

*simplifying healthcare administration*

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# CAQH CORE<sup>®</sup>

## **Session 1: Operating Rules**

Testimony Provided to the  
Subcommittee on Standards  
National Committee on Vital and Health Statistics

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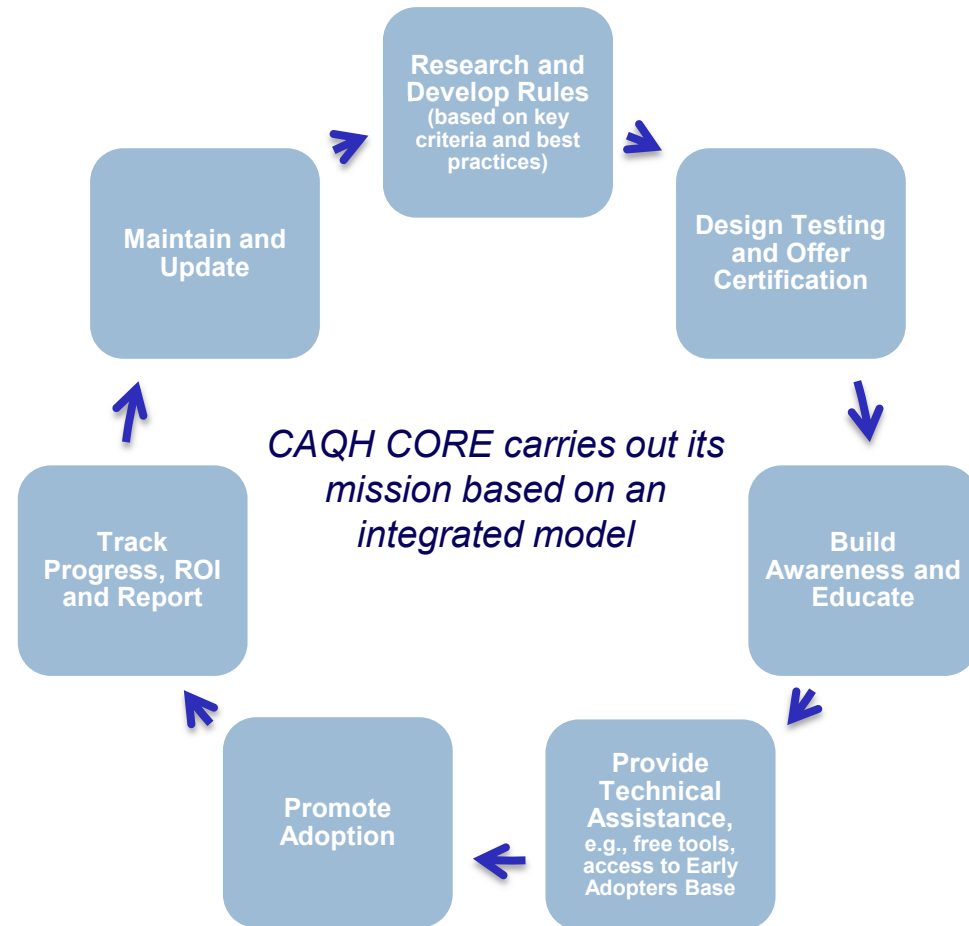
# Table of Contents

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- About CAQH CORE
- Plans for Operating Rules on Remaining ACA-mandated Transactions
  - CAQH CORE Operating Rules: Infrastructure and Content
  - Example Work Plan for Operating Rules on Remaining Transactions
- Example of Specific Opportunities and Priorities:
  - Claims and Prior Authorization/Referral Certification
  - Enrollment/Disenrollment in Health Plan
  - Premium Payment
  - Attachments

# About CAQH CORE

- Established in 2005
- **Updated 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
- **Updated Vision**: An industry-wide facilitator of a trusted, simple and sustainable healthcare data exchange that evolves and aligns with market needs
- **Participants**: 140+ multi-stakeholder entities with multi-stakeholder Board
- **CORE Certifications**: Nearly 150 certifications with a mix of health plans, clearinghouses, providers, and vendors



