NCVHS
National Committee on Vital and Health Statistics

June 30, 2023

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Re: NCVHS Recommendations on Updated and New CAQH CORE Operating Rules to Support
        Adopted HIPAA Standards

Dear Mr. Secretary:

This letter conveys recommendations from the National Committee on Vital and Health Statistics (NCVHS) regarding adoption of updated and new CAQH CORE operating rules to support adopted X12 transaction standards.[1] Operating rules are adopted under the Affordable Care Act and the transaction standards are adopted under the Health Insurance Portability and Accountability Act (HIPAA).[2,3]

NCVHS is your advisory committee on health data, statistics, privacy, and national health information policy, including the adoption and implementation of transaction standards, operating rules, unique identifiers, and code sets adopted under HIPAA. In carrying out its role, NCVHS convenes stakeholders to obtain input about the readiness of updated or new standards, code sets, identifiers, or operating rules to inform development of recommendations to Health and Human Services (HHS) for adoption.

To inform development of our recommendations in response to the May 2022 letter from CAQH CORE (Appendix B), NCVHS invited comments through a Request for Comment (RFC) issued in November 2022.[4] The Committee also held a hearing on January 19, 2023, to obtain stakeholder testimony on the updated and new operating rules to be considered for adoption by HHS.[5]

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[1] The Council for Affordable Quality Healthcare-Committee on Operating Rules for Information Exchange (CAQH-CORE) is the designated Operating Rule Authoring Entity for the HIPAA-mandated electronic transactions.
[2] ACA: The Patient Protection and Affordable Care Act, P.L. 111-148.
[3] HIPAA: The Health Insurance Portability and Accountability Act of 1996 – provisions of administrative simplification HIPAA, P.L. 104-191.
[4] NCVHS Request for Comment on Proposals for Updates to X12 Transactions and New and Updated CORE Operating Rules, November 1, 2022: https://ncvhs.hhs.gov/wp-content/uploads/2022/10/NCVHS-RFC-suggested-question-set-Oct-26-2022.pdf
[5] NCVHS January 19, 2023 Hearing on Requests for New and Updated Transaction Standards and Operating Rules. Transcripts, a meeting summary and related materials available at: https://ncvhs.hhs.gov/meetings/standards-subcommittee-hearing/

Proposed Updated and New CAQH CORE Operating Rules

- Updates to the Eligibility & Benefits (270/271) Data Content Rule
- Updates to the Eligibility & Benefits (270/271) Infrastructure Rule (updates + reference to updated Connectivity rule)
- Updates to the Claim Status (276/277) Infrastructure Rule (updates + reference to updated Connectivity rule)
- Updates to the Payment & Remittance Advice (835) Infrastructure Rule (reference to updated Connectivity rule)
- Connectivity Rule vC4.0.0 (includes updates to the Connectivity Rule included in existing operating rules); replaces existing connectivity requirements in infrastructure components of adopted operating rules and adds new requirements to all operating rules (including those available for voluntary use)
- New data content for the Single Patient Attribution in the Eligibility & Benefits (270/271) operating rule
- New operating rules for attachments for Prior Authorization - Infrastructure and Data Content (2 rules)
- New operating rules for attachments for Health Care Claims – Infrastructure and Data Content (2 rules)

Based on its assessment of industry input from both the RFC and the January 2023 public meeting, the Committee makes the following five recommendations for your consideration.

NCVHS recommends that HHS:

Recommendation 1:
   a) Conduct rulemaking to adopt updated infrastructure operating rules for Eligibility & Benefits, Claims Status and Electronic Payment and Remittance Advice transactions;
   b) Conduct rulemaking to adopt updated data content operating rules for the Eligibility & Benefits transaction.

Recommendation 2: Conduct rulemaking to adopt the new patient attribution content in the Eligibility & Benefits operating rule.

Recommendation 3: Conduct rulemaking to incorporate the updates to the CAQH CORE Connectivity rule as it applies to the adopted X12 HIPAA standards in the adopted operating rules. We specifically note the need for consistency with the National Institute of Standards and Technology (NIST) cybersecurity guidance.

Recommendation 4: Not adopt the CAQH CORE new proposed operating rules for attachment standards for claims and prior authorization. The need for these operating rules should be considered only after publication of a Final Rule adopting a healthcare attachments transaction standard under HIPAA.

Recommendation 5: Exclude the CORE Certification requirement language included in proposed operating rules. CORE Certification is not a requirement of HIPAA. This exclusion of certification requirement language is consistent with past regulatory practice.

Based on oral testimony, written RFC submissions, and its own expertise, the Committee finds that these recommended new and updated operating rules align with Federal priorities, such as burden reduction, the No Surprises Act, and prior authorization transparency. The recommended operating rules respond to industry needs expressed to NCVHS, align with current and emerging business practices, and take the first steps to standardize solutions to operational challenges within value-based payment models.

In general, the Committee supports adoption of operating rules for an X12 HIPAA standard transaction when they are needed to operationalize a necessary business function not defined in the standard's implementation guide. However, operating rules should only be developed and/or adopted for standards that need them. Standards such as those created by HL7 and NCPDP have their own operating rules embedded within their own implementation specifications or implementation guides.

In reaching its recommendations and in accordance with Section 1104 of the Affordable Care Act (ACA) for operating rules, the Committee has duly considered the input provided by a cross-section of industry stakeholders during the hearing as well as written comments received in response to the Committee's RFC.[6]

These operating rules further streamline the exchange of information through the adopted X12 transactions, and are intended to make it more effective and less burdensome for providers to use electronic means to handle administrative transactions.

The rationale for these recommendations including additional background is provided in Appendix A.

