CAQH CORE

Tarpon Health

CAQH Committee on Operating Rules for Information Exchange (CORE)

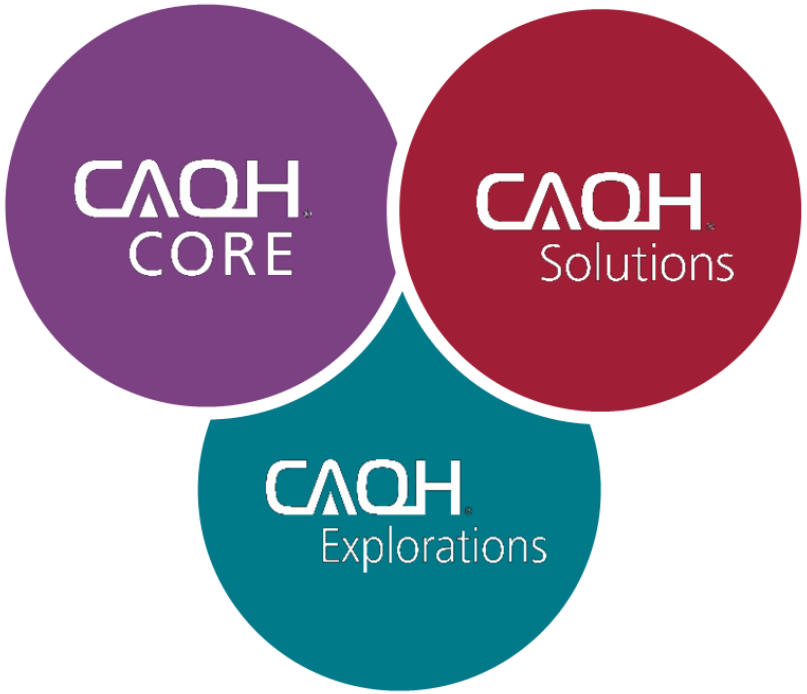
April 21, 2023

Agenda

- CAQH CORE Overview
- State of the Industry
- Federal Regulatory Activities
- New CAQH CORE Attachments Operating Rules
- Call to Action
- Q&A

CAQH CORE Overview

CAQH Initiatives Transform Healthcare Business Processes



CAQH CORE:

- **National operating rules** for electronic business transactions.

CAQH Solutions:

- **Shared utilities** to collect and manage provider and member data.

CAQH Explorations:

- **Research and collaborative** endeavors for industry progress, including the CAQH Index®.

Streamlining healthcare administration:
CAQH technology-enabled solutions, operating rules and research help nearly 1,000 health plans, 1.6 million providers, government entities and vendors connect, exchange information and operate more efficiently.

CAQH CORE Mission, Vision, & Industry Role

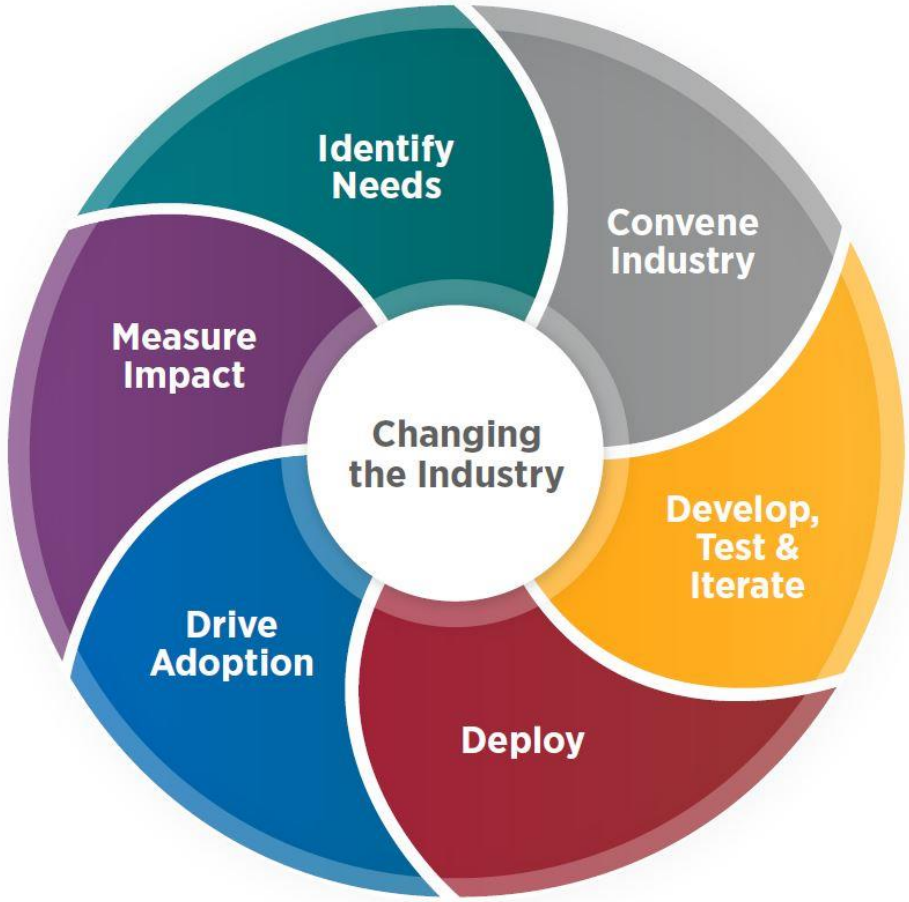
MISSION: Drive the creation and adoption of healthcare operating rules that **support standards**, **accelerate interoperability, and align administrative and clinical activities** among providers, payers, and consumers.

VISION: An **industry-wide facilitator** of a trusted, simple, and sustainable healthcare data exchange that evolves and aligns with market needs.

DESIGNATION: The **Department of Health and Human Services (HHS) designated CAQH CORE as the national Operating Rule Authoring Entity** for all HIPAA mandated administrative transactions to improve the efficiency, accuracy, and effectiveness of industry-driven business transactions.

