

Streamlining Your Practice With Administrative Simplification

HIPAA Administrative Simplification Overview