Thank you for considering the recommendations in this letter. NCVHS remains available to answer questions and will continue to offer advice and support to the HHS efforts to advance efficiencies in the health care system.

Sincerely,

Jacki Monson, J.D., Chair
National Committee on Vital and Health Statistics

Enclosures

Appendix A: Rationale for NCVHS Recommendations
Appendix B: CAQH CORE May 2022 letter, "Request for NCVHS Review of New and Updated CAQH CORE Operating Rules for Federal Adoption"

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[6] Section 1104 of the Affordable Care Act (ACA), 1173(g)(3)(C) calls for NCVHS to make recommendations to the Secretary and determine whether such operating rules represent a consensus view of the health care stakeholders and are consistent with and do not conflict with other existing standards.

APPENDIX A

Rationale for NCVHS Recommendations on Updated and New CAQH CORE Operating Rules to Support Adopted HIPAA Standards

Appendix A provides additional information from the [Request for Comment submissions](#) and the hearing held January 19, 2023.[4,5] The hearing focused on CAQH CORE's request for review sent to NCVHS in a letter dated May 23, 2022. (See Appendix B.)

The Committee received 72 unique individual letters, with responders representing a cross-section of industry, in response to the RFC with input on both the operating rules and X12 standards. Participants at the January 19, 2023 hearing represented payers, providers, state Medicaid agencies, vendors, standards development organizations, and clearinghouses. The full agenda with all presentations, transcripts, and the meeting summary is available on the [NCVHS website](#). The text below is abstracted from CAQH CORE communications, as well as some of the submitted comment letters.

- According to CAQH CORE, a key enhancement in the proposed updated infrastructure rules is the requirement to upgrade weekly system availability from 86 percent to 90 percent, resulting in an additional 364 hours of system up-time per year. One provider commented that many healthcare practices are 24/7/365, and the additional system availability was still not sufficient for their and their patients' needs, but would be a step in the right direction.
- CAQH CORE's representative noted that the current EDI version 005010 standards are obsolete and do not align with current technologies and transaction processes used by the healthcare industry. The CAQH representative stated that the proposed Eligibility & Benefits Data Content rules add granularity to eligibility and benefits transactions through multiple means. The rules add 71 discretionary and 55 mandatory service type codes (STCs) and require that place of service codes specify when a service is available for telehealth. The proposed rules also require eligibility and benefit information at the procedure code level for physical therapy, occupational therapy, surgery, and imaging services.
- One estimate for the cost of implementing the updated operating rules was $2.4 million over 2 years, but this cost would be offset by a 60 percent decrease in annual maintenance costs and an 80 percent reduction in eligibility-related call center volume for the impacted special terms and conditions STCs. While updating electronic transaction systems would require additional personnel during the implementation period, CAQH CORE estimates that this temporary increase in full-time equivalent (FTE) costs will be offset by the long-term reduction in FTE costs currently spent on manually verifying eligibility information and related call center support. These rules are expected to produce significant long-term cost savings.
- One payer highlighted the alignment that the Eligibility & Benefits Data Content rule has with regulatory priorities such as the No Surprises Act. They noted this operating rule can automate the return of very granular coverage detail. They noted, "this will allow providers to determine if a service is not required and, as required under the No Surprises Act, issue a good faith estimate for self-paid care. This addresses the currently unmet business need for implementation of the No Surprises Act and poses a significant but manageable implementation burden. In the context of the efficiencies that are gained by accessing timely coverage information, predicted costs for a regional health plan are just north of $2 million over a two-year period, which is a capital

investment that would require likely high-level approval in the plan. However, when these costs are considered against the costs related to phone calls, claim appeals, etc., the value proposition makes such an investment more salient. Current workflows for eligibility verification for benefits are complex and would require significant staff time to manage, posing additional burdens on a reduced workforce. Through this upfront capital investment, we can close automation gaps and limit the resources necessary to manage eligibility verifications. This investment is then offset by about a 60 percent decrease in annual maintenance costs and an 80 percent reduction in eligibility-related call center volume associated with the new service type codes. The plans anticipate a reduction commensurate of ongoing FTEs with the automation with implementation of the eligibility updates. The value of these updates is inherent both from a time and cost perspective as well as through their ability to streamline communication at the point of care, contributing to a more positive experience for providers, health plans, and patients alike."

- This same testifier also mentioned the value of "automating the return of prior authorization requirements via the eligibility transaction. Commercial health plan benefit design has become more complex and among other changes, requirements for prior authorization are becoming more common at the very specific patient, provider, and procedure code levels. I think we have all experienced that in addition to where services are performed. This eligibility update has significant implications for healthcare operations, empowering providers and patients to receive greater detail about their benefits and prior authorization requirements before or at the point of care. It is also complementary to the recently proposed look-up tools included in the electronic prior authorization regulation, which may not be patient and/or provider specific."

- Another testifier shared, "in the dental industry, many services are limited to a set number of visits in a specific timeframe and require frequent eligibility verification. Each electronic eligibility verification saves the dental industry $9.12 per transaction." This dental organization "conducts over 1 million eligibility checks annually resulting in a significant saving opportunity". The "expanded subset of dental STCs and procedure-level requirements provide critical support to dental stakeholders such as periodontal and oral surgery providers. Access to this information provides clarity into granular coverage detail and prior authorization requirements, which reduces surprise bills and informs patient care decisions." In addition, "The dental industry will benefit tremendously from the proposed operating rules updates as they specifically address dental business scenarios for eligibility verification and align with long-term connectivity and security goals, reducing surprise billing and improving overall patient satisfaction. An overarching goal for dental practice is administrative simplification, which enables the dentists we support to focus on care delivery rather than administration. The proposed CAQH CORE operating rules support this goal by automating key revenue cycle transactions, reducing provider burden. Operating rules are a proven, necessary tool for driving automation and interoperability across business processes."

