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# Committee on Operating Rules For Information Exchange (CORE<sup>®</sup>)

*Public Town Hall Call*

September 11, 2012

Additional information/resources available at [www.caqh.org](http://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.*

# Agenda

- Brief Overview of CAQH CORE
  - For more information contact Omoniyi Adekanmbi at [oadekanmbi@caqh.org](mailto:oadekanmbi@caqh.org)
- Update on Mandated Healthcare Operating Rules
  - ACA Section 1104 - Highlights and Timeline
  - First Set - Eligibility & Claim Status Operating Rules
  - Second Set - EFT & ERA Operating Rules
    - Review CAQH CORE [Draft Model Comment Letter](#)
  - Third Set - Attachments, Prior Authorization, Enrollment, etc.
- Update on Non-Rule Development Activities
  - CORE Transition Committee
- Stay Involved with CAQH CORE

# Polling Question #1: *Entity Stakeholder Type*

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*What is your organization's stakeholder type?*

- a. Provider
- b. Health Plan
- c. Vendor
- d. Clearinghouse
- e. Government Entity
- f. Consulting Firm
- g. Other

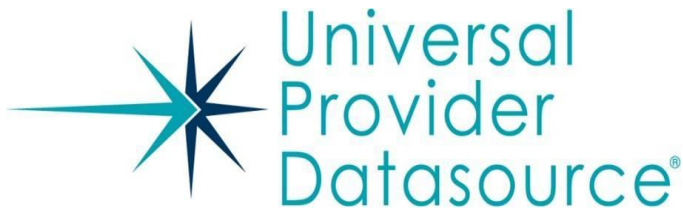
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# Brief Overview of CAQH CORE

# CAQH® and Its Initiatives



Multi-stakeholder collaboration of over 130 participating organizations that is developing industry-wide operating rules, built on existing standards, to streamline administrative transactions. CORE® participants maintain eligibility/benefits data for over 150 million lives, or approximately 75% of the commercially insured, plus Medicare and some Medicaid.



An industry utility that replaces multiple health plan paper processes for collecting provider data with a single, electronic, uniform data-collection system (i.e., credentialing). More than 1 million providers self-report their information to UPD and over 650 organizations access the system, including a range of public and private entities.



An objective industry forum for monitoring business efficiency in healthcare. Tracking progress and savings associated with adopting electronic solutions for administrative transactions across the industry.

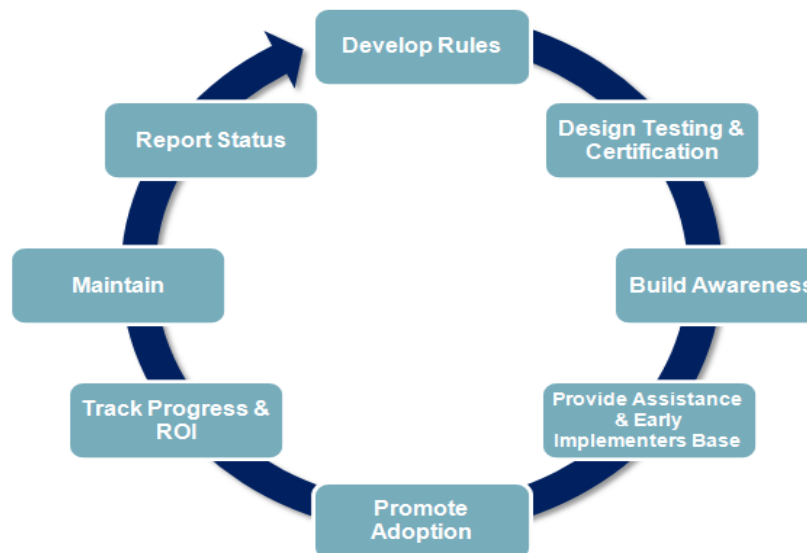
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# Committee on Operating Rules for Information Exchange