INDUSTRY ROLE: **Develop business rules to help industry** effectively and efficiently use electronic standards while remaining technology- and standard-agnostic.

CAQH CORE BOARD: **Multi-stakeholder.** Members include health plans, providers (some of which are appointed by associations such as the AHA, AMA, MGMA), vendors, and government entities. Advisors to the Board include SDOs (X12, HL7, NACHA, NCPDP) and WEDI.



More than 100 CAQH CORE Participating Organizations

Health Plans

- Aetna
- Ameritas Life Insurance Corp.
- AultCare
- Blue Cross and Blue Shield Association (BCBSA)
- Blue Cross Blue Shield of Michigan
- Blue Cross Blue Shield of North Carolina
- Blue Cross Blue Shield of Tennessee
- CareFirst BlueCross BlueShield
- Centene Corporation
- CIGNA
- Elevance Health
- Health Care Service Corp
- Horizon Blue Cross Blue Shield of New Jersey
- Humana
- Medical Mutual of Ohio, Inc.
- Point32Health
- UnitedHealthGroup

Government

- Arizona Health Care Cost Containment System
- California Department of Health Care Services
- Centers for Medicare and Medicaid Services (CMS)
- Federal Reserve Bank of Atlanta
- Florida Agency for Health Care Administration
- Health Plan of San Joaquin
- Michigan Department of Community Health
- Minnesota Department of Health
- Minnesota Department of Human Services
- Missouri HealthNet Division
- North Dakota Medicaid
- Oregon Department of Human Services
- Oregon Health Authority
- Pennsylvania Department of Public Welfare
- South Dakota Medicaid
- TRICARE
- United States Department of Treasury Financial Management
- United States Department of Veterans Affairs

Integrated Plan/Provider

- Highmark Health (Highmark, Inc.)
- Kaiser Permanente
- Marshfield Clinic/Security Health Plan of Wisconsin, Inc.

Commercial, Governmental, and Integrated Health Plans account for 75% of total American covered lives

Providers

- American Hospital Association (AHA)
- American Medical Association (AMA)
- Aspen Dental Management, Inc.
- Children's Healthcare of Atlanta Inc
- Cleveland Clinic
- Greater New York Hospital Association (GNYHA)
- Healthcare Financial Management Association (HFMA)
- Laboratory Corporation of America
- Mayo Clinic
- Medical Group Management Association (MGMA)
- Montefiore Medical Center
- New Mexico Cancer Center
- OhioHealth
- Ortho NorthEast (ONE)
- St. Joseph's Health
- Virginia Mason Medical Center

Vendors & Clearinghouses

- AIM Specialty Health
- athenahealth
- Availity, LLC
- Averhealth
- Cedar Inc
- Cerner/Healthcare Data Exchange
- Change Healthcare
- ClaimMD
- Cloud Software Group
- Cognizant
- Conduent
- CSRA
- DXC Technology
- Edifecs
- Epic
- Experian
- Healthedge Software Inc
- HEALTHeNET
- HMS
- Infocrossing LLC
- InstaMed
- NantHealth NaviNet
- NextGen Healthcare Information Systems, Inc.
- OptumInsight
- PaySpan
- PNC Bank
- PriorAuthNow
- SS&C Health
- Surescripts
- The SSI Group, Inc.
- TriZetto Corporation, A Cognizant Company
- Utah Health Information Network (UHIN)
- Wells Fargo

Other

- Accenture
- ASC X12
- Cognosante
- Healthcare Business Management Association
- Healthcare Business Association of New York (HCBA)
- HL7
- NACHA The Electronic Payments Association
- National Association of Health Data Organizations (NAHDO)
- National Committee for Quality Assurance (NCQA)
- National Council for Prescription Drug Programs (NCPDP)
- New England HealthCare Exchange Network (NEHEN)
- Preferra Insurance Company Risk Retention Group
- Private Sector Technology Group
- Tata Consultancy Services Ltd
- Utilization Review Accreditation Commission (URAC)
- Work Group for Electronic Data Interchange (WEDI)

CAQH CORE

Operating Rules Defined

ACA Definition

- The “necessary business rules and guidelines for the electronic exchange of information that are not defined by a standard or its implementation specifications.”
- Federally mandated for the HIPAA adopted electronic standards.

Common in Other Industries

- Financial services, transportation, and retail are examples of other industries that rely on operating rules.
- For example, ATM data exchange.

Support Revenue Cycle Automation

- Operating rules create common expectations for electronic data exchange, allowing provider and payer systems to automate communications across trading partners.
- Can address both the data content and infrastructure to support a transaction.

CAQH CORE Operating Rule Overview

Support for Key Revenue Cycle Functions

Rule Set	Infrastructure	Connectivity Rule	Data Content	Other	
Eligibility & Benefits	Eligibility (270/271) Infrastructure Rule*	Connectivity Rule vC1.1.0 Connectivity Rule vC2.2.0	Eligibility (270/271) Data Content Rule*	Single Patient Attribution Data Rule	
Claim Status	Claim Status (276/277) Infrastructure Rule*	Connectivity Rule vC2.2.0			
Payment & Remittance	Claim Payment/Advice (835) Infrastructure Rule*		EFT/ERA (835/CCD+) Reassociation Rule	EFT/ERA Enrollment Data Rules	Uniform Use of CARCs and RARCs (835) Rule
Prior Authorization & Referrals	Prior Authorization (278) Infrastructure Rule*	Connectivity Rule vC4.0.0**	Prior Authorization (278) Data Content Rule	Prior Authorization Web Portal Rule	Attachments Prior Authorization Rules*
Health Care Claims	Health Care Claim (837) Infrastructure Rule*				Attachments Health Care Claims Rules*
Attributed Patient Roster	Attributed Patient Roster (834) Infrastructure Rule*		Attributed Patient Roster (834) Data Content Rule		
Benefit Enrollment	Benefit Enrollment (834) Infrastructure Rule*				
Premium Payment	Premium Payment (820) Infrastructure Rule*				

Rules in purple boxes are federally mandated.