- One commenter wrote to strongly urge NCVHS to recommend adoption of the updated CAQH CORE Eligibility and Benefits Data Content Operating Rule in recognition of its ability to fulfill emerging business scenarios and use cases in the industry, driving automation. This commenter stated that they had implemented many of the data content requirements in the new and updated rules to good effect and encouraged adoption to align the industry around a uniform set of requirements.

- One payer had not completed a full operational analysis and stated that they were not able to comment on the implications for implementation. However, they wrote that the level of granularity to support benefit information at a procedure code level introduces complexity,

system impacts, and costs not encountered under the existing CAQH CORE Eligibility & Benefits (270/271) Infrastructure Operating Rule.

- One standards development organization (SDO) stated that the CAQH CORE Connectivity operating rule vC4.0.0 under consideration for adoption under HIPAA does not align with industry best practices. This commenter was opposed to having any additional operating rules apply to their standards because their standards and implementation guides include the needed operating rule content, and they were expressly opposed to the proposed operating rules for attachments.

Based on its assessment of industry testimony and input from both the RFC and the January 2023 public meeting, the Committee makes the following five recommendations on proposed operating rules for your consideration.

Further Explanation of the Committee's Recommendations

Recommendation 1:
a) Conduct rulemaking to adopt updated infrastructure operating rules for Eligibility & Benefits, Claims Status and Electronic Payment and Remittance Advice transactions;
b) Conduct rulemaking to adopt updated data content operating rules for the Eligibility & Benefits transaction.

In general, commenters indicated that covered entities have been using the currently adopted data content and infrastructure rules for nearly a decade. Increasing system availability for real-time eligibility and claim status transactions is a logical step forward to improve overall availability. Other commenters noted that the enhancements to the data content could increase the quality and quantity of the eligibility transaction's data which could support more informed conversations between physicians and their patients about the costs of care. The additional ability to automate the return of very granular coverage detail will allow providers to determine if a service is not required and, as required under the No Surprises Act, issue a good faith estimate for self-paid care. While there were a few commenters who opposed the updates because of the cost and burden, there were a greater number of stakeholders in support of moving forward with the updates.

Recommendation 2: Conduct rulemaking to adopt the patient attribution content in the Eligibility & Benefits operating rule. There was general support for the adoption of the patient attribution operating rule for those entities who are involved in value-based purchasing agreements, when it is required. Many commenters indicated that this operating rule would address gaps in care and support certain common contractual requirements.

Recommendation 3: Conduct rulemaking to incorporate the updates to the CAQH CORE Connectivity rule as it applies to the adopted X12 HIPAA standards in the adopted operating rules. We specifically note the need for consistency with the National Institute of Standards and Technology (NIST) cybersecurity guidance. Federal and state agencies are required to be NIST framework-compliant and are prohibited from applying retired technologies, such as Secure Hash Algorithm 1 (SHA-1) cryptographic methods. Commenters indicated that the connectivity rule has been updated with current security requirements which are appropriate for data exchange. The Committee requests that CAQH CORE confirm that the operating rule has been updated to conform to the secure hash algorithm cryptographic standard recommended by NIST, which is Secure Hash Algorithm 2 (SHA-2) or higher, and recommends that HHS verify that the proposed operating rule is current when proposed in federal rulemaking.

Recommendation 4: Not adopt the CAQH CORE new proposed operating rules for attachment standards for claims and prior authorization. The need for these operating rules should be considered only after publication of a Final Rule adopting a healthcare attachments transaction standard under HIPAA. HHS should not adopt the new operating rules for attachments for claims and prior authorization. This should be delayed pending a final rule on a standard or standards for attachments. The Committee heard serious concerns about potential conflict with current federal regulatory activity as well as other active standards development work, and believes there is sufficient uncertainty, (e.g., timing, versions, selected standards, standards compatibility) and conflict with other proposed rules.

Recommendation 5: Exclude the CORE Certification requirement language included in the proposed operating rules. CORE Certification is not a requirement of HIPAA. This exclusion of certification requirement language is consistent with past regulatory practice. In the proposed operating rules, certification requirement language appears in every section (3.1, 4.2, 6, and 7). The Committee recommends that HHS exclude certification language in any CAQH CORE operating rules consistent with similar regulatory exclusions in the past (e.g., 76 FR 40467). For example, in the updated version of the proposed Eligibility & Benefits operating rule, Section 1.1, Rule requirements, the narrative is as follows: This connectivity requirement is designed to provide "safe harbor" that application vendors, providers, and health plans (or their agents) can be assured will be supported by any CORE-certified trading partner. All CORE-certified organizations must demonstrate the ability to implement connectivity as described in the most recently published and CAQH CORE adopted version of the CAQH CORE Connectivity Rule (hereafter referred to as CAQH CORE Connectivity Rule). Similarly, in Section 2.1 Background Summary, the language reads: the Rule assumes a successful communication connection has been established and that all parties in the transaction routing path are CORE-certified.