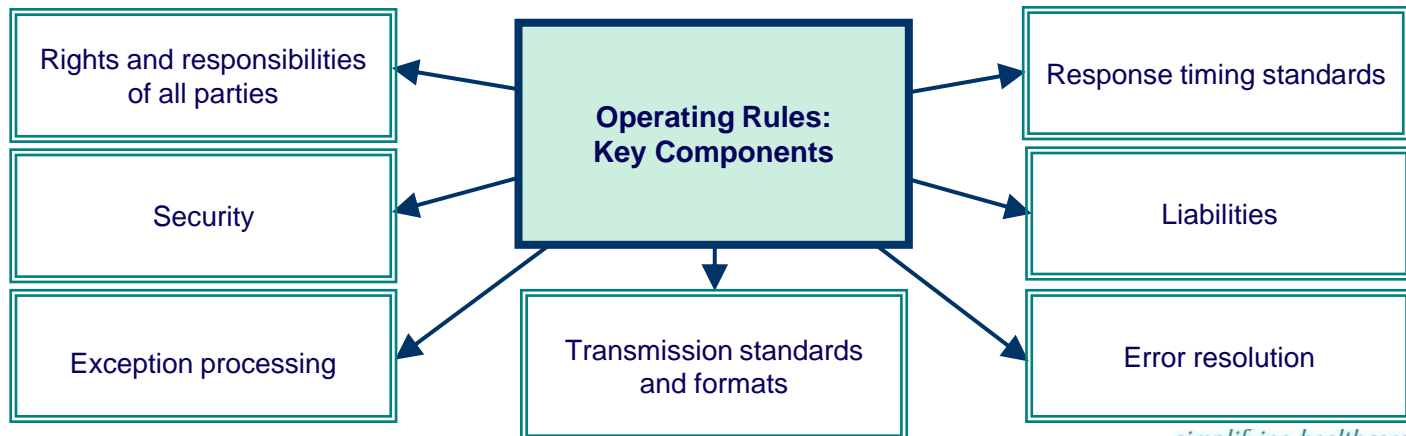
- A multi-stakeholder collaboration established in 2005
- Mission: To build consensus among healthcare industry stakeholders on a set of operating rules that facilitate administrative interoperability between providers and health plans
  - Enable providers to submit transactions from the system of their choice (vendor agnostic) and quickly receive a standardized response
  - Enable stakeholders to implement operating rules in phases that encourage feasible progress
  - Facilitate administrative and clinical data integration

*CAQH CORE carries out its mission based on an integrated model*



# What are Operating Rules?

- The [Patient Protection and Affordable Care Act \(ACA\)](#) 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*”
  - Operating rules address gaps in standards, help refine the infrastructure that supports electronic data exchange, and recognize interdependencies among transactions; they do not duplicate standards
  - Operating rules and standards work in unison; current healthcare operating rules build upon a range of standards – healthcare specific (e.g., ASC X12) and industry neutral (e.g., OASIS, W3C, ACH CCD+) – and support the national HIT agenda
- Operating rules encourage an interoperable network and, thereby, are vendor agnostic



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# Update on Mandated Healthcare Operating Rules: ACA Section 1104

