Cooperative Exchange
The National Clearinghouse Association

Adopted Transaction Standards, Operating Rules, and Code Sets & Identifiers

ERA/EFT (PANEL 7)

Cooperative Exchange Testimony

Department of Health and Human Services

National Committee on Vital and Health Statistics

Subcommittee on Standards

Presented by Sherry Wilson, President

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Cooperative Exchange

National Association of Clearinghouses

- Twenty six member companies representing over 80% of the clearinghouse industry
- Exchange **BOTH** administrative and clinical transactions (format agonistic)
- Submitting provider organizations - over 750,000
- Payer connections – over 7,000
- IT vendor connections- over 1,000
- Claims transactions - over 4 plus billion annually
- Value of transactions –over $1.1 Trillion

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2015 WEDI/CE Clearinghouse Transaction Survey

Percentage of Clearinghouse Support	Support Transaction
Professional Claims	100%
Institutional Claims	100%
Dental Claims	82%
Eligibility Benefit Inquiry and Response	88%
Claims Status Request and Response	94%
Health Care Services Request for Review and Response (Prior Auth/Referral)	40%
Claim Payment Advice (ERA)	**100%**
Premium Payment	21%
Benefit Enrollment	21%
Claims Request for Additional Information	40%
Additional Information to Support a Health Care Claim	56%

NCVHS Testimony based on
2015 WEDI / CE Clearinghouse Transaction Survey results
representing 2/3rd of the membership

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Value

- Clearinghouses are seeing a considerable number of ERAs and EFTs being exchanged, which has been increasing in recent years due to standardization and the requirement to support EFTs.
- Return on investment to perform the ERA and the EFT together is motivating increased provider adoption.
- However, findings indicate the value of the ERA transaction is still not fully realized due to gaps in business processes, data content/integrity and compliance issues.

Volume

2015 WEDI/CE Clearinghouse Transaction Survey			
Remittance Advice Format Volume	% To Providers	% of Direct Payers	% of Transactions Volume
ASC X12 Format	75%	86%	71%
Web Portal	14%	4%	17%
Text file (User-readable TXT)	8%	0%	11%

Barriers

- Some PMS do not support auto reconciliation resulting in a manual workflow process which impedes adoption
- The “reconciliation” process between ERAs and EFTs is still an issue for many providers this in many cases is due to non-compliant activity such as :
  - Multiple ERAs for a single EFT, or failure to supply the required re-association data in the files
  - Payers’ systems may create the payment and/or ERA files grouped differently than needed by the provider (e.g. TIN vs NPI),

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    - Balancing of the ERA transactions

Opportunities/Recommendations

- Encourage PMS systems to become HIPAA covered entities and subject to the HIPAA TCS rule. Require capability to send/receive eligibility transactions and automate the use of this information within its workflow.
- Further research be completed to confirm that the next HIPAA version will remove the industry identified barriers and ensure ROI before adopting.
    - Study a staggered approach to adopting each standard transaction individually based on the return on investment and business value brought to the industry.
    - This must be done based on the interoperability of the transactions insuring that related changes are not negatively impacted by such an approach. .

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CARC RARC Opportunities/Recommendations

- To achieve the ROI of the ERA, the reasons and remarks for adjustment/denials must be assigned to the most specific actionable code and programmable to remove the costs associated with manual provider review
    - Providers are still reporting issues with code combinations not being actionable.
    - ASC X12 Technical Report Type 2 (TR2): Code Value Usage in Health Care Claim Payments and Subsequent Claims in coordination with the operating rules be named as a source for all possible industry scenarios
- We encourage CAQH CORE and ASC X12 to collaborate and develop joint Comprehensive instructions explaining how to use both CARC/RARC resources in combination to obtain :
    - The most comprehensive set of codes, scenarios and actionable mapping
    - Additional data that can assist payers and vendors with determining the most appropriate codes
    - Actionable CARC/RARCs applied at the highest specificity that can automate payment reconciliation for all lines of business (both covered and non-covered entities)

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Thank You

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