APPENDIX B

CAQH CORE

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May 23, 2022

Jacki Monson, JD
Chair
National Committee on Vital and Health Statistics
3311 Toledo Road
Hyattsville, MD 20782-2002

Re: Request for NCVHS Review of New and Updated CAQH CORE Operating Rules for Federal Adoption

Dear Ms. Monson:

As the designated Operating Rule Authoring Entity for the HIPAA-mandated electronic transactions[1], CAQH CORE is requesting review of a set of new and updated operating rules for federal adoption by the National Committee on Vital and Health Statistics (NCVHS). These operating rules were developed and updated through the CAQH CORE multi-stakeholder, consensus-based process and achieved at least 88 percent support from CAQH CORE Participating Organizations, which represent more than 75 percent of insured Americans, including health plans, providers, vendors, state and federal government entities, and standards development organizations. Specifically, the CAQH CORE Board proposes the following package of CAQH CORE Operating Rules for federal adoption:

1. **Updated: CAQH CORE Connectivity Rule vC4.0.0** – This operating rule update establishes consistent connectivity requirements for data exchange across all mandated transactions addressed by CAQH CORE Operating Rules. Specifically, this rule improves security through stronger authentication requirements including the use of OAuth 2.0, and requires support for SOAP, REST, and other API technology, as recommended by NCVHS in 2020.

2. **Updated: Federally Mandated CAQH CORE Infrastructure Rules** – This update to the mandated CAQH CORE Infrastructure Rules for eligibility, claims status, and electronic remittance advice (ERA) specifies an increase in weekly system availability to align with today's technology and business needs where applicable. The requirements also require use of the most recent version of CAQH CORE Connectivity to ensure continued interoperability between organizations using technology at various stages of maturity and between administrative and clinical systems. The updated infrastructure rules are also incorporated in the CAQH CORE Attachments Prior Authorization and Health Care Claims Infrastructure Rules referenced below.

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[1] September 12, 2012 letter from the Secretary of the Department of Health and Human Services (HHS) to the National Committee on Vital and Health Statistics (NCVHS).

- CAQH CORE Eligibility & Benefits (270/271) Infrastructure Rule vEB.2.0
- CAQH CORE Claim Status (276/277) Infrastructure Rule vCS.2.0
- CAQH CORE Payment & Remittance (835) Infrastructure Rule vPR.2.0

3. **Updated: CAQH CORE Eligibility & Benefits (270/271) Data Content Rule vEB.2.0** – This operating rule update enhances the exchange of eligibility information between health plans and providers to support industry needs by requiring data related to telemedicine, prior authorization, remaining coverage benefits, tiered benefits, and procedure-level information.

4. **New: CAQH CORE Attachments Operating Rules** – The attachments operating rule sets establish infrastructure and data content requirements for attachments sent to complete a prior authorization request or health care claims submission. The rules are standard agnostic, addressing attachments sent using the X12 275 transaction and additional documentation sent without using the X12 275 (e.g., FHIR Resources, HL7 C-CDA, etc.) to support the convergence of clinical and administrative data.
   - CAQH CORE Attachments Prior Authorization Infrastructure Rule vPA.1.0
   - CAQH CORE Attachments Prior Authorization Data Content Rule vPA.1.0
   - CAQH CORE Attachments Health Care Claims Infrastructure Rule vHC.1.0
   - CAQH CORE Attachments Health Care Claims Data Content Rule vHC.1.0

5. **New: CAQH CORE Eligibility & Benefits (270/271) Single Patient Attribution Data Content Rule vEB.1.0** – This operating rule specifies uniform data and codes for the exchange of patient attribution status between a health plan and a provider to enable seamless notification of an attributed patient to a provider under a value-based care contract within the eligibility workflow.

The table in Appendix A includes the specific rule nomenclature, status, and hyperlinks to directly access each impacted operating rule version based on the above recommendations.

Appendix B of this letter includes a detailed review of each proposed operating rule. Each rule meets the federal definition of 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."[2]

The CAQH CORE Board proposes this operating rule package for recommendation by NCVHS to the Secretary of the Department of Health and Human Services (HHS) for national adoption for three reasons:

1. Updates to existing federally mandated rules respond to immediate industry need to align requirements with current and emerging business, operational, security, and connectivity best practices, while promoting technological advances within the industry.

2. Consistent with the NCVHS recommendation in 2020, the updated connectivity operating rule supports uniform interoperability requirements across clinical and administrative transactions and builds on industry interest to establish predictable,

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[2] PUBLIC LAW 111-248 – MAR. 23, 2010 https://www.govinfo.gov/content/pkg/PLAW-111publ148/pdf/PLAW-111publ148.pdf

consistent connectivity mechanisms that enable a standard agnostic approach to implementing operating rules as the industry continues to evolve.

3. These operating rules lay the foundation for an industry in transition, creating common expectations to enhance the exchange of attachments to drive electronic adoption, and taking the first steps to standardize operational challenges within value-based payment models.

Updates to Federally Mandated Rules Respond to Industry Need and Align with Current and Emerging Business Practices

CAQH CORE Connectivity Rule Facilitates Continued Interoperability and Promotes a Standard Agnostic Approach Moving Forward

Following federal mandate by HHS in 2013, the Phase I and Phase II CAQH CORE Connectivity Rules led to a broad industry installed base among HIPAA-covered entities that exchange administrative transactions. The rules specified minimum requirements for connectivity and security, and established a safe harbor where application vendors, providers and health plans can be assured the connectivity method they use will be supported by any HIPAA-covered entity at the time of a request. Ultimately, the CAQH CORE Connectivity Rules became the national standard and safe harbor for healthcare entities to exchange data. As tracked via CORE Certification, health plans representing over 70 percent of insured lives and nearly 100 clearinghouses and vendors have publicly certified via the CORE Certification process that they can exchange healthcare data using the mandated Phase I and II CAQH CORE Connectivity Rules. However, connectivity mechanisms and security sophistication have drastically evolved and advanced beyond what was originally mandated over 10 years ago. Therefore, mandating updated connectivity requirements to align with these advancements is critical to continued interoperability throughout the industry.