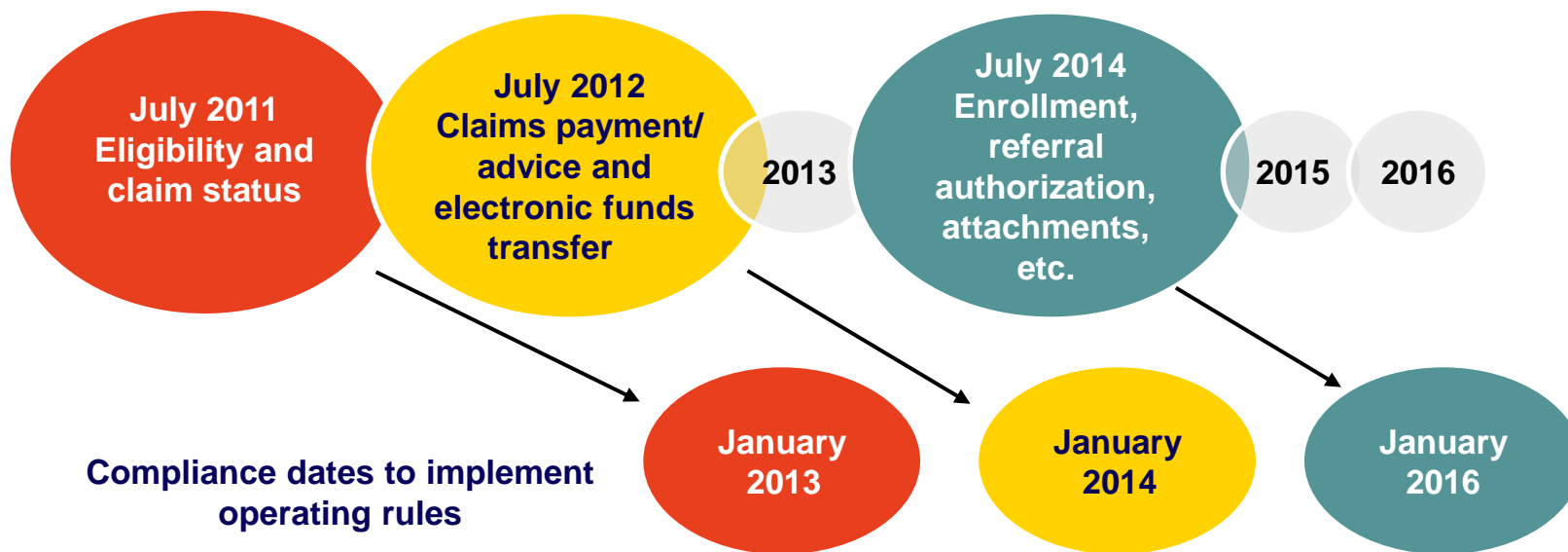
# ACA Mandated Operating Rules Approach

Section 1104 of the ACA (H.R.3590):

“...Establishes new requirements for administrative transactions that will improve the utility of the existing HIPAA transactions and reduce administrative costs”

Operating rule writing and mandated implementation timeframe per ACA legislation

Adoption deadlines to finalize operating rules



## NOTES:

1. NCVHS is the body designated by HHS to make recommendations regarding the operating rule authors and the operating rules.
2. Statute defines relationship between operating rules and standards.
3. Operating rules apply to HIPAA covered entities; beyond HIPAA compliance penalties, certification penalties for health plans.
4. Per statute, documentation of compliance for health plans may include completion of end-to-end testing (i.e., certification and testing).
5. Statute states compliance with the applicable standard/operating rule is required no later than its effective date.

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# Mandated Healthcare Operating Rules: First Set - Eligibility & Claim Status

# Mandated Eligibility & Claim Status Operating Rules:

## *Less Than Four Months Until Compliance Deadline*

- ACA Section 1104 requires *all HIPAA covered entities* be compliant with applicable HIPAA standards and associated operating rules
- The First Set of healthcare operating rules have been adopted into Federal regulation
  - July 2011, CMS published [CMS-0032-IFC](#) with the following key features:
    - Adopted Phase I and II CAQH CORE Eligibility & Claim Status Operating Rules, except for rule requirements pertaining to Acknowledgements\*
    - Highlights CORE Certification is voluntary; further defines relationship between standards and operating rules and analysis of ROI from operating rules implementation
  - December 2011, CMS adopted above as a Final Rule
  - The industry has until **January 1, 2013 to implement mandated eligibility and claim status operating rules without penalty**

The complete set of CAQH CORE Eligibility & Claim Status Operating Rules are available [HERE](#).

\*On September 22, 2011, NCVHS issued a [letter](#) recommending Acknowledgements be adopted as formally recognized standards and the CAQH CORE Operating Rules for these standards also be recognized.



# Mandated Eligibility & Claim Status Operating Rules: *Scope*

## Mandated Eligibility & Claim Status Operating Rules

*Compliance date January 1, 2013*

## Voluntary Eligibility & Claim Status Operating Rule

Type of Rule	Addresses	CAQH CORE Eligibility & Claim Status Operating Rules		
<b><u>Data Content:</u> Eligibility</b>	Need to drive further industry value in transaction processing	More Robust Eligibility Verification Plus Financials	Enhanced Error Reporting and Patient Identification	<p>“We are addressing the important role acknowledgements play in EDI by strongly encouraging the industry to implement the acknowledgement requirements in the CAQH CORE rules we are adopting herein.”</p> <p><i>HHS Interim Final Rule</i></p> <p>Acknowledgements*</p>
<b><u>Infrastructure:</u> Eligibility and Claim Status</b>	Industry needs for common/ accessible documentation	Companion Guides	System Availability	
	Industry-wide goals for architecture/ performance/ connectivity	Response Times	Connectivity and Security	

\*Please Note: In the Final Rule for *Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transaction*, CORE 150 and CORE 151 are not included for adoption. HHS is not requiring compliance with any operating rules related to acknowledgement, the Interim Final Rule.

