Standard Acknowledgement Transactions

Testimony Provided To The
Subcommittee on Standards
National Committee on Vital and Health Statistics

April 27, 2011

Testimony Overview

- **Testimony Themes**
- **Acknowledgements: A Long-Standing Business Need**
  - Business Case
  - Acknowledgements: Real-time and Batch
  - Barriers to Adoption
- **Standards and Operating Rules: Working Together**
  - Role of Standards
  - Role of CORE Operating Rules to date
  - How Operating Rules Work with Standards
- **CORE Operating Rules Related to Acknowledgements**
- **Moving Forward: Opportunities for Improvement**
  - Meeting ACA Deadlines
  - Highlighting ROI by Leveraging Interdependencies
  - Increasing Stakeholder Coordination and Awareness

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Themes for Use of Acknowledgements

- There is a robust <u>business case</u> for using Acknowledgements when electronically exchanging healthcare information.
    - Use of Acknowledgements can minimize the "black hole" that can be associated with claims adjudication and promote faster payments to providers.
    - Extends to many of the electronic administrative transactions between trading partners.
- Adoption of Acknowledgements should be <u>national,</u> and accomplished in a <u>phased, transaction-specific approach.</u>
    - The full business case for Acknowledgements can only be achieved if there is market uniformity in the application of the Acknowledgements.
    - Focus for requirements is placed on the business work flow that the Acknowledgement standards are intended to support.
    - Adoption has and is already occurring via the CORE Operating Rules
- The use of Acknowledgements must be <u>business driven, not technically driven.</u>
    - While it is technically possible to send Acknowledgements at every point in the submission/receipt chain, it is unnecessary and costly from a business perspective.
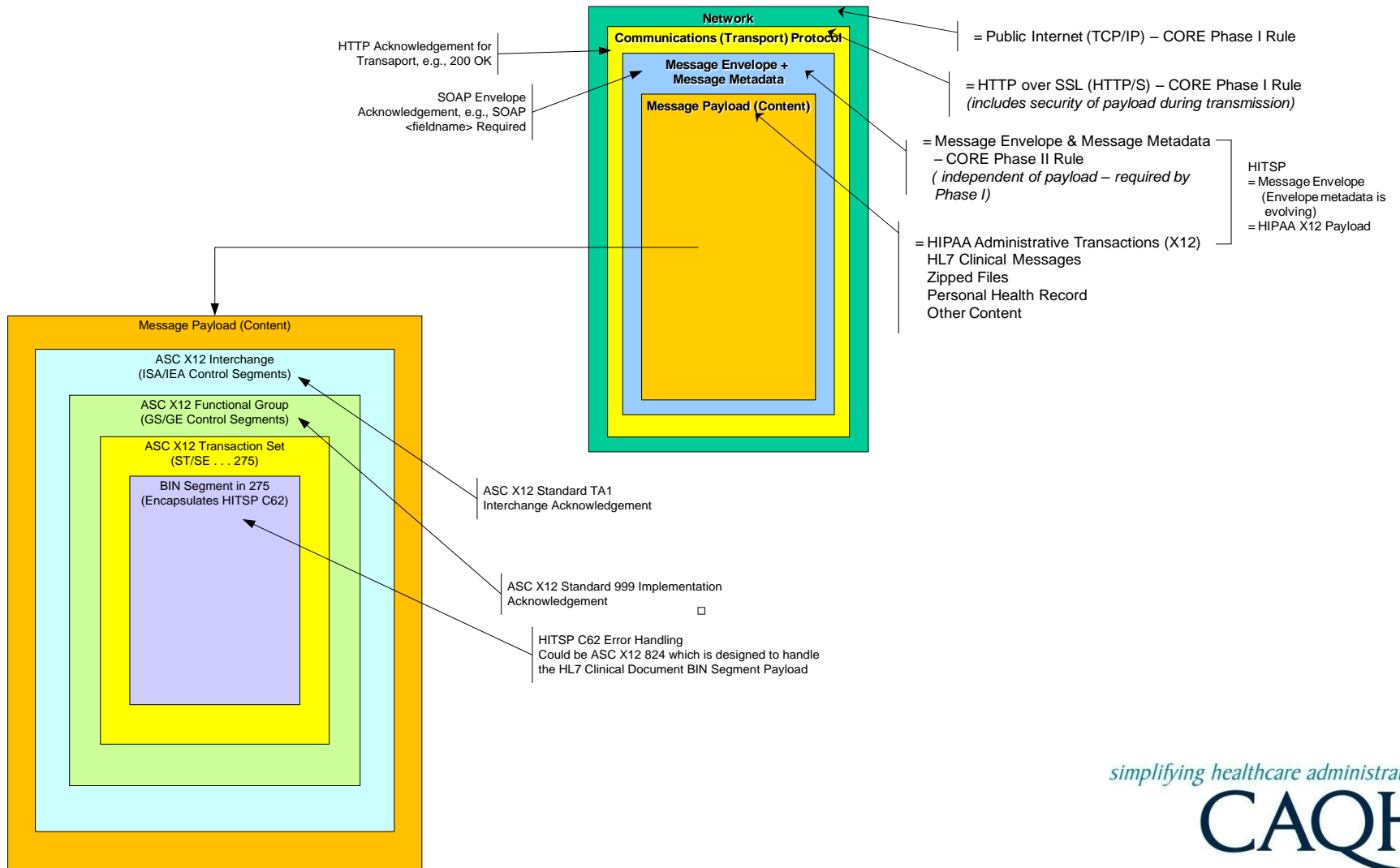
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Themes for Use of Acknowledgements (continued)