Following the August 2020 NCVHS Hearing to review and hear industry feedback on a set of proposed operating rules, NCVHS submitted a recommendation letter to the Secretary of HHS encouraging CAQH CORE to finalize the latest version of CORE Connectivity under development and bring forward newer security standards and support for emerging technologies including REST, APIs, and OAuth. CAQH CORE and its Participating Organizations incorporated these recommendations into the CAQH CORE Connectivity Rule vC4.0.0, which was unanimously approved in December 2020 by CAQH CORE Voting Participating Organizations. This single, uniform Connectivity Rule, like the federally mandated Phase II CAQH CORE Connectivity Rule, is a safe harbor connectivity method, and can be used with all mandated CAQH CORE Operating Rules supporting needed intersection between clinical and administrative systems. However, by continuing to mandate prior versions of CORE Connectivity, the industry is forced to maintain outdated connectivity and security methods that not only fail to represent current best practices, but also hinder technological growth and interoperability across the industry.

Updates to Federally Mandated Infrastructure Rules

Each CAQH CORE Operating Rule Set includes an infrastructure rule with requirements that establish a uniform approach to exchanging administrative transactions including system availability, acknowledgements, response time, connectivity, and use of a common companion guide templates. Many of the requirements were initially written more than 10 years ago during the early phases of CAQH CORE operating rule development, and as with the connectivity and

security requirements, technology and business needs have significantly evolved since original publication. As such, CAQH CORE proposes the updated CAQH CORE Infrastructure Rules replace the currently federally mandated CAQH CORE Infrastructure Rules for the eligibility and benefits, claim status, and ERA transactions, as well as newly proposed operating rules for prior authorization and health care claims attachments.

The updates to the CAQH CORE Infrastructure Rules reflect the shift in technological landscape since their original mandate while promoting flexibility to make updates in the future. Specifically, the updates include increased system availability to align with modern technology capabilities, requirements to use the CAQH CORE Connectivity Rule vC4.0.0, and a version agnostic CAQH CORE Master Companion Guide to support non-5010 transactions such as those addressed in the CAQH CORE Attachment Operating Rules. The increase in weekly system availability from 86 percent to 90 percent per calendar week reduces system downtime by 364 hours per year and reflects the inherent nature of healthcare as a 24/7 business coupled with the increased maturity in technology over the years to meet the need to exchange data outside regular business hours. Similarly, recognizing today's systems are more integrated than ever, the update includes requirements to use the CAQH CORE Connectivity Rule vC4.0.0. While CORE Connectivity has been successful in promoting interoperability for the exchange of administrative data, the industry continues to require alignment on a common set of protocols as it matures to ensure organizations are implementing the appropriate security measures and can continue to successfully interoperate despite the standard used. Finally, the update to a modifiable CAQH CORE Companion Guide template that supports non-5010 transactions rather than one that is constrained to apply only to the 5010 transaction version facilitates the critical flexibility to transition to new versions of standards, many of which are under development, as the industry continues to look toward the future.

Updates to Federally Mandated Eligibility & Benefits Data Content Rule

Using historical information submitted to the CAQH Index and information gathered from CORE Certification, CAQH estimates the industry has saved over $55 billion in cumulative savings associated with incremental improvements in standards and operating rule automation since CAQH CORE Operating Rules were federally mandated in 2013. However, to continue to build on these savings, it is critical to recognize and address industry advancements by regularly assessing and enhancing existing requirements. The updated CAQH CORE Eligibility & Benefits Data Content Rule contains significant enhancements to meet evolving business needs since its initial publication.

Although the HIPAA-mandated electronic eligibility & benefits (X12 270/271) transaction experiences high adoption throughout the industry at 89 percent according to the 2021 CAQH Index, it is also the transaction with the highest cost savings opportunity across the industry at $9.8 billion. Such significant savings opportunities for a transaction that enjoys high electronic adoption implies gaps have emerged since the version of the standard and the operating rule requirements were initially developed and implemented. The updates to the data content rule address many of these disparities, including variations in new codes and plan requirements associated with telemedicine, remaining coverage charges, tiered benefits, and prior authorization/certification. Requiring these details will help health plans and providers more readily identify which services or benefits are covered, helping reduce the time and effort spent verifying information moving forward.

Laying the Foundation for an Industry in Transition

New Attachments Rules Provide Immediate Value as Industry Anticipates Mandated Standards

Attachments are the bridge between clinical and administrative data; however, the attachments workflow remains primarily manual. The 2021 CAQH Index found that only 21 percent of attachments are sent electronically using defined standards, the lowest of all measured transactions. Often, the primary pain point cited among industry stakeholders is the lack of mandated attachments standards. The CAQH CORE Attachments Rules provide immediate value as the industry anticipates the release of mandated attachments standards, establishing a common set of standard agnostic specifications to support the exchange of attachments sent with the X12 275 transaction and without using the X12 275 transaction (e.g., HL7 FHIR Resources, HL7 C-CDA, etc.). By supporting both X12 and non-X12 exchange of attachments, the new attachments rules will support exchange across administrative and clinical systems and integrate seamlessly with the anticipated standards.

Operating rules that overlay newly named standards will allow the industry to continue using systems already in place, while enabling a more successful interaction with, and glidepath for, organizations transitioning to emerging standards. Regardless of the standards announced, the industry needs consistent expectations for the data content, infrastructure, and connectivity used to prevent entities from implementing the same standards in different ways as occurred with past mandates. Understanding there may be the need for adjustments to the rules, the CAQH CORE Attachments Operating Rules include built in flexibility to update requirements as the industry evolves, providing the structure for interoperability both now and in the future.