# Third Set of ACA Mandated Operating Rules for Transactions

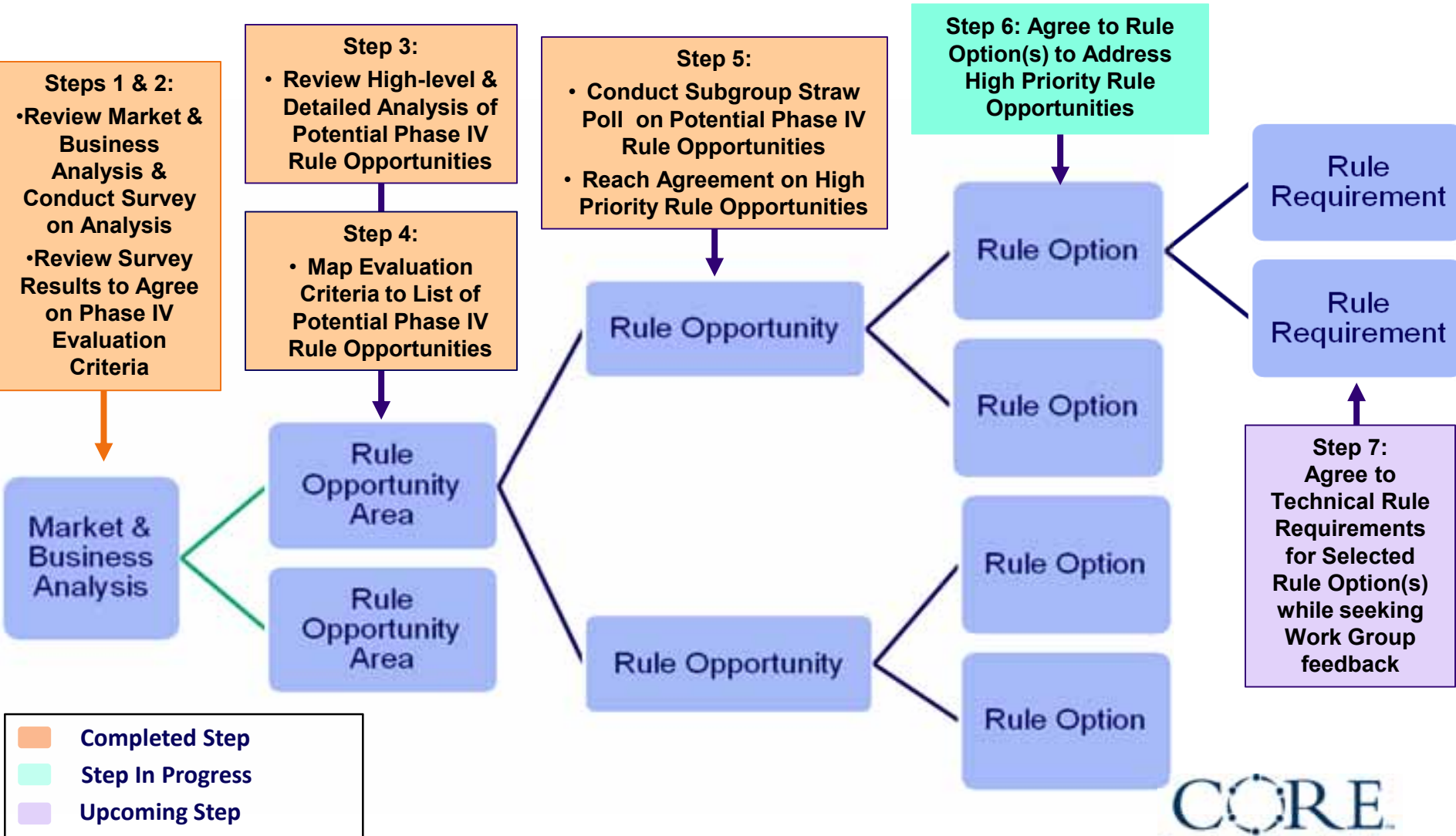
- Remaining transactions
  - Claims (institutional, professional; including coordination of benefits)
  - Prior authorization/referral certification
  - Enrollment/disenrollment in a health plan
  - Premium payment
  - Attachments (*standard to be adopted*)
- CAQH CORE approach
  - Operating Rules development includes:
    - Identification of options that address business needs
    - Industry research and polling of participants to prioritize options
    - Drafting and continued polling
  - Draft operating rules to be delivered to NCVHS in December 2014
- CORE Operating Rules
  - Achieve ROI
  - Allow for evolution and agility
  - Utilize industry-neutral standards as applicable and support HIPAA mandated standards
  - Account for key scenarios
  - Support incremental maintenance
  - Reflect innovation in flow of transactions and content