- <u>Standards and operating rules are separate but complementary tools.</u>
  - Both are needed with regard to Acknowledgements.
  - Operating rules help to drive the adoption of standards.
  - The interaction across Acknowledgements and the other requirements of the operating rules drives the ROI that is achieved through implementation.
- The healthcare community needs <u>infrastructure, communication and interoperability within and across its sectors.</u>
  - Leverage efforts to create an electronic environment that quickly and accurately gets providers the information they need.
  - Integrated operating rules are needed that build upon interdependencies within work flows.
- <u>Online certification testing</u> provides a <u>tool for trading partners</u> to:
  - Understand their complementary roles in the Acknowledgement process.
  - Verify that their systems are ready to respond in both real-time and batch per the industry operating rules.

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CORE Transport, Message & Payload Acknowledgements Overview

CAQH CORE© Phase I and Phase II Operating Rules
Transport, Message & Payload Acknowledgements Overview

Network

Communications (Transport) Protocol

Message Envelope + Message Metadata

Message Payload (Content)

HTTP Acknowledgement for Transaport, e.g., 200 OK

SOAP Envelope Acknowledgement, e.g., SOAP <fieldname> Required

= Public Internet (TCP/IP) – CORE Phase I Rule

= HTTP over SSL (HTTP/S) – CORE Phase I Rule *(includes security of payload during transmission)*

= Message Envelope & Message Metadata – CORE Phase II Rule *(independent of payload – required by Phase I)*

HITSP
= Message Envelope (Envelope metadata is evolving)
= HIPAA X12 Payload

= HIPAA Administrative Transactions (X12) HL7 Clinical Messages Zipped Files Personal Health Record Other Content

Message Payload (Content)

ASC X12 Interchange (ISA/IEA Control Segments)

ASC X12 Functional Group (GS/GE Control Segments)

ASC X12 Transaction Set (ST/SE . . . 275)

BIN Segment in 275 (Encapsulates HITSP C62)

ASC X12 Standard TA1 Interchange Acknowledgement

ASC X12 Standard 999 Implementation Acknowledgement

HITSP C62 Error Handling Could be ASC X12 824 which is designed to handle the HL7 Clinical Document BIN Segment Payload

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CORE Rule Requirements Related to Acknowledgements

<table>
<tr>
<td colspan="4">Summary of CORE Operating Rule Requirements Related to Acknowledgements:
Phase I and Phase II Rules updated for v5010 and draft Phase III Rules</td>
</tr>
<tr>
<th>Layer</th>
<th>Transaction</th>
<th>CORE Real-Time Acknowledgements</th>
<th>CORE Batch Acknowledgements</th>
</tr>
<tr>
<td rowspan="5">Payload</td>
<td>Eligibility Inquiry (270/271)</td>
<td>

TA1 (not addressed in CORE Rule)
999 required when and only when 270 submission is rejected
271 response returned when 270 submission not rejected

</td>
<td>

TA1 (not addressed in CORE Rule)
999 always required for both provider and health plan to report successful receipt, including errors and/or rejection
271 Response returned when 270 not rejected

</td>
</tr>
<tr>
<td>Claim Status (276/277)</td>
<td>

TA1 (not addressed in CORE Rule)
999 required by when and only when 276 submission is rejected
277 Response returned when 276 submission not rejected

</td>
<td>

TA1 (not addressed in CORE Rule)
999 always required for both provider and health plan to report successful receipt, including errors and/or rejection
277 Response returned when 276 not rejected

</td>
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<tr>
<td>Health Care Claim (837)</td>
<td>

277CA Claim Acknowledgement required whether or not claim submitted in real-time or batch (real-time adjudication out of scope)

</td>
<td>

277CA Claim Acknowledgement required whether or not claim submitted in real-time or batch (real-time adjudication out of scope)

</td>
</tr>
<tr>
<td>Prior Authorization (278)</td>
<td>

TA1 (not addressed in CORE Rule)
999 required when and only when 278 submission is rejected
278 Response returned when 278 submission not rejected

</td>
<td>

TA1 (not addressed in CORE Rule)
999 always required for both provider and health plan to report successful receipt, including errors and/or rejection
278 Response returned when 278 submission not rejected

</td>
</tr>
<tr>
<td>Claim Payment/Advice (835)</td>
<td>N/A</td>
<td>

999 always required for provider to notify health plan of successful receipt, including errors and/or rejection

</td>
</tr>
<tr>
<td>Transport Layer

Message Layer</td>
<td>Applies to all payloads</td>
<td>HTTP/S (industry neutral standard)
SOAP or MIME (industry neutral standard)</td>
<td>HTTP/S (industry neutral standard)

SOAP or MIME (industry neutral standard)
CORE Connectivity Rule includes requirements for how provider obtains Acknowledgements

</td>
</tr>
</table>

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In Conclusion

"The industry should not miss this moment, as it may be a number of years before another such opportunity is presented on a national scale. The healthcare industry should expect that for every deadline for operating rules in the ACA, one set of integrated, non-retail pharmacy operating rules be adopted, and that integrated set includes Acknowledgements."

— CAQH CORE Testimony Provided To The Subcommittee on Standards, National Committee on Vital and Health Statistics, April 27, 2011

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