Applying Lessons Learned to Value-Based Payments

Historically, CAQH CORE Operating Rules have addressed operational challenges in the fee-for-service space. However, as value-based payment models continue to transform a sizable portion of the U.S. healthcare economy, it is critical to draw from the lessons learned in the fee-for-service model and establish clearly defined and accurate expectations that ensure consistent exchange of electronic information. Yet, a recent CAQH survey reported that 40 percent of providers did not know or were unable to determine if a patient was attributed to them.[3] If not addressed, the variations in data exchange for patient attribution leaves the current environment ripe for repeating the scenario that emerged in the fee-for-service environment more than two decades ago. Much like the operational challenges being encountered today in value-based payments, initial adoption of electronic transactions for fee-for-service payment models was slow, complicated and more costly due to a lack of common rules for uniform use.
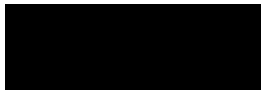
Applying lessons drawn from the fee-for-service model the CAQH CORE Single Patient Attribution Data Content Rule establishes a standardized method for the exchange of attribution information, reducing provider time spent determining patient assignments under the value-based payment model. Additionally, building upon the federally mandated CAQH CORE Eligibility & Benefits Operating Rules the rule utilizes the existing base of adoption for the electronic eligibility (270/271) transaction to promote the use of a fully electronic standardized mode of exchange.

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[3] Communicating Attribution: Accessibility of Information to Support Value-based Payment Initiatives. CAQH Explorations, November 2021.
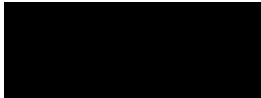
Operating Rules are a critical tool for promoting interoperability throughout the industry with an estimated cumulative savings of $18 billion associated with incremental improvements in automation since CAQH CORE Operating Rules were first federally mandated. However, the industry has reached a critical transition point, requiring updates to existing operating rule requirements to support evolving industry business needs and best practices. In addition, new operating rules are needed to lay the groundwork for the interaction with and transition to emerging standards and models of payment. Federal adoption of the new and updated proposed rules would not only facilitate automation of standards released for attachments and transactions used for value-based payment models but would also result in cost savings for existing federally mandated operating rules.

We look forward to presenting the new and updated CAQH CORE Operating Rules at an upcoming NCVHS hearing. Thank you for your consideration of these operating rules for federal adoption. Should you have questions for CAQH CORE, please contact me at atodd@caqh.org or at 202-664-5674.
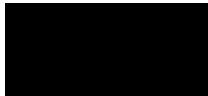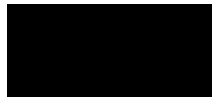
Sincerely,

April Todd
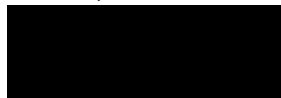Senior Vice President, CAQH CORE & Explorations

Marilyn J. Heine, MD, FACEP, FACP, FCPP
Clinical Assistant Professor of Medicine,
Drexel University College of Medicine

Tim Kaja, MBA
CAQH CORE Board Chair
Senior Vice President, Optum Care

Kevin Mulcahy, FACMPE
Senior Director Provider and Payer Service,
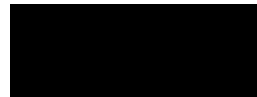Massachusetts General Physician
Organization

Linda Reed, RN, MBA, CHCIO, FCHIME
CAQH CORE Board Vice Chair
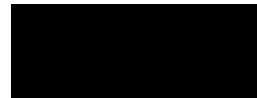Senior Vice President and Chief Information
Officer
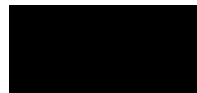
Stephen Rosenthal
Senior Vice President Population Health
Management and President of CMO,
Montefiore Medical Center

Paul Brient, MBA
Senior Vice President and Chief Product
Officer, athenahealth

Chris Seib
Chief Technology Officer and Co-Founder,
InstaMed
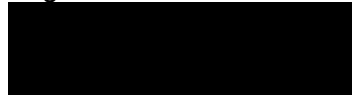
Anika Gardenhire, RN, CHCIO
Chief Digital Officer, Centene

Michael S. Sherman, MD, MBA, MS
Chief Medical Officer, Point32Health

Achudhan Sivakumar
Software Development Product Lead, Epic

Scott Waller
Vice President IT Application Delivery
Division, Aetna

Troy Smith
Vice President Cost of Care and Value
Programs, Blue Cross and Blue Shield of
North Carolina

CC:
Denise E. Love, Co-chair, NCVHS Subcommittee on Standards
Richard W. Landen, Co-chair, NCVHS Subcommittee on Standards and Review Committee
Christine Gerhardt, Director, CMS National Standards Group
Daniel Kalwa, Deputy Director, CMS National Standards Group
Robin Thomashauer, President, CAQH

Appendix A: Mandated Operating Rules and Transaction Naming Conventions

Appendix A includes details pertaining to the specific rule nomenclature, status, and hyperlinks to directly access each impacted operating rule version based on the above recommendations.

#	Rule Status	Current Mandated Version	Current Operating Rule Name[4]	Proposed Version
1	Update	• Phase I CORE 153: Eligibility and Benefits Connectivity Rule v1.1.0 • Phase II CAQH CORE 270: Connectivity Rule v2.2.0	• CAQH CORE Connectivity Rule vC1.1.0 • CAQH CORE Connectivity Rule vC2.2.0	• CAQH CORE Connectivity Rule vC4.0.0[5]
2	Update	• Phase I CORE 152: Eligibility and Benefit Real Time Companion Guide Rule v1.1.0 • Phase I CORE 155: Eligibility and Benefits Batch Response Time Rule v1.1.0 • Phase I CORE 156: Eligibility and Benefits Real Time Response Time Rule v1.1.0 • Phase I CORE 157: Eligibility and Benefits System Availability Rule v1.1.0	• CAQH CORE Eligibility & Benefits (270/271) Infrastructure Rule EB.1.0[6]	• CAQH CORE Eligibility & Benefits (270/271) Infrastructure Rule vEB.2.0
		• Phase II CAQH CORE 250: Claim Status Rule v2.1.0	• CAQH CORE Claim Status (276/277) Infrastructure Rule vCS.1.0	• CAQH CORE Claim Status (276/277) Infrastructure Rule vCS.2.0
		• Phase III CORE 350 Health Care Claim Payment/Advice (835) Infrastructure Rule v3.0.0	• CAQH CORE Payment & Remittance (835) Infrastructure Rule vPR.1.0	• CAQH CORE Payment & Remittance (835) Infrastructure Rule vPR.2.0
3	Update	• Phase I CORE 154: Eligibility and Benefits 270/271 Data Content Rule v1.1.0	• CAQH CORE Eligibility & Benefits (270/271) Data Content Rule vEB.1.0	• CAQH CORE Eligibility & Benefits (270/271) Data Content Rule vEB2.0