# CORE Operating Rules: Infrastructure and Content

- **Infrastructure**
  - Infrastructure applies to all operating rules
  - Infrastructure for third set of Operating Rules ranked highest opportunity by many entities; rule-writing for infrastructure is underway
- **Content**
  - For agility and improvement, content must address ongoing maintenance, which can be resource intensive.
- **Lessons learned focuses resources**
  - Need to formally recognize Acknowledgements, e.g. CORE operating rule exists for Claim Acknowledgement and requirement was rated as high priority by CORE participants
  - Must consider experience in other market areas, e.g. Health Insurance Exchanges, Meaningful Use of EHR inclusion of HL7 C-CDA
  - In administrative arena, staff needs education and training on new technologies and standards
  - Prior Authorization very connected to Attachments
  - Agility and maintenance are critical

<b>Connectivity Methods</b>		<i><b>Content</b></i> <b>Support the further and uniform use of structured content , e.g. X12, Code Sets, HL7</b>
<i><b>Infrastructure</b></i>		
<b>Response Time</b> (batch and real-time)		
<b>System Availability</b>		
<b>Dual delivery and access</b>		
<b>Companion Guide Format</b>		

# Work Plan for 3<sup>rd</sup> Set of ACA Mandated Operating Rules: Example - Infrastructure & Connectivity Operating Rules



■ Completed Step  
■ Step In Progress  
■ Upcoming Step

# Priorities: Infrastructure Operating Rules

- Based on detailed environmental scan, Subgroup has identified high-priority opportunity areas, opportunities within the area and specific options for each opportunity, e.g.
  - **Opportunity: *Improve connectivity***
    - Selected Option: Converge on an envelope standard (SOAP+WSDL) to increase interoperability, plug-and-play capabilities, and align with clinical arena
      - Reminder: Connectivity is a Safe Harbor so other connectivity methods can be used
  - **Opportunity: *Improve message interaction/establish processing mode expectations***
    - Selected Option: Batch required; real-time optional for three of the four transactions regardless of connectivity method used
      - To establish expectations, will have requirements for both, if both offered
      - Still debating prior authorization
- Subgroup holding on a few key areas given Attachment standard(s) is yet to be determined, e.g. Consideration of DIRECT for attachments

# Claims and Prior Authorization

- Electronic adoption rates based on 2013 – 3.2 Billion Claims
  - Claims submission: 91%; small provider offices having most challenges
  - Prior Authorization: 15%
- Infrastructure beyond Connectivity and processing mode
  - System availability, downtime reporting and Companion Guide flow/format
- Content
  - Content focused on improving error reporting
  - Trace number to connect with Claim Attachment
- Claims
  - Acknowledgements are critical to making improvement
    - CAQH CORE Board approached ASC X12 leadership, in its role as a CORE Board advisor, to jointly discuss with CMS the inclusion of Acknowledgements in the Operating Rules
  - Coordination of Benefits
    - Several opportunities identified – key among them being health plan electronic acceptance of all COB-related claims; taking lessons learned from COBSmart



# Enrollment/Disenrollment in Health Plan; Premium Payment

- In order to direct an informed Operating Rule development process, CAQH CORE sponsored an Insurance Exchange (HIX) study after first year enrollment period extension ended to obtain real world experience on federal, private, and state HIX use of ASC X12 834 Enrollment/Disenrollment in Health Plan and ASC X12 820 Premium Payment
- Study findings address:
  - Implementation
    - Use of transaction formats (e.g., support of XML among vendors)
    - Use of requirements in both CMS-developed Companion Guide and ASC X12 v5010
    - Variance between employer versus Insurance Exchange usage
  - Infrastructure
    - Batch processing
    - Expected performance
    - Roles and responsibilities
    - Validations/acknowledgements
    - Error-processing
  - Content
    - Unique enrollment data identifiers and matching logic
    - Non-standard fields