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# ACA Federal Compliance Requirements: *Highlights & Key Dates*

**Three dates** are critical for industry implementation of the Federally mandated CAQH CORE Eligibility & Claim Status Operating Rules

Note: There are **two types of penalties** related to compliance with the mandated operating rules<sup>1</sup>

Key Area	HIPAA Mandated Implementation	ACA-required Health Plan Certification	
Dates	<b>January 1, 2013</b> <i>Compliance Date</i>	<b>December 31, 2013</b> <i>Health Plan Certification Date</i>	<b>No Later than April 1, 2014</b> <i>Health Plan Penalty Date</i>
Description	<b>Who:</b> All HIPAA covered entities <b>Action:</b> Implement CAQH CORE Eligibility & Claim Status Operating Rules	<b>Who:</b> Health plans <b>Action:</b> File statement with HHS certifying that data and information systems are in compliance with the standards and operating rules <sup>2</sup>	<b>Who:</b> Health plans <b>Action:</b> HHS will assess penalties against health plans that have failed to meet the ACA compliance requirements for certification and documentation <sup>2</sup>
Applicable Penalties	<b>Amount:</b> Due to HITECH, penalties for HIPAA non-compliance have increased, now up to \$1.5 million per entity per year	<b>Amount:</b> Fee amount equals \$1 per covered life <sup>3</sup> until certification is complete; penalties for failure to comply cannot exceed on an annual basis an amount equal to \$20 per covered life or \$40 per covered life for deliberate misrepresentation	

<sup>1</sup> CMS OESS is the authority on the HIPAA and ACA Administrative Simplification provisions and requirements for compliance and enforcement. The CMS website provides information on the ACA [compliance, certification, and penalties](#) and [enforcement process](#).

<sup>2</sup> According to CMS, regulation detailing the health plan certification process is under development, and they will release details surrounding this process later this year; CAQH CORE will continue to offer its *voluntary* CORE Certification program and will share lessons learned with CMS as the Federal process is developed.

<sup>3</sup> Covered life for which the plan's data systems are not in compliance; shall be imposed for each day the plan is not in compliance

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# CAQH CORE Resources for Implementing the Mandated Eligibility & Claim Status Operating Rules

## Polling Question #2: *Implementation Efforts*

*At which stage is your organization in the eligibility and claim status operating rules implementation process?*

- a. Have not started
- b. Analysis and planning (budgeted, resources assigned, impact analysis)
- c. Systems design (software/hardware upgrades identified, coordinating with vendors)
- d. Systems implementation (software, hardware and vendor services upgrades fully implemented)
- e. Integration & testing (internal and trading partners testing)
- f. Deployment/maintenance (full production use with one or more trading partners)
- g. N/A

# CAQH CORE Implementation Resources and Tools

- Ensure your organization is ready to comply with the **January 1, 2013** mandated Eligibility & Claim Status Operating Rules deadline
  - [Analysis & Planning Guide for Adopting the CAQH CORE Eligibility & Claim Status Operating Rules](#): Provides systems analysis and planning guidance for Project Managers, Business & System Analysts, etc. and includes:
    - Stakeholder & Business Type Evaluation
    - Systems Inventory & Impact Assessment Worksheet
    - Gap Analysis Worksheet
  - [Phase I & Phase II CORE Certification Master Test Suites](#): Provide guidance on the stakeholder types to which the rules apply and working with trading partners
  - CAQH CORE has a [list of FAQs](#) to address typical questions regarding the operating rules; updated FAQs being loaded to website as appropriate given mandates
  - After reviewing other tools & resources, information requests can be submitted to the CAQH CORE Request Process at [CORE@caqh.org](mailto:CORE@caqh.org)
- Complete *voluntary* [CORE Certification](#)
  - Contact technical experts as needed at [CORE@caqh.org](mailto:CORE@caqh.org) with rule interpretations, questions on conformance testing requirements, or requests for additional information

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# “Top Ten” Eligibility & Claim Status FAQs

1. What are the Federally mandated CAQH CORE Eligibility & Claim Status Rules requirements for entities to support real time and/or batch processing?
2. What happens when a real time response is not received within the required 20-second window?
3. How is the 20-second response window tracked?
4. Do the CAQH CORE Rules require that I create companion guides if my organization is not already using them?
5. What is meant by the CORE Connectivity Rule “safe harbor” requirement?
6. We need to add some new error codes and messages that are not listed in the CAQH CORE Phase II Connectivity Rule. Is this allowed?
7. What patient financials are health plans required to provide in an X12 271 response to a X12 270 inquiry?
8. Why are some Service Type Codes (STCs) identified as “discretionary” in CAQH CORE Rule 154 and 260? What information must a health plan return in response to the “discretionary” STCs?
9. How does a health plan identify the correct error condition description to display when multiple error conditions are mapped to the same code?
10. Do the Federally mandated CAQH CORE Operating Rules apply to Direct Data Entry (DDE)?