*** Rule is new or updated as of February 2022.**

**** Connectivity Rule vC4.0.0 can be used to support all rule sets for CORE Certification.**

Operating Rule Set Example
Eligibility & Benefits

Federally Mandated: Health Plan (or its Business Associate) Requirements:

Respond in **real-time response** (20 seconds or less) or next day for a batch response time.

Support detailed responses for **52 Service Type Codes (STCs)**.

Return **patient financial responsibility** for co-pay, co-insurance and deductible.

Return benefit information at **least 12 months into the past**, up to the end of the current month.

Use **standard characters**, cases, prefixes and suffixes for last names.

Follow defined reporting of errors using **AAA error codes**.

Support safe harbor **connectivity method**.

Have systems up and available **86% of the time**.

Use a **common companion guide** template.

Proposed Updated Health Plan (or its Business Associate) Requirements:

Return detailed eligibility and benefit information for **tiered benefit coverage**.

Support **126 additional STCs**.

Return **maximum and remaining benefits** for 10 STCs.

Indicate if included STCs or procedure codes require **prior authorization** or certification.

Return **patient attribution** status.

Return eligibility and benefit information at the **procedure code level** for PT, OT, surgery, and imaging.

Have systems up and available **90% of the time.**

Use CMS place of service codes when service is available through **telehealth**.

CAQH CORE Rule Development Process

CORE Rule Development Process:

Pathway to Federal Mandate:

Notes: *National Committee on Vital and Health Statistics (NCVHS) | ** Department of Health and Human Services (HHS) | ***HHS has the authority to judge whether comments are substantial and whether changes should be made to the final rule.

CORE Certification

What is CORE Certification?

CORE Certification is obtained when an entity has demonstrated that its **IT system or product is operating in conformance** with CAQH CORE Operating Rules for specific transaction(s).

Which Organizations can Become CORE-Certified?

CAQH awards CORE Certification Seals to entities that **create, transmit or use** the healthcare administrative and financial transactions addressed by the CAQH CORE Operating Rules.

Why is this Important for Providers?

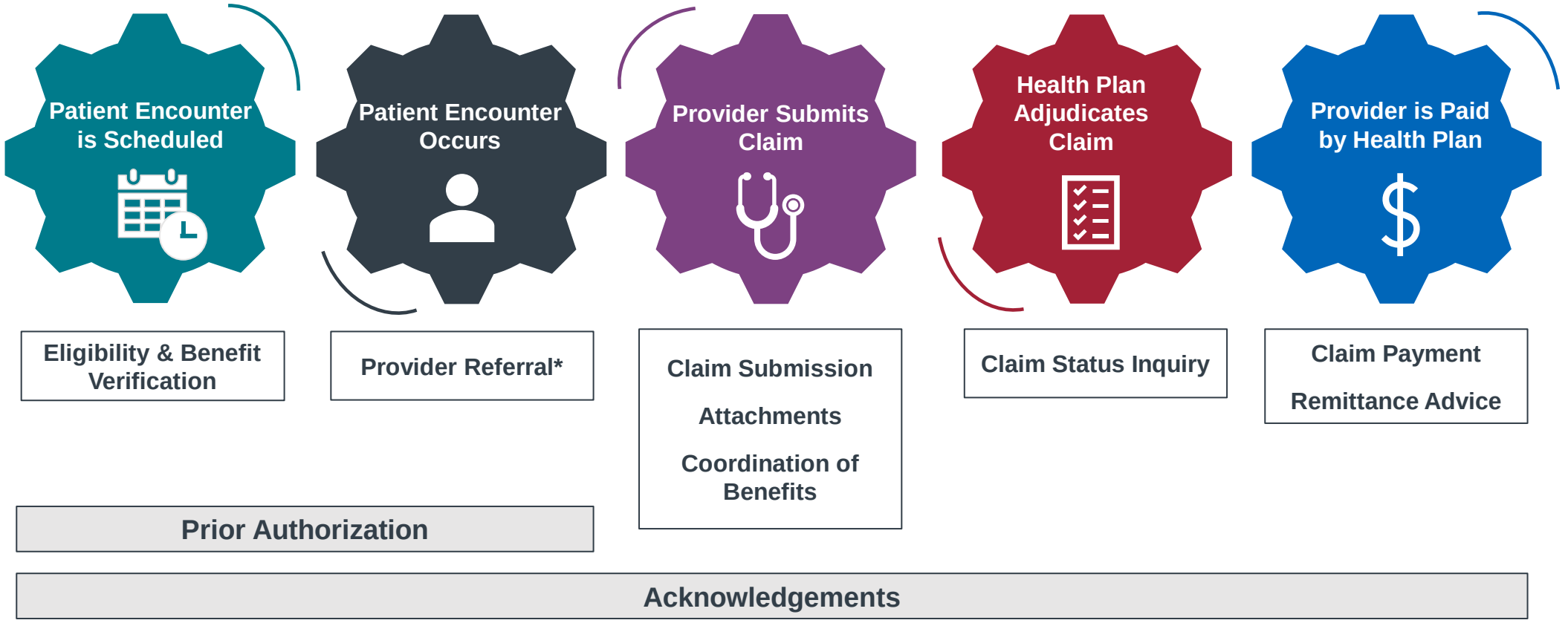
It is the **responsibility of a covered entity to ensure business associate compliance** with HIPAA requirements; many entities require CORE Certification as a condition of contracting.

406 certifications have been awarded to date. Check with your vendors and clearinghouses to confirm they are CORE-certified.

