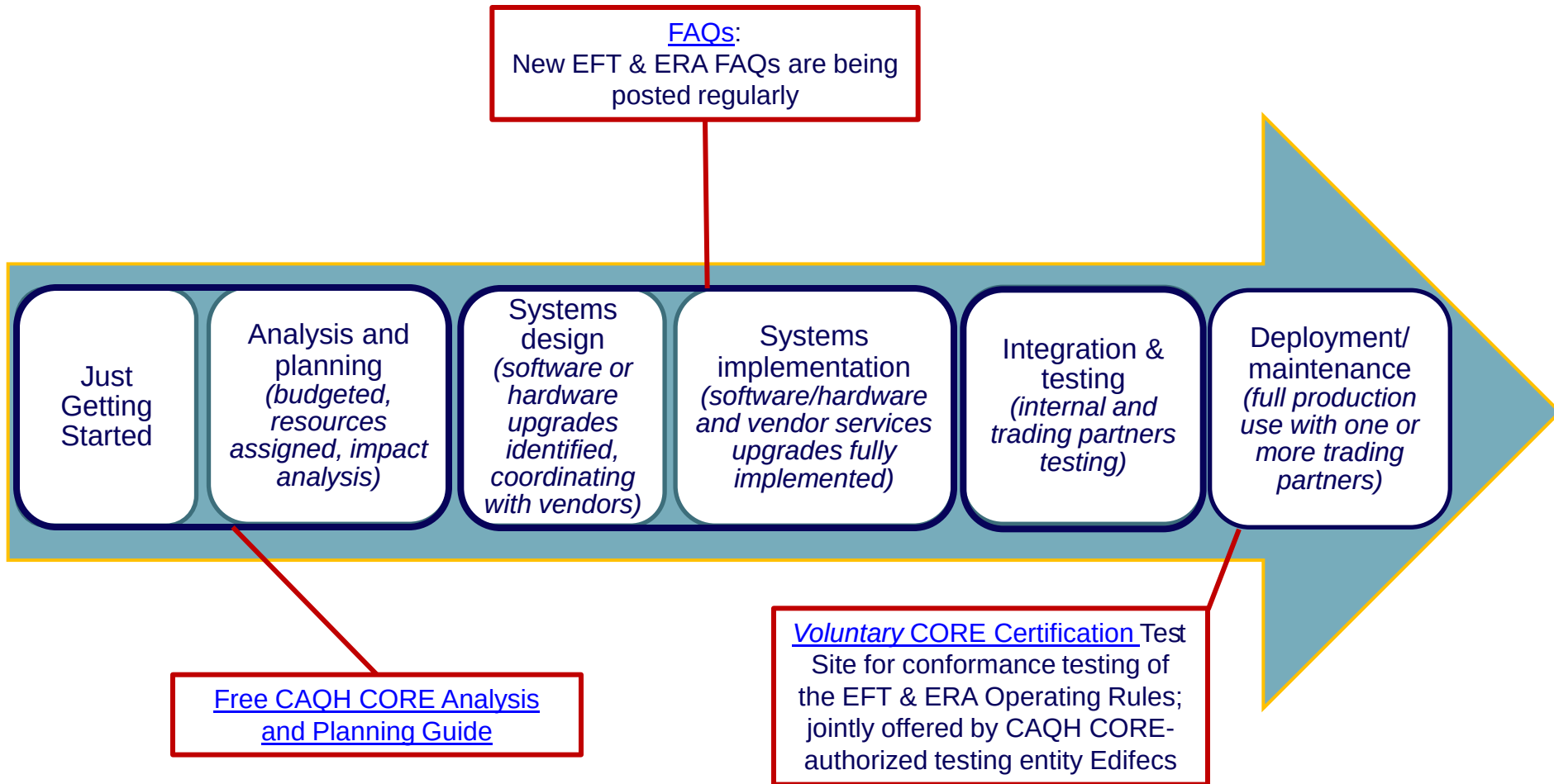
Please submit your question:

- Via the Web: Enter your question into the Q&A pane in the lower right hand corner of your screen
- By Phone: When prompted by the operator, press * followed by the number one (1) on your keypad