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[4] In June 2020, CAQH CORE sent a letter updating NCVHS on the re-structuring of the CAQH CORE Operating Rules from phases to transactions with details on the impact of the transition on each rule set.
[5] The proposed CAQH CORE Connectivity Rule vC4 establishes a single, uniform rule with consistent connectivity requirements for data exchange across all transactions addressed by CAQH CORE Operating Rules, including the new CAQH CORE Attachments Operating Rules.
[6] The requirements in the four mandated Phase I Eligibility & Benefits Infrastructure Rules were combined into a single infrastructure rule in 2020 for clarity and consistency.

#	Rule Status	Current Mandated Version	Current Operating Rule Name[4]	Proposed Version
		• Phase II CAQH CORE 260: Eligibility & Benefits Data Content (270/271) Rule v2.1.0 • Phase II CAQH CORE 258: Eligibility and Benefits 270/271 Normalizing Patient Last Name Rule v2.1.0 • Phase II CAQH CORE 259: Eligibility and Benefits 270/271 AAA Error Code Reporting Rules v2.1.0		
4	New	N/A	N/A	• CAQH CORE Attachments Prior Authorization Operating Rules • CAQH CORE Attachments Health Care Claims Operating Rules
5	New	N/A	N/A	• CAQH CORE Eligibility & Benefits (270/271) Single Patient Attribution Data Content Rule vEB.1.0

Appendix B: Overview of New and Updated CAQH CORE Operating Rules

Appendix B includes a detailed review of each proposed operating rule, including specific operating rule requirements and impacts of the requirements.

1. **CAQH CORE Connectivity Rule vC4.0.0**

The CAQH CORE Connectivity Rule vC4.0.0 was updated in December 2020 to enhance interoperability within the industry and establish a method to ensure successful exchange between administrative and clinical data systems, setting the course for long-term industry interoperability. Specifically, the updates to the rule:

- Add support for the exchange of Attachments transactions.
- Specify TLS 1.2 or higher for security and add OAuth 2.0 as an authorization standard to modernize the security requirements.
- Provide support for REST for X12 and non-X12 exchanges using JSON to exchange REST messages.
- Establish support for specific HTTP Methods, HTTP Error/Status Codes, and specifications for REST error handling.
- Set API Endpoint Naming Conventions.

The impact of mandating these requirements for all HIPAA-covered entities includes:

- Creating a standard agnostic approach to exchanging healthcare information in a uniform manner using SOAP, REST and other API technologies.
- Facilitating the use of existing standards like X12 in harmony with new exchange methods like HL7 FHIR, providing a flexible framework for the industry to move forward.
- Enhancing security requirements to align with industry best practices.

Rule Text: [CAQH CORE Connectivity Rule vC4.0.0](#)

2. **Updates to Federally Mandated CAQH CORE Infrastructure Rules**

The updates to CAQH CORE Eligibility & Benefits Infrastructure Rule vEB.2.0, CAQH CORE Claims Status (276/277) Infrastructure Rule vCS.2.0, and CAQH CORE Payment & Remittance (835) Infrastructure Rule vPR.2.0 were approved in February 2022 to enhance requirements to align with evolving technology and business needs. Specifically, the updates to the mandated infrastructure rules:

- Require use of the most recent version of CAQH CORE Connectivity vC4.0.0.
- Increase the minimum amount of time that systems must be available to receive and send data from 86 percent per calendar week to 90 percent per calendar week, when applicable.
- Provide for an optional 24 additional hours of system downtime per quarter to accommodate large system migrations, mitigation and more integrated system needs, when applicable.
- Include use of an updated, version agnostic CAQH CORE Master Companion Guide to support non-5010 transactions such as those addressed in the CAQH CORE Attachment Operating Rules.

The impact of mandating these requirements for all HIPAA-covered entities includes:

- Aligning with today's technology and business needs given the 24/7 nature of healthcare and stakeholder needs to exchange data outside of regular business hours.

- Supporting overall greater system availability while allowing for longer, less frequent periods of downtime in recognition that today's systems are more complicated and integrated than in the past.
- Improving access to needed data so providers may better serve the patient at the time of service – improving the revenue cycle, immediacy of care and patient experience.