CAQH CORE

State of the Industry

The Annual CAQH Index® Tracks Transactions Across the Revenue Cycle



Note: This diagram illustrates the administrative workflow in its simplest form. In practice, some transactions occur multiple times or in multiple steps and can be triggered by other events.
*Due to a low volume of data collected, the 2022 CAQH Index was unable to calculate benchmarks

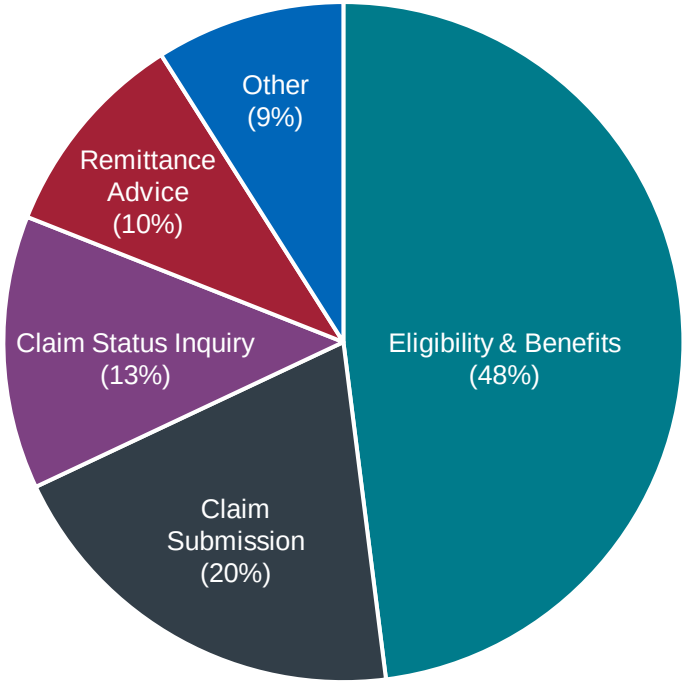
CAQH CORE

Findings from the 2022 CAQH Index

Industry Could Save Billions by Transitioning to Fully Automated Processes

- Per the 2022 CAQH Index®, a national benchmarking survey, in 2021 the medical industry **spent** an estimated **$55 Billion** on administrative transactions.
- The medical industry could **save** an estimated **$22.3 billion** with full adoption of electronic administrative transactions.

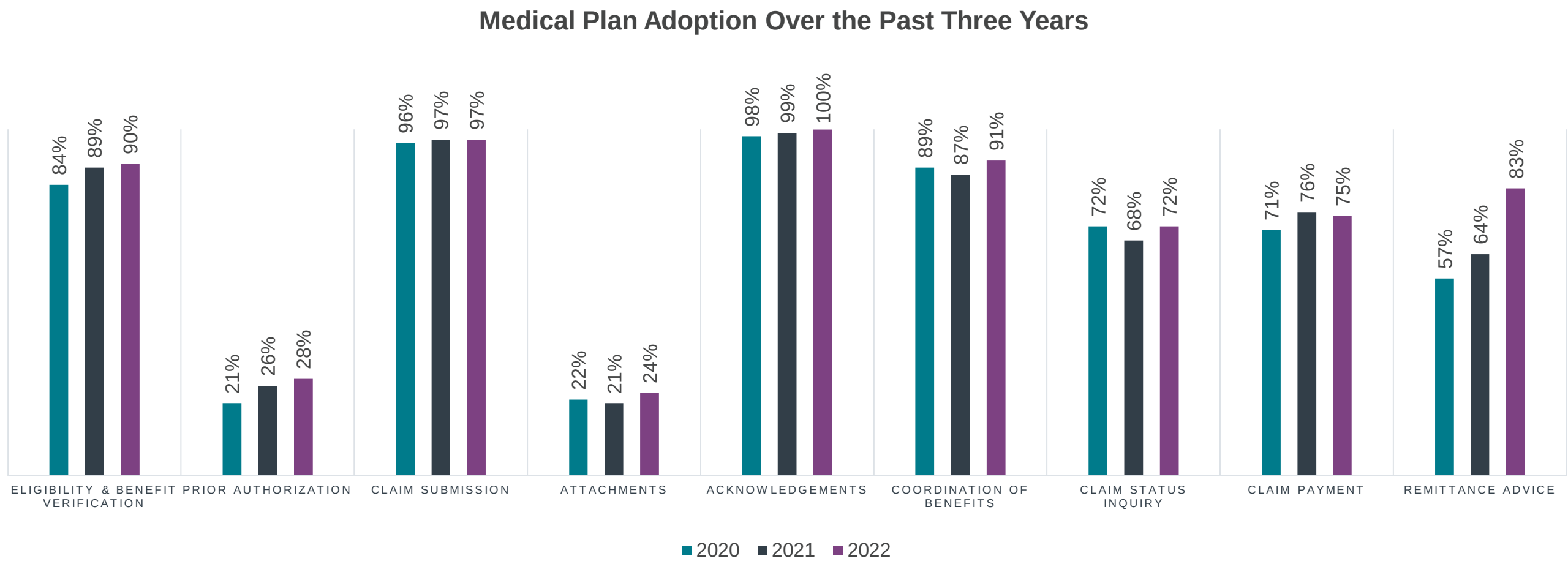
Total Annual Medical Spend by Transaction