Thank You for Joining Us

Appendices: Implementation Tools and References

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



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
 - [Provider EFT/ERA Reassociation Data Request Letter](#): Sample letter providers can use to help facilitate the request for delivery of necessary reassociation data elements from their financial institutions
- ***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
 - [CAQH CORE 360 Rule and Code Combination Maintenance Website](#): A free and accessible “one stop shop” webpage to provide resources and tools to implementers of the CAQH CORE 360 Rule

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

- A free and accessible “one stop shop” [webpage](#) to provide resources and tools to implementers of the CAQH CORE 360 Rule
- Interactive website includes 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 for Market-based Reviews including access to online submission form
 - 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

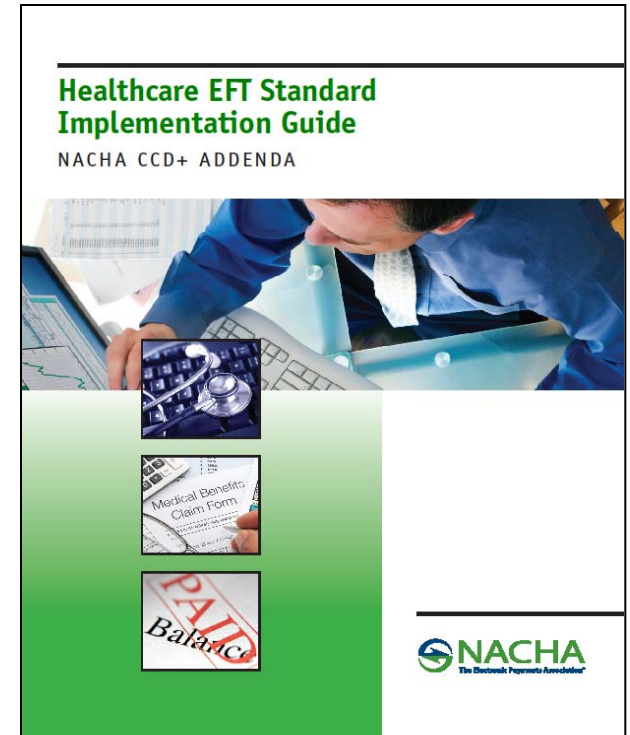
Available CMS OESS Implementation Tools:

Examples

- [HIPAA Covered Entity Charts](#)
 - Use the HIPAA Covered Entity Charts to determine whether your organization is a HIPAA covered entity
- [CMS FAQs](#)
 - Frequently asked questions about the ACA, operating rules, and other topics
- [Affordable Care Act Updates](#)
 - Updates on operating rules; compliance, certification, and penalties; and engagement with standards and operating rules
- Additional Questions
 - Questions regarding HIPAA and ACA compliance can be addressed to:
 - Geanelle Herring, Health Insurance Specialist,
Geanelle.Herring@cms.hhs.gov

Healthcare EFT Standard Implementation Guide

- Healthcare EFT Standard Implementation Guide
 - What is the EFT standard?
 - How does it work?
 - Includes the CCD format
 - How to populate the specific fields
 - What are *NACHA Operating Rules* and how do they impact the standard?
- Available from NACHA at
<https://www.nacha.org/nacha-estore-healthcare-payments>



Additional NACHA Resources

- [Healthcare Payments Resources Website](#)
 - Provides a repository of information on a wide variety of topics for both financial institutions and the healthcare industry. Includes links to many other resources, as well as customized information to help “translate” concepts from one industry to the other (FAQs, reports, presentations).
- [Healthcare EFT Standard Information](#)
 - Located within the healthcare industry tab of the above website, specific information can be found on the healthcare EFT standard.
- [Healthcare Payments Resource Guide](#)
 - Publication designed to help financial institutions in implementing healthcare solutions. It give the reader a basic understanding of the complexities of the healthcare industry, identify key terms, review recent healthcare legislation, and discuss potential impacts on the financial services industry.
 - Order from the NACHA eStore “Healthcare Payments” section
- [Revised ACH Primer for Healthcare Payments](#)
 - A guide to understanding EFT payment processing. Introduces the healthcare industry to the Automated Clearing House (ACH) Network, explains ACH transaction flow and applications, and includes two “next steps checklists,” one each for origination and receipt.
- Ongoing Education and Webinars
 - Check the Healthcare Payments Resource Website for “Events and Education”