# Upcoming CAQH CORE Education Sessions

- List of upcoming CAQH CORE Education Sessions available [HERE](#); highlights include:
  - *Just the Facts: Technical Presentation with Q&A on Mandated CAQH CORE Connectivity Rules and Requirements for ACA*
    - Wednesday, Sept 12, 2012, 3 - 4:30 pm ET; register [HERE](#) or on CAQH CORE website at no cost
  - *CAQH CORE and ASC X12 Joint Education Session: ASC X12 Transactions + CAQH CORE Operating Rules = HIPAA Administrative Simplification!*
    - Tuesday, Sept 25, 2012, 2 - 3:30 pm ET; register [HERE](#) or on CAQH CORE website at no cost
  - *CAQH CORE, WEDI, and Edifecs On-Line CAQH Operating Rule Demonstration: Be Ready for January 2013 HHS Deadline Implementing and Testing Mandated Healthcare Operating Rules*
    - Wednesday, Sept 26, 2012, 2 - 3:30 pm ET; register [HERE](#) or on CAQH CORE website
  - Other upcoming sessions include an “Open Mic” Q&A call, Medicaid-specific webinar
- Upcoming CAQH CORE Town Hall Calls
  - Tuesday, Oct 30, 3-4 pm ET
  - Tuesday, Dec 11, 3-4 pm ET
  - Tuesday, Jan 22, 3-4 pm ET

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# Mandated Healthcare Operating Rules: Second Set - EFT & ERA

# Mandated EFT & ERA Operating Rules:

## *January 2014 Compliance Deadline*

- Status: The second set of operating rules has been proposed for Federal regulation
  - August 2012 - CMS published an Interim Final Rule with Comment, [CMS-0028-IFC](#), with the following features:
    - 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\*
    - Covered entities must be in compliance by **January 1, 2014**
  - The interim final rule comment period will remain open for 60 days (until 10/09/12)
- Background:
  - Spring 2011 - NCVHS recommended:
    - NACHA as healthcare EFT SDO and ACH CCD+ as healthcare EFT standard
    - CAQH CORE, in collaboration with NACHA, as author for EFT and ERA operating rules (pharmacy to be addressed as appropriate)
  - Winter 2011:
    - NCVHS issued letter recommending HHS adopt Draft CAQH CORE EFT & ERA Rule Set
  - Summer 2012:
    - CMS announced the Interim Final Rule ([CMS-0024-IFC](#)) adopting the healthcare EFT standards is a final rule now in effect (these standards influence the operating rules)

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\*On September 22, 2011, NCVHS issued a [letter](#) recommending Acknowledgements be adopted as formally recognized standards and the CAQH CORE Operating Rules for these standards also be recognized.

# CAQH CORE EFT & ERA Operating Rules: *Overview*

Rule		High-Level Requirements
Data Content	<b>Uniform Use of CARCs and RARCs (835) Rule</b>	<ul style="list-style-type: none"> <li>Identifies a <i>minimum</i> set of four CAQH CORE-defined Business Scenarios with a <i>maximum</i> set of CAQH CORE-required code combinations that can be applied to convey details of the claim denial or payment to the provider</li> </ul>
Infrastructure	<b>EFT Enrollment Data Rule</b>	<ul style="list-style-type: none"> <li>Identifies a maximum set of standard data elements for EFT enrollment</li> <li>Outlines a straw man template for paper and electronic collection of the data elements</li> <li>Requires health plan to offer electronic EFT enrollment</li> </ul>
	<b>ERA Enrollment Data Rule</b>	<ul style="list-style-type: none"> <li>Similar to EFT Enrollment Data Rule</li> </ul>
	<b>EFT &amp; ERA Reassociation (CCD+/835) Rule</b>	<ul style="list-style-type: none"> <li>Addresses provider receipt of the CAQH CORE-required Minimum ACH CCD+ Data Elements required for reassociation</li> <li>Addresses elapsed time between the sending of the v5010 835 and the CCD+ transactions</li> <li>Requirements for resolving late/missing EFT and ERA transactions</li> <li>Recognition of the role of <i>NACHA Operating Rules</i> for financial institutions</li> </ul>
	<b>Health Care Claim Payment/Advice (835) Infrastructure Rule</b>	<ul style="list-style-type: none"> <li>Specifies use of the CAQH CORE Master Companion Guide Template for the flow and format of such guides</li> <li>Requires entities to support the Phase II CAQH CORE Connectivity Rule</li> <li>Includes batch Acknowledgement requirements</li> <li>Defines a dual-delivery (paper/electronic) to facilitate provider transition to electronic remits</li> </ul>