# Standards and Operating Rule Attachments: CAQH CORE Research 2013 - 2014

## *Is there an innovative approach to how regulatory requirements can help drive the adoption of electronic attachments?*

- Purpose: Market Assessment
  - Identify business needs, data content and format requirements, technical infrastructure, and priorities for claims attachments/other additional information
  - Determine value of CAQH CORE moving forward
    - Helping to educate on HL7 standard and drafting Operating Rules focused on industry neutral standards, such as PDF, or waiting until standard(s) are issued to begin work
- Methodology
  - 2013: Gathered information from participation in national forums, public survey, secondary data analysis, and interviews with over 35 leading stakeholders
  - 2014: Follow up listening sessions in April and May with over 300 participants to continue dialogue, trends, obtain current real-life experience data
- Primary Focus
  - Recognize attachments broadly as any additional information supplied upon a request, but focus on administrative vs. clinical attachments
    - Claims attachments, prior authorization/referral certification and other administrative activities (COB, enrollment, post payment audits)

# Attachments: Examples of Market Assessment Polling Responses

How are most (Paper/Electronic) Claims Attachments Transmitted	% of Total Responses
US mail (paper)	70%
Fax (paper)	
E-fax (electronic document)	
E-mail (electronic document) message content	20%
E-mail with attached (electronic) document	
DDE with attached (electronic) document	
Structured document: XML, HL-7 C-CDA, or similar format	0%
DDE of structured data into a portal	< 1%
X12 message with structured data	7%
HL7 message with structured data	
Other	3%

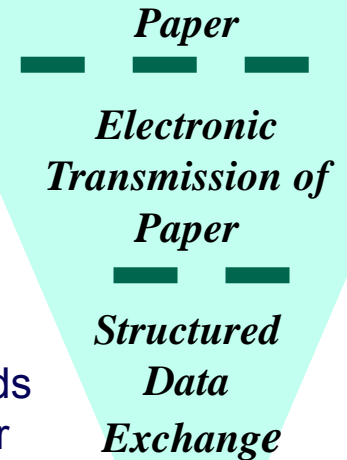
Formats Used for Electronic Documents	% of Total Responses
PDF	27%
JPG (for scanned images)	20%
TIF (for scanned images)	16%
Word	12%
XML	8%
C-CDA	6%
PNG (for scanned images)	5%
XML-like	1%
C-CDA (modified version)	0%
Other	5%

Health plans directly access claims attachment information from portal provided by provider or third party supplier of information	% of Total Responses
Provider's EHR	20%
Health information exchange (HIE)	33%
Vendor which hosts HL7 virtual medical records	7%
Vendor which hosts data (e.g., x-rays, lab results)	27%
State-run all-payer databases	13%

# Attachments:

## *Operating Rule Development*

- Opportunities for initial Operating Rules:
  - **Investigate incremental, flexible roadmap** approach, as noted by NCVHS in 2013, to move first from paper to electronic documents, e.g.
    - Limited set of industry-neutral electronic document formats to quickly (2 yrs.) accelerate improvement, e.g. JPEG
    - Trace number or other tracing mechanism to link attachment to request
  - Ask for HHS **legal opinion** on recognizing industry neutral standards in operating rules to move from paper to electronic documents; letter submitted to NCHVS regarding this
  - **Educate industry** on anticipated healthcare standard(s) for attachments; focus on HL7
- Opportunities for Operating Rules after healthcare attachment standard adopted:
  - Use of LOINC attachment type codes to identify specific document/information needed
  - Workflow/business rules for unsolicited attachments
  - Business rules for using DDE or other source
  - Scenario-based adoption of structured documents
  - Potential ways to reduce the number of attachments



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Questions?