



To: HIPAA Covered Healthcare Providers

From: CAQH CORE

Date: November 2013

Subject: Making Electronic Payments Work at Your Organization – Contacting Your Banks

CAQH CORE is pleased to announce the release of a new tool for providers to assist with reassociation of electronic funds transfer (EFT) payments with remittance information received on an electronic remittance advice (ERA): a sample letter a provider can email to its banks or use as talking points for a phone or in person meeting with your bank contacts to request delivery of key reassociation data.

Benefit of the Sample Letter

The ACA-mandated [EFT & ERA Operating Rules](#) support the adoption of electronic payments across the healthcare industry. These operating rules include requirements to make EFT and ERA reassociation easier for providers as the current HIPAA mandated standards for EFT and ERA travel separately from the health plan to the provider. The provider or provider’s clearinghouse/vendor must then reassociate the EFT and ERA using a TRN Reassociation Trace Number data segment which is now included in both transactions and highlighted by the healthcare operating rules mandated by the Affordable Care Act (ACA).

However, financial institutions do not automatically send the Automated Clearing House (ACH) Payment Related Information, i.e. the part of the EFT containing the TRN Reassociation Trace Number data segment, to providers. As a result, the operating rules encourage providers to proactively contact their financial institutions to request the delivery of the ACH Payment Related Information¹ for EFT payments because financial institutions are required to deliver this data via a secure, electronic means when requested by a provider.

CAQH CORE has developed a sample letter that a provider receiving EFT payments may customize and email to its banks or use as talking points for a phone or in person meeting with its bank contacts.

NOTE: If you are unsure about some of the terms used in this document, see the Appendix on the last page for a list of key definitions.

Applicability

The sample letter applies to providers that wish to or already do take advantage of electronic payments from health plans via their financial institutions including:

1. Providers that currently receive healthcare EFT payments via the HIPAA-mandated NACHA CCD+ but do not receive the ACH Payment Related Information from their financial institutions
2. Providers in the process of enrolling in EFT payment

This sample letter **does not apply** to providers that have elected not to receive EFT payments via the NACHA CCD+; however, all providers are encouraged to contact their contracted health plans and banks to discuss transitioning to electronic payment processes.

¹ Also known as the CORE-required Minimum CCD+ Reassociation Data Elements.



Key Steps

Providers should complete the following steps to ensure receipt of the ACH Payment Related Information from their financial institutions to enable successful EFT and ERA reassociation per the mandated EFT & ERA Operating Rules:

1. Determine if your provider organization is currently outsourcing EFT/ERA processing to a clearinghouse or vendor; if so, consult your clearinghouse/vendor contact to jointly determine if you need to request receipt of the ACH Payment Related Information from your financial institutions.
2. If your organization does not use a clearinghouse/vendor or if you and your vendor/clearinghouse agree it is necessary, you may customize the sample letter below to request delivery of the ACH Payment Related Information from your financial institution contact. The key contact at your bank may include:
 - Account officer/relationship manager
 - Branch managers/assistant manager
 - Management or treasury management officer
 - ACH operations manager

Options for communicating the key points in the letter include:

- Talking Points for In-Person Meeting: Use the key points outlined in the sample letter to develop talking points for a conversation in-person with your financial institution contacts
 - Talking Points for Phone Conversation: Use the key points outlined in the sample letter to develop talking points for a phone conversation with your financial institution contacts
 - Email: Complete the yellow-highlighted areas in the body of the sample letter and email the letter to your financial institution contacts; if you contact your financial institution contact via email, follow-up with a phone call to ensure receipt.
3. Provider organizations that use the letter should expect to receive information from their financial institutions regarding options for delivery of the ACH Payment Related Information and, ultimately, begin receiving the data necessary to reassociate EFT payments with ERAs.

When to Send the Letter

Now! Due to collaboration between the healthcare and financial services industries, the *NACHA Operating Rules* require that financial institutions provide the ACH Payment Related Information to a provider **upon request** via a secure, electronic method. Thus providers not currently receiving this data are encouraged to request it as soon as possible to enable more efficient reassociation of EFTs and ERAs. By no later than 01/01/2014, health plans must offer EFT to providers via the NACHA CCD+. This HIPAA mandated EFT transaction must include TRN Reassociation Trace Number data segment necessary for reassociation.

Providers should allow at least 7-10 days for financial institutions to set up processes to ensure delivery of the ACH Payment Related Information. If requested, your financial institutions must make the ACH Payment Related Information available to your organization no later than the opening of business on the second Banking Day following the settlement.



NOTE: Click [HERE](#) to access a Microsoft Word version of the sample letter below to customize for your organization.