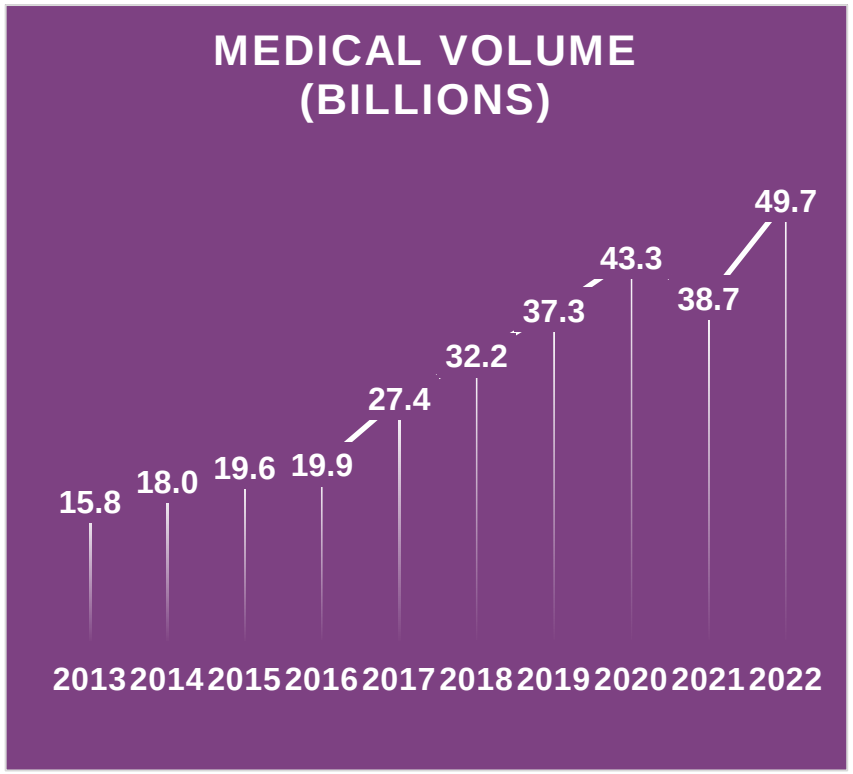
CAQH CORE

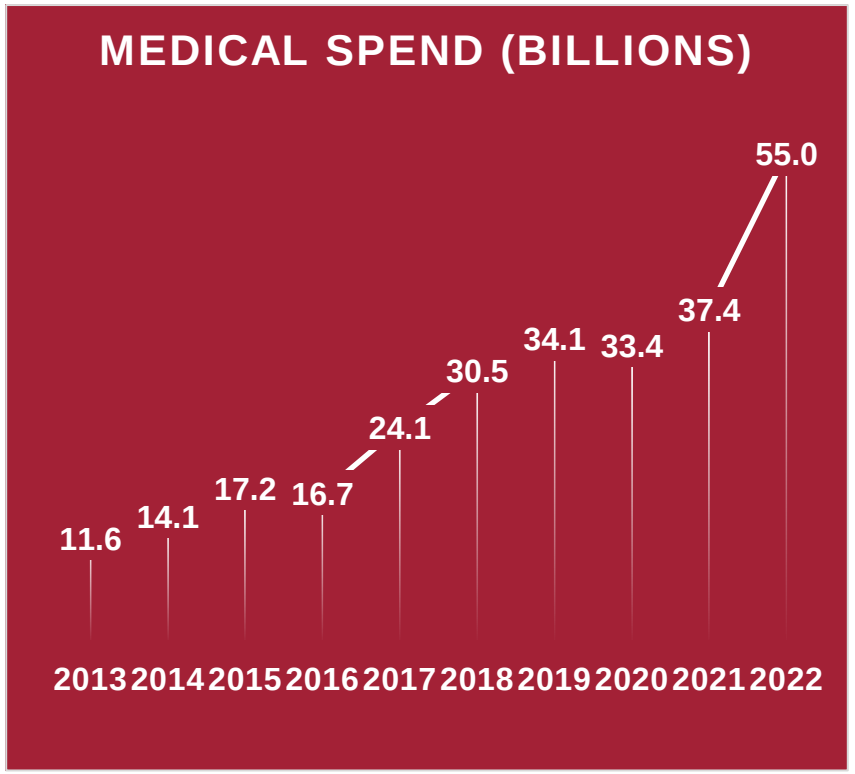
Electronic Adoption has Increased Over Time

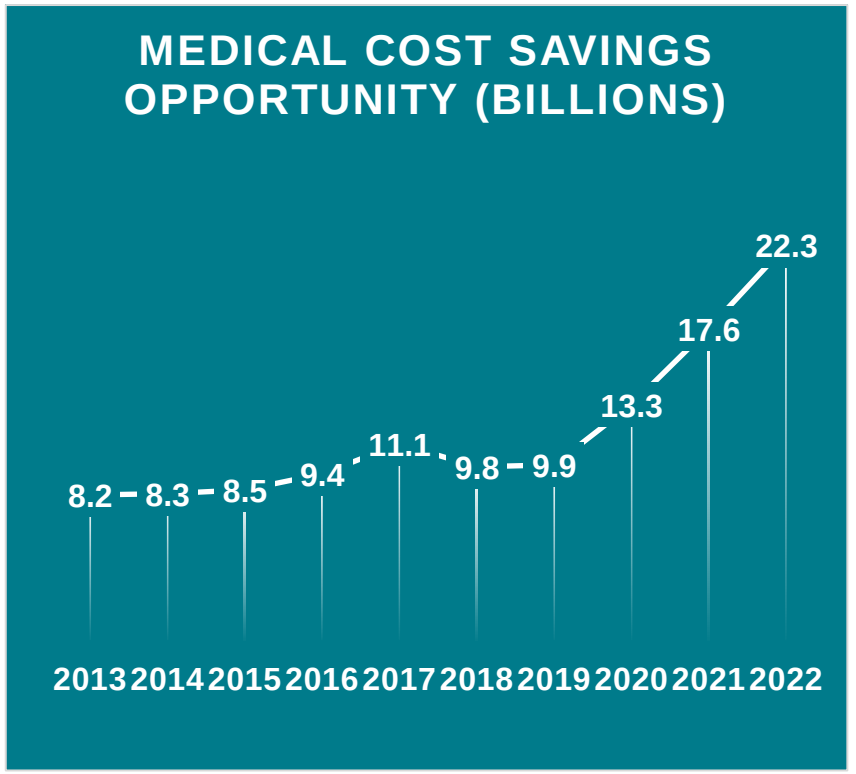
Prior Authorization and Attachments Lag Behind



Increases in Transaction Volume Correlate with Increase in Spend and Cost Savings Opportunities







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Federal Regulations Activity

- Interoperability & Electronic Prior Authorization Proposed Rule
- Health Care Attachments Proposed Rule