Rule Text:
- [CAQH CORE Eligibility & Benefits Infrastructure Rule vEB.2.0](#)
- [CAQH CORE Claims Status (276/277) Infrastructure Rule vCS.2.0](#)
- [CAQH CORE Payment & Remittance (835) Infrastructure Rule vPR.2.0](#)

3. CAQH CORE Eligibility & Benefits (270/271) Data Content Rule vEB.2.0

The CAQH CORE Eligibility & Benefits Data Content Rule vEB.2.0 was approved in February 2022 to enhance the exchange of eligibility and benefit information between health plans and providers through requirements that currently include providing financial information, especially co-insurance, copayment, deductible, remaining deductible amounts, and coverage information for a set of service type and procedure codes. Specifically, the updates to the rule:
- Require use of specific codes to indicate what service or benefit is available for telemedicine.
- Enhance requirements to respond to eligibility and benefit requests at the procedure level of Physical Therapy, Occupational Therapy, Surgery, and Imaging.
- Add 71 new Discretionary STC codes and 55 new Mandatory STC codes for a total of 178 CORE-required STC codes.
- Specify communication of the number of remaining visits/services left on a benefit.
- Provide more granular level data for members of tiered benefit plans.
- Require communication as to whether a prior authorization is required for a CORE-required service or procedure.

The impact of mandating these requirements for all HIPAA-covered entities includes:
- Enhancing the exchange of eligibility information between health plans and providers to support evolving industry needs and address gaps in cost savings that have emerged since the original publication of the requirements.
- Adding more granular information related to telemedicine, prior authorization, remaining coverage benefits, procedure-level information, and tiered benefits.
- Improving pricing and billing practices by providing access to information prior to or at the time of service in real time.

Rule Text: [CAQH CORE Eligibility & Benefits (270/271) Data Content Rule vEB.2.0](#)

4. CAQH CORE Attachments Infrastructure Rules (Prior Authorization & Health Care Claims)

The CAQH CORE Attachments Infrastructure Rules for prior authorization and health care claims were approved in February 2022 and apply to the conduct of attachments sent via the X12 v6020X316 275 and additional documentation sent without using the X12 275 transaction. Specifically, the rule requirements:
- Set a minimum amount of time that systems must be available to receive and send data (90 percent per calendar week) and the ability to track and report system downtimes.

- Allow optional use of an additional 24 hours of quarterly downtime to facilitate larger system migrations and updates.
- Require use of acknowledgements to ensure the transaction has been received and will be addressed.
- Lay out a common format that entities must use when providing information about their proprietary data exchange systems via "companion guides".
- Establish minimums for document size and amount of data that must be supported.
- Provide support for the most recent version of CAQH CORE Connectivity.
- Establish electronic policy access requirements so services requiring additional documentation to adjudicate the claim are easily identifiable (Health Care Claims only).

The impact of mandating these attachments infrastructure requirements for the prior authorization and claims use cases for all HIPAA-covered entities includes:
- Supporting the convergence of clinical and administrative data by aligning electronic exchange for claims and prior authorization to support coverage decisions.
- Providing a standard agnostic approach to exchange attachments, supporting entities where they are along the technology spectrum and ensuring the ability to continue to interoperate.
- Establishing key infrastructure requirements that align with existing CORE Infrastructure Operating Rules and provide the necessary information to uniformly send electronic attachments.

Rule Text:
- [CAQH CORE Attachments Prior Authorization Infrastructure Rule vPA.1.0](#)
- [CAQH CORE Attachments Health Care Claims Infrastructure Rule vHC.1.0](#)

5. CAQH CORE Attachments Data Content Rules (Prior Authorization & Health Care Claims)

The CAQH CORE Attachments Data Content Rules were approved in February 2022 and apply to the conduct of attachments sent via the X12 v6020X316 275 and those sent without using the X12 275 transaction. The rules address one of the largest pain points in the attachments workflow, reassociation or linking the attachment with the original prior authorization or claim transaction. Specifically, the rule requirements:
- Require specific codes and reference data including Code EL to streamline the reassociation of a prior authorization or claim submission to an attachment, reducing the need for manual intervention.
- Establish the use of common CORE Connectivity Headers and data elements when sending additional documentation with the X12 275 transaction and when using non-X12 payloads.
- Require that the appropriate LOINC must be used to request the most specific additional information.

The impact of mandating these data content requirements for claims and prior authorization attachments for all HIPAA-covered entities includes:
- Simplifying reassociation of a claim or prior authorization to an attachment to reduce need for manual intervention whether using X12 or non-X12 methods to send an attachment.
- Enabling consistent, electronic exchange of needed supporting documentation leading to quicker coverage decisions to support patient care.

Rule Text:
- [CAQH CORE Attachments Prior Authorization Data Content Rule vPA.1.0](#)
- [CAQH CORE Attachments Health Care Claims Data Content Rule vHC.1.0](#)

6. CAQH CORE Eligibility & Benefits (270/271) Single Patient Attribution Data Content Rule vEB.1.0

The CAQH CORE Eligibility and Benefits Single Patient Attribution Data Rule was approved in December 2020 to enable provider notification of an attributed patient under a value-based care contract within the eligibility workflow. Specifically, the rule requirements:

- Build upon the existing CAQH CORE Eligibility & Benefits (270/271) Operating Rule Set.
- Establish a foundation for exchange of explicit attribution status and effective dates of attribution for each of the CORE service type codes required when an X12 270 Request is submitted.
- Require the development of specific written instructions and guidance for providers regarding implementation of the operating rule.
- Specify the data extracted from an X12 271 Response must be displayed to the end user using human-readable text (i.e., Attribution Status: Yes; Attribution Status: No, etc.) to ensure clarity.

The impact of mandating these requirements for all HIPAA-covered entities includes:

- Creating a consistent pathway for providers to receive a single patient's attribution status and avoid the proliferation of proprietary approaches as the value-based payments model continues to expand.
- Aligning data content across the various approaches to enable interoperability and support organizations at various stages of maturity in adopting standards and exchange mechanisms, in turn, avoiding many of the challenges that arose in the fee-for-service space more than two decades ago.

Rule Text: [CAQH CORE Eligibility & Benefits (270/271) Single Patient Attribution Data Content Rule vEB.1.0](#)