**SAMPLE LETTER FROM PROVIDER TO FINANCIAL INSTITUTION
TO REQUEST RECEIPT OF THE NACHA CCD+ ACH PAYMENT RELATED INFORMATION**

<date>

<key contacts at financial institution>

<key contacts job title>

<financial institution name>

Re: Request for ACH Payment Related Information for <Account Name and Account Number>

Dear <key contacts at financial institution>,

The Affordable Care Act (ACA) mandates Healthcare Operating Rules to support the adoption of electronic payments across the healthcare industry. <name of provider organization> would like to benefit from the Healthcare Operating Rules which assist providers in automating reassociation of EFT payments and electronic remittance advices.

The *NACHA Operating Rules*, which align with the Healthcare Operating Rules, require a Receiving Depository Financial Institution (RDFI) to provide or make available, either automatically or upon request, all data contained within the ACH Payment Related Information field (including the TRN Reassociation Trace Number) of the Addenda Record, no later than the opening of business on the second Banking Day following the Settlement Date. The NACHA rules also 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. This change to the *NACHA Operating Rules* was made to support changes in the healthcare industry due to the ACA.

The purpose of this communication is to formally request receipt of ACH Payment Related Information for all CCD+ EFT payments received by <name of provider organization> for <Account Name and Account Number> to enable reassociation of EFT payments with electronic remittance advices. Please provide <name of provider organization> additional information on our options to receive secure, electronic delivery of the ACH Payment Related Information for including:

<Note from CAQH CORE: the below list is only an example of the types of things your organization may want to consider asking about and may be customized>

- Options for receiving the ACH Payment Related Information
- Approaches for testing the electronic delivery method to receive the ACH Payment Related Information
- Information regarding to the length of time to implement delivery of the ACH Payment Related Information
- Information about any fees associated with establishing electronic delivery of the ACH Payment Related Information

Thank you in advance for your assistance. If you should have any questions, please contact <key contact at provider organization> at XXX-XXX-XXXX. If we do not receive a response, we will follow-up on this <email/letter> via phone in one week.

Sincerely,

<your name>

<your job title>

<name of provider organization>

<your phone number>

Key Definitions:

- **ACH (Automated Clearing House) Network:** The ACH Network is a batch processing, electronic payments system governed by the *NACHA Operating Rules*, which provide for the interbank clearing of electronic payments for participating depository financial institutions.²
- **ACH Payment Related Information:** A field in the CCD+ Addenda Record containing payment-related ASC X12 data segments including the TRN Reassociation Trace Number data segment.³
 - NOTE: While financial institutions are required to provide the ACH Payment Related Information upon request, various terminology is used across both the financial services and healthcare industries when referring to this information including:
 - ACH Payment Related Information
 - Addenda Record Information
 - CORE-required Minimum CCD+ Data Required for Reassociation
- **Banking Day:** Pursuant to U.C.C. § 4-104, a banking day means a day on which a bank is open to the public for carrying on substantially all of its banking functions. Banking days include all days when offices of a bank are open for business to the public. Usually a banking day is any day except Saturday, Sunday and legally defined holidays. Regulations D and CC of Federal Reserve Regulations deal with public holidays.⁴
- **CAQH CORE:** CAQH CORE is a national multi-stakeholder initiative that streamlines electronic healthcare administrative data exchange and improves health plan-provider interoperability through an integrated model of operating rule development, adoption and maintenance. CAQH CORE has been designated by the Department of Health and Human Services (HHS) as an author for ACA-mandated healthcare operating rules. To learn more about CAQH CORE, visit www.caqh.org.
- **CAQH CORE EFT & ERA Operating Rules:** A set of healthcare operating rules mandated by the Affordable Care Act which all HIPAA covered entities must implement. For more information click [HERE](#).
- **NACHA - The Electronic Payments Association:** NACHA is the healthcare EFT standard organization, as mandated by Federal regulation, and its ACH CCD+ is the federally required healthcare EFT standard. NACHA manages the development, administration, and governance of the ACH Network, the backbone for the electronic movement of money and data. As a not-for-profit association, NACHA represents more than 10,000 financial institutions via 17 regional payments associations and direct membership. To learn more about NACHA and healthcare payments, visit <https://healthcare.nacha.org/>.
- **NACHA Operating Rules:** Govern the exchange of ACH payments and define the roles and responsibilities of financial institutions and other participants in the ACH Network.⁵
- **Settlement Date:** The day on which settlement occurs, i.e., funds actually change hands as a result of an ACH entry.⁶
- **TRN Reassociation Trace Number:** Uniquely identifies the transaction set and aids in reassociating payments and remittance advices that have been separated.⁷

² NACHA Operating Rules & Guidelines 2013.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ HIPAA-adopted ASC X12N 005010X221A1 835.