**Complete CAQH CORE EFT & ERA Operating Rules Set available [HERE](#).**

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# Mandated EFT & ERA Operating Rules: *Next Steps*

- For CAQH CORE:
  - CAQH CORE created a draft model comment letter on the IFC that organizations can use as they see appropriate (see next slide)
  - Development of CAQH CORE resources to support industry implementation of the *CAQH CORE EFT & ERA Operating Rules* is in progress, e.g.,:
    - FAQs based on lessons learned in CORE rule writing and questions received through CAQH CORE Request Process
    - Drafting *Analysis & Planning Guide for Adopting the CAQH CORE EFT & ERA Operating Rules*
    - Working with CAQH CORE-authorized testing entity Edifecs to beta and alpha test Voluntary CORE Certification Test Site for CAQH CORE EFT & ERA Operating Rules
    - If you have suggestions for additional implementation tools, please email [core@caqh.org](mailto:core@caqh.org)
  - Launch *CAQH CORE EFT & ERA Operating Rules* prospective study:
    - CAQH CORE is seeking **early adopters** of the EFT & ERA Operating Rules; contact [core@caqh.org](mailto:core@caqh.org) if your entity is ready for, or has begun, implementation efforts
- For HHS/CMS:
  - Review comments on the IFC and adopt a Final Rule

# CAQH CORE Model Comment Letter on Mandated EFT & ERA Operating Rules IFC: *Timeline*

- There is a 60 day comment period on the IFC; CAQH CORE has developed a [draft model comment letter](#) that organizations will be able to use as they see appropriate
- Below is the timeline for the development of this model letter:
  - Friday, 08/31/12: CAQH CORE sent draft model letter to CORE Participating Organizations for feedback
  - Friday, 09/14/12: Comments due to CAQH CORE on draft model letter
  - Monday, 09/24/12: CAQH CORE will send the final model comment letter (updated based on input) to CORE Participating Organizations for their use as they deem appropriate, and post it to the website
  - Tuesday, 10/09/12: Final IFC comments due to CMS by 5 pm ET
- If you have comments or questions please send them to [CORE@caqh.org](mailto:CORE@caqh.org)
- Organizations wishing to be an early adopter of the EFT & ERA Operating Rules should also contact [CORE@caqh.org](mailto:CORE@caqh.org)

# CAQH CORE Model Comment Letter on Mandated EFT & ERA Operating Rules IFC: *Key Comment Areas*

[Draft Model Comment Letter](#) highlights seven key comment areas and recommendations:

1. Importance of keeping the five areas in the EFT & ERA Operating Rule Set intact due to interdependencies between rules
2. Correct the name of the CCD to be Corporate Credit or *Debit* Entry (CCD)
3. Address the need to adopt a standard and operating rules for electronic acknowledgments
4. Address a means to review and amend operating rules on a timely basis
5. Provide guidance on cost/benefit analysis associated with provider and health plan implementation of the EFT & ERA Operating Rules
6. Seek ways that encourage more providers to adopt the health care EFTs and remittance advice standards as well as other HIPAA transactions standards
7. Address the current exclusion of banks under HIPAA if alternative forms of transmission vehicles/standards – *which are allowed by the Standard for Health Care EFTs and Remittance Advice Transactions* – carry detailed remittance advice information which includes PHI

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## Polling Question #3: *Importance of IFC Comments*

Which of the seven key comment areas do you feel is most critical to EFT and ERA?