Interoperability & Electronic Prior Authorization Proposed Rule

Overview

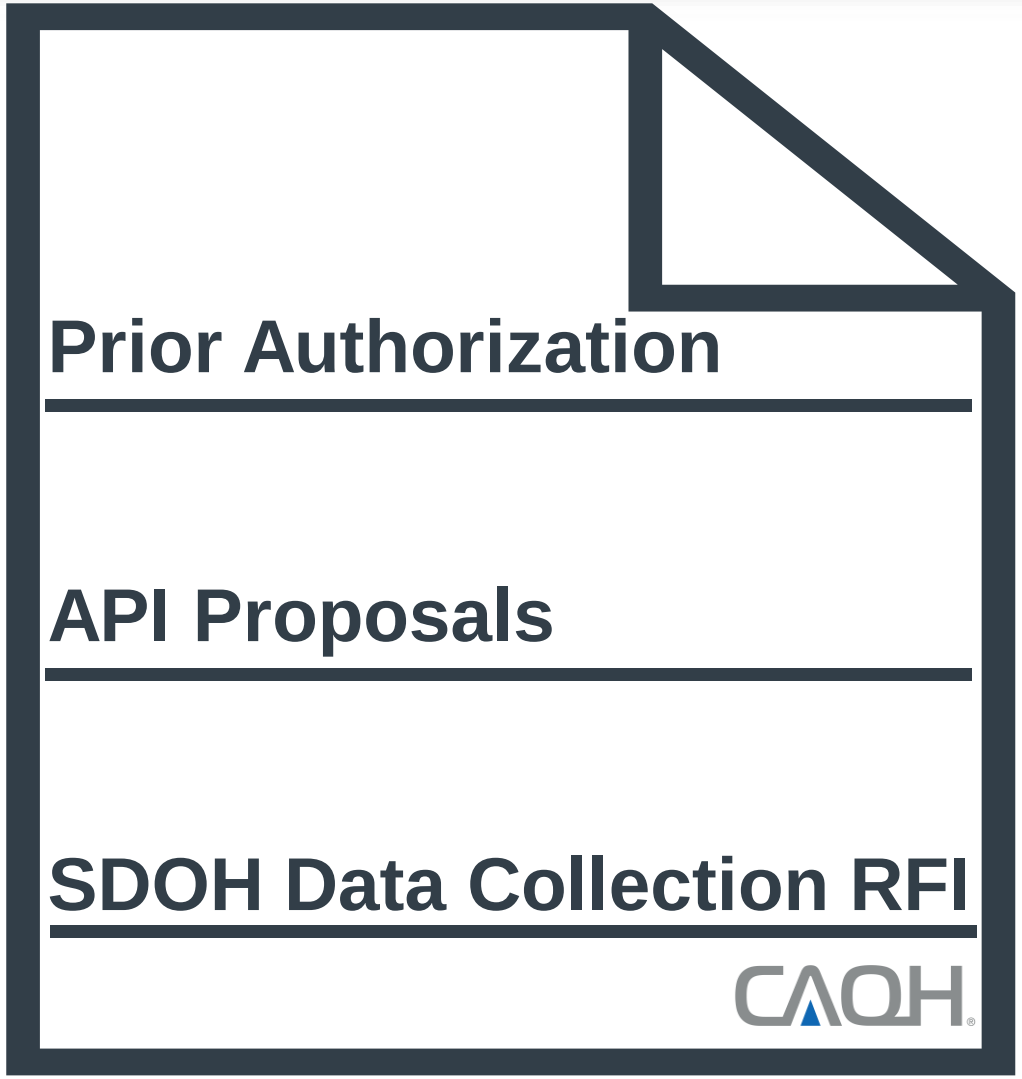
The Advancing Interoperability and Improving Prior Authorization Proposed Rule includes:

Key Provisions on APIs	Proposals to Improve Prior Authorization Process	Requests for Information
▪ Proposed rule builds upon the Interoperability and Patient Access Final Rule to require the Patient Access API, Provider Access API, and Payer-to-Payer Data Exchange on FHIR include prior authorization information. ▪ Recommends Implementation Guides (IGs) for APIs but does not require their use.	▪ Proposal to require impacted payers build and maintain a Prior Authorization Requirements, Documentation, and Decision (PARDD) API. ▪ Proposal to require payers to: ○ Include a denial reason. ○ Adhere to timeframe (payers must send PA decision within 72 hours to expedited requests and 7 calendar days for standard requests). ○ Publicly report certain metrics. ▪ Proposal for new electronic prior authorization measures for MIPS eligible clinicians and hospitals and critical access hospitals.	1. Accelerating the Adoption of Standards Related to Social Risk Factor Data 2. Electronic Exchange of Behavioral Health Information 3. Improving the Electronic Exchange of Information in Medicare Fee-for-Service 4. Advancing the Trusted Exchange Framework and Common Agreement (TEFCA) 5. Advancing Interoperability and Improving Prior Authorization Processes for Maternal Health

Comments were due March 13th

Interoperability & Electronic Prior Authorization (ePA) Proposed Rule

CAQH Comment Summary



- Importance of applying proposed rule across all payer types to prevent fragmented implementation.
- Potential impact of required vs. supported functionality/data content in PARDD API to drive uniformity.
- Accommodate proposals that account for back-and-forth communication required in ePA workflows.

- CAQH CORE supports efficient exchange of health information and APIs present a promising way to do so.
- Ensure the use-cases and incentivization of APIs is appropriately aligned with infrastructure investment.
- Where reasonable and allowed under regulation, patient data sharing permissions should be “opt out” – otherwise uptake will be limited.

- CAQH CORE highlights the positive role of standards – that have been subject to real-world testing - for the collection of SDOH data. This will encourage the documentation and exchange of patient and provider level social risk data used to combat health inequity.

Health Care Attachments Proposed Rule

Overview

The Health Care Attachments proposed rule covers three key areas:

Standards for Health Care Attachments	Standards for Electronic Signatures	Transaction Standard for Referral Certification and Authorization
▪ Adopts standards for "health care attachments" transactions for both health care claims and prior authorization transactions including the X12 v6020 275 and HL7 C-CDA.	▪ Adopts standards for electronic signatures to be used in conjunction with health care attachments transactions.	▪ Modifies the transaction standard for the referral certification and authorization from the X12 v5010 to X12 v6020 278.

Comments are Due April 21st

Health Care Claims Attachments Proposed Rule Opportunity

Alignment with CAQH CORE Health Care Claims Attachments Operating Rules

The timing of the proposed attachments rule coincides with NCVHS review of the new CAQH CORE Attachments Operating Rules for federal mandate.

If NCVHS recommends the rules for federal adoption, CMS could include them in the final rule.

Inclusion of Attachments Operating Rules in the final rule for the attachments standard **accelerates adoption, aligns implementation timelines, strengthens interoperability** and is a **rare opportunity to propel automation** in alignment with previous NCVHS recommendations.

When used with the standards currently named in the proposed rule, the Attachments Operating Rules **establish consistent data content, infrastructure, and connectivity expectations** for the payload delivery using the X12N 275 transaction, ensuring implementers are leveraging the standard using consistent, uniform methods, ultimately contributing to the safe and secure transmission of clinical data contained in the transaction.

The CAQH CORE Attachments Operating Rules are standard agnostic and include requirements that can be applied consistently across X12 and non-X12 transactions. The **operating rules are applicable to the currently proposed attachments standards and any future rulemaking** that supports the exchange of attachments using other standards.

CAQH CORE Attachments Resource Website

- CAQH CORE encourages CORE Participants to **support the opportunity** to align attachments standards and operating rules in the proposed rule through comment letters.
- In early February, CAQH CORE launched a **dedicated website** to help organizations understand the opportunity and guide comment letter development.

Links to:

- NPRM: Proposed Attachments Rule
- All proposed CAQH CORE Attachments Operating Rules

Model Comments:

- Key points that communicate the impact and benefit of concurrent adoption of operating rules with attachment standards

Blog Post:

- Industry Opportunity - Adopting Operating Rules with Attachments Standards

Cheat Sheet:

- For all proposed CAQH CORE Attachments Operating Rules

New CAQH CORE Attachments Operating Rules

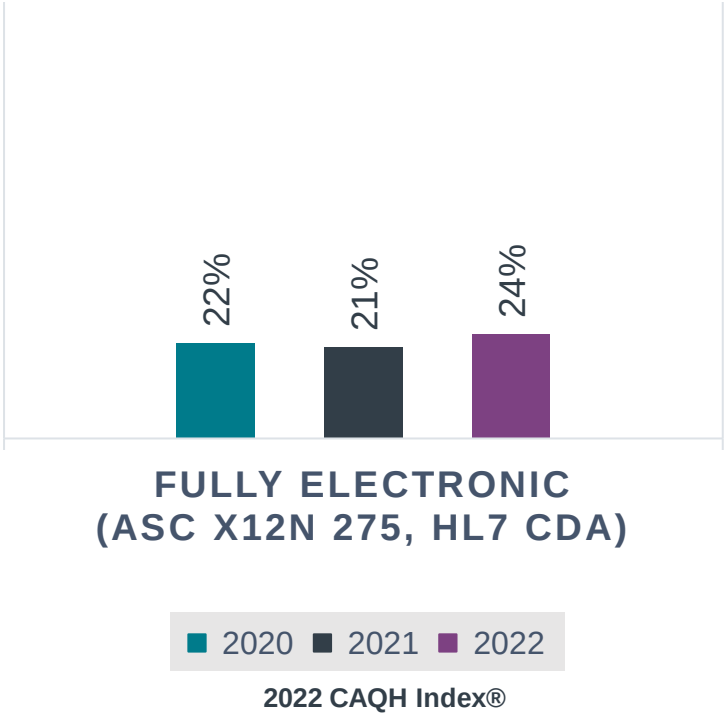
Attachments Background

Lack of Mandated Electronic Transaction Standard Limits Adoption

Overview

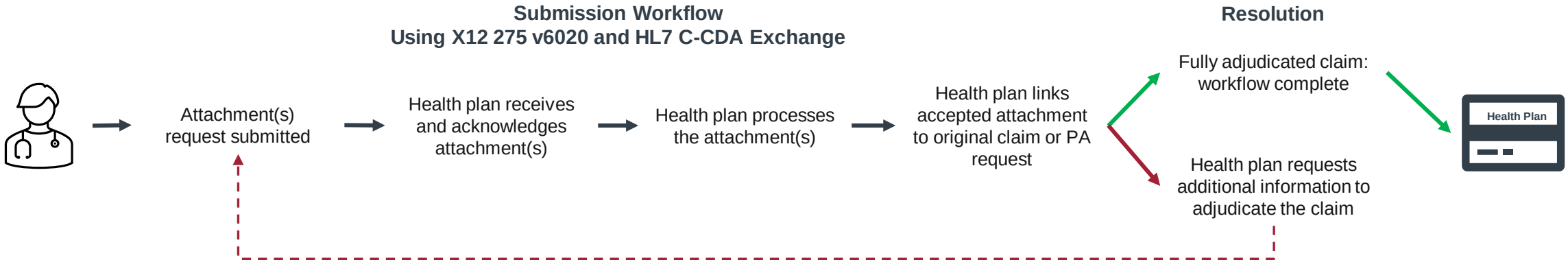
Definition:	**Attachments** refer to the exchange of patient-specific **medical information or supplemental documentation** to support an administrative healthcare transaction and are a **bridge between clinical and administrative data.**
Operating Rule Requirements:	**The CAQH CORE Prior Authorization and Health Care Claims Attachments Operating Rules** establishes standard-agnostic workflows for the electronic exchange of attachments for health care claims and prior authorization workflows.
Operating Rule Status:	New proposed rules currently under review by NCVHS.

Adoption of Medical Electronic Attachments



CAQH CORE Attachments Operating Rules

Supporting the Request, Flow, and Acknowledgement of Attachments for Prior Authorization and Claims



Barriers Encountered	▪ Unanticipated or off-hour system downtime. ▪ Unclear submission requirements for acceptance.	▪ Varying time to health plan acknowledgment of a submission. ▪ File sizes of attachments exceed what proprietary portals can accept. ▪ Multiple attachments become de-associated during submission workflows.	▪ Submission errors are not highlighted in a timely of uniform manner.	▪ Attachments arrive both solicited and unsolicited on varying, non-alerted schedules. ▪ Attachments are sent using a variety of structured and unstructured formats – making reassociation with a claim or prior authorization request difficult.	▪ Health plan or agent determines that more information is required prior to a request being approved.
Operating Rule Impact	✓ Infrastructure rule requires at least 90% system availability, enhancing predictability and off-hour workflows. ✓ Health plans must make requirements for submission readily available in an electronic format.	✓ Infrastructure rule outlines real-time and batch acknowledgment timelines. ✓ Health plans must accept a file size of at least 64mb. ✓ Multiple attachments can be submitted using multiple LX loops within the X12 275 transaction.	✓ Operating rules included standardized error codes that can be returned automatically, minimizing confusion and the need for manual follow-up. ✓ Supports X12 and Hl7 standards, along with other formats (e.g., .pdf, .tiff, .gif).	✓ Operating rules require providers and health plans to notify the other when an attachment has been sent electronically, aligning expectations around receipt. ✓ Operating rules create a standard-agnostic framework using SOAP and REST headers to submit unstructured information uniformly and with appropriate identifiers to aid in reassociation.	✓ Operating rules specify use of LOINC from both health plans and providers to indicate specific information about what is required to complete the prior authorization or claim request.

CAQH CORE Attachments Operating Rules

Benefits of Adoption

- Provide a standards-agnostic solution for complicated and wasteful attachments reassociation efforts in support of prior authorization and healthcare claims adjudication.
- Support the **convergence of clinical and administrative data** by aligning electronic data exchange for claims and prior authorization to support coverage decisions.
- Establishes **key infrastructure requirements** that align with existing CORE Infrastructure Rules and provide the necessary information to uniformly send electronic attachments.
- **Simplify reassociation of a claim or prior authorization** to an attachment reducing the need for manual intervention.
- Enable consistent, electronic exchange of needed supporting documentation leading to **quicker coverage decisions to support patient care.**

Attachment Standards Benefit from Concurrent Adoption of Operating Rules

Opportunity

Alignment of standards and operating rules enables more streamlined implementations:

- Allows organizations to **accommodate a single, efficient update** of systems and processes
- Promotes **uniformity of implementation** across multiple proposed standards supporting EDI and API
- Ensures **common expectations** for attachment connectivity, file size, reassociation, etc. across industry

Impact

Considerable cost savings will be realized across the medical industry through automation of attachments enabled by federally mandated standards and operating rules:

- Manual submission of attachments costs the **medical industry $5.46 per transaction**; automation could save upwards of **75% per transaction**
- CAQH CORE Attachments Operating Rules are in early stages of implementation but are expected to **drive automation** in conjunction with standards
- Pilot studies of operating rule impact are underway with multiple organizations; these will enrich existing impact estimates

Industry Feedback

Attachments operating rules are required under HIPAA and could be included in the Final Rule for the attachments standard:

- NCVHS is currently reviewing the CAQH CORE Attachments Operating Rules for federal mandate consideration.
- CAQH CORE encourages industry to **support the opportunity** to align attachments standards and operating rules in the proposed rule in comment letters to CMS and NCVHS. A dedicated CAQH CORE website with additional instructions, resources and tools can be found here.

Call to Action

CAQH CORE Initiatives Drive Adoption and Cost Savings

Since 2013, it is estimated that the healthcare industry has **saved a cumulative $55 billion** due to incremental improvements in overall automation.

Of this $55 billion, roughly **one-third** of cumulative savings ($18 billion) is attributable to the adoption of CAQH CORE Operating Rules.

For example, in the year following CORE Certification, an organization reported **a 19.5 percentage point one-time increase** in electronic adoption for eligibility and benefit verification. Another organization reported **37.4 percentage point one-time increase in electronic adoption**.

2023 CAQH CORE Operating Rule Development

Topic:	Focus:	Cadence:
Health Care Claims Subgroup (April 13, 2023 launch)	▪ Establish data content requirements for transactions supporting claim submission, acknowledgment and error reporting that mutually help avoid rejections and costly downstream appeals. ▪ Further consider the application of these requirements to use cases including Telehealth Billing and Coordination of Benefits.	▪ Monthly, meeting 4 to 5 times
Value-based Payments Subgroup (April 27, 2023 launch)	▪ Consider the advancement of social determinants of health in value-based payment programs through the creation of data content rules for the claims submission transaction and benefit enrollment transaction. ▪ Efforts may intersect or be informed by that of the Health Care Claims Subgroup and collaborative opportunities will be actively explored.	▪ Monthly, meeting 4 to 5 times
CORE Code Combinations Task Group (Ongoing)	▪ Ensure compliance with the base standard code lists – CARCs and RARCs. ▪ Conduct annual industry survey to collect suggestions for potential market-driven adjustments to code combinations.	▪ Once every 2-3 months, for a total of 6 times a year
EFT/ERA Enrollment Data Rules Update	▪ Consider updates to the CAQH CORE EFT & ERA Enrollment Data Operating Rules to align with current business and security needs.	▪ TBD
Medication Eligibility Subgroup	▪ In partnership with NCPDP, develop new eligibility data content rules to support the exchange of detailed coverage and benefit information for medication covered under the medical benefit.	▪ TBD

E-mail CORE@CAQH.ORG to Get Involved!

Call to Action

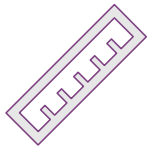
Become a CAQH CORE Participant:

Collaborate with decision makers that comprise 75% of the industry to drive creation of operating rules and accelerate interoperability.

Use CORE-Certified Vendors:

Demonstrate conformance and commitment to streamlining administrative data exchange.

Participate in Ongoing Pilot/ROI Assessments:



Work with CAQH CORE to measure the impact of operating rules and corresponding standards on organizations' efficiency metrics.

Be an Advocate:

Stay up to date on new policy initiatives and send in comment letters to provide support and feedback on proposed standards and operating rules.

Contact the CAQH CORE team at: CORE@CAQH.ORG

Questions