- a. Importance of keeping the full EFT & ERA Operating Rule Set intact
- b. Correct the name of the CCD+
- c. Address acknowledgments
- d. Address a means to review and amend operating rules
- e. Guidance on cost/benefit analysis associated with implementation of the EFT & ERA Operating Rules
- f. Seek ways to encourage provider adoption of EFT & ERA
- g. Address the current exclusion of banks under HIPAA if alternative forms of transmission vehicles/standards carry detailed remittance advice information which includes PHI

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## Mandated Healthcare Operating Rules:

Third Set – Attachments, Prior Authorization, Enrollment, etc.

# Third Set of Mandated Operating Rules: *Status*

- Remaining operating rule mandate, effective **January 2016**, will address the following transactions:
  - Health claims or equivalent encounter information
  - Enrollment and disenrollment in a health plan
  - Health plan premium payments
  - Referral certification and authorization
  - Claims attachment
- November 2011: NCVHS began holding hearings; CAQH CORE provided testimony on the following:
  - [Claims Attachment](#): Communicating criticality of clinical and administrative coordination, offered examples of potential areas for operating rules, emphasized the need for standards and operating rules to work together more than ever
  - [Provider Enrollment](#): Outlined lessons learned from the CAQH Universal Provider Datasource (UPD) as well as CORE EFT/ERA work
  - [Maintenance of Standards & Operating Rules](#): Discussed future process improvements
- CAQH CORE is committed to using its open process to develop a set of draft rules for consideration to fulfill the third set of Federally mandated operating rules

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# Update on Non-Rule Development Activities

# CORE Transition Committee: *Draft Model Created*

- The [CORE Transition Committee](#) was launched with the charge to recommend a model to extend both CAQH CORE multi-stakeholder governance and funding.
  - CAQH CORE’s rule writing process is already multi-stakeholder.
  - Over ninety percent of CAQH CORE’s expenses are covered by CAQH.
- **Status:** Committee has developed a draft new CORE Governance Model.
  - Expands existing CORE process for multi-stakeholder operating rules development by creating a multi-stakeholder CORE Board to oversee budget, policy developments, etc.
  - Requires that providers and health plans need consensus to move positions forward; standards development organizations (SDOs), vendors, government and others also serve on the Board.
  - Structure is implementer-focused, executive leadership-driven, and results-oriented.
  - Voting on the CORE rules will remain quorum-based with necessary CORE Subgroup and Work Group approvals and emphasis on implementers in final stages of voting.

# CORE Transition Committee: *Draft Model Created (cont'd)*

- **Status (cont'd)**

- Addresses governance but not funding; Committee agreed that potential revenue sources, e.g., increasing CORE participant fees, did not allow for CORE to maintain its Guiding Principles such as inclusiveness while also meeting the ACA deadlines.
- CAQH is committed to funding CORE until new Board determines other revenue sources that enable CORE to resource its integrated model (rules development, certification, and tracking ROI/outreach); CAQH has never voted on the CORE rules and does not maintain a right to do so.

- **Next Steps:** Finalize model and launch new Board.

- Committee has sought feedback on the draft governance model from critical partners (SDOs, CMS OESS, etc) and is reaching out to the CORE participants and others; final draft with CORE participants will be shared after September Transition Committee call.
- Committee will determine potential adjustments to draft model based on input; anticipates finalizing model by early October with transition occurring when new Board member selection is final.
- Process for identifying initial new CORE Board members is underway.

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# Thank You For Joining Us: *Stay Involved*

- Ensure your organization is ready for the **January 1, 2013** Mandated Eligibility & Claim Status Operating Rules deadline\*:
  - [HIPAA v5010 Phase I & II CAQH CORE Eligibility & Claim Status Rules](#)
- Join us at another [CAQH CORE Education Event](#)
- Learn the basics of *voluntary* [CORE Certification](#)
- Contact [CORE@caqh.org](mailto:CORE@caqh.org) regarding rule interpretations or to submit requests for information/clarification

\*NOTE: In the [Final Rule for Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transaction](#), requirements pertaining to Acknowledgements are not included for adoption.

# Town Hall Evaluation

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*Please rank the usefulness of this CAQH CORE Town Hall (i.e., were your needs/expectations met).*

1. Very useful
2. Mostly useful
3. Somewhat useful\*
4. Not very useful\*

*\* If you rank the session a “3” or “4”, please email CAQH CORE suggestions for improvement (e.g., additional topic areas, more Q&A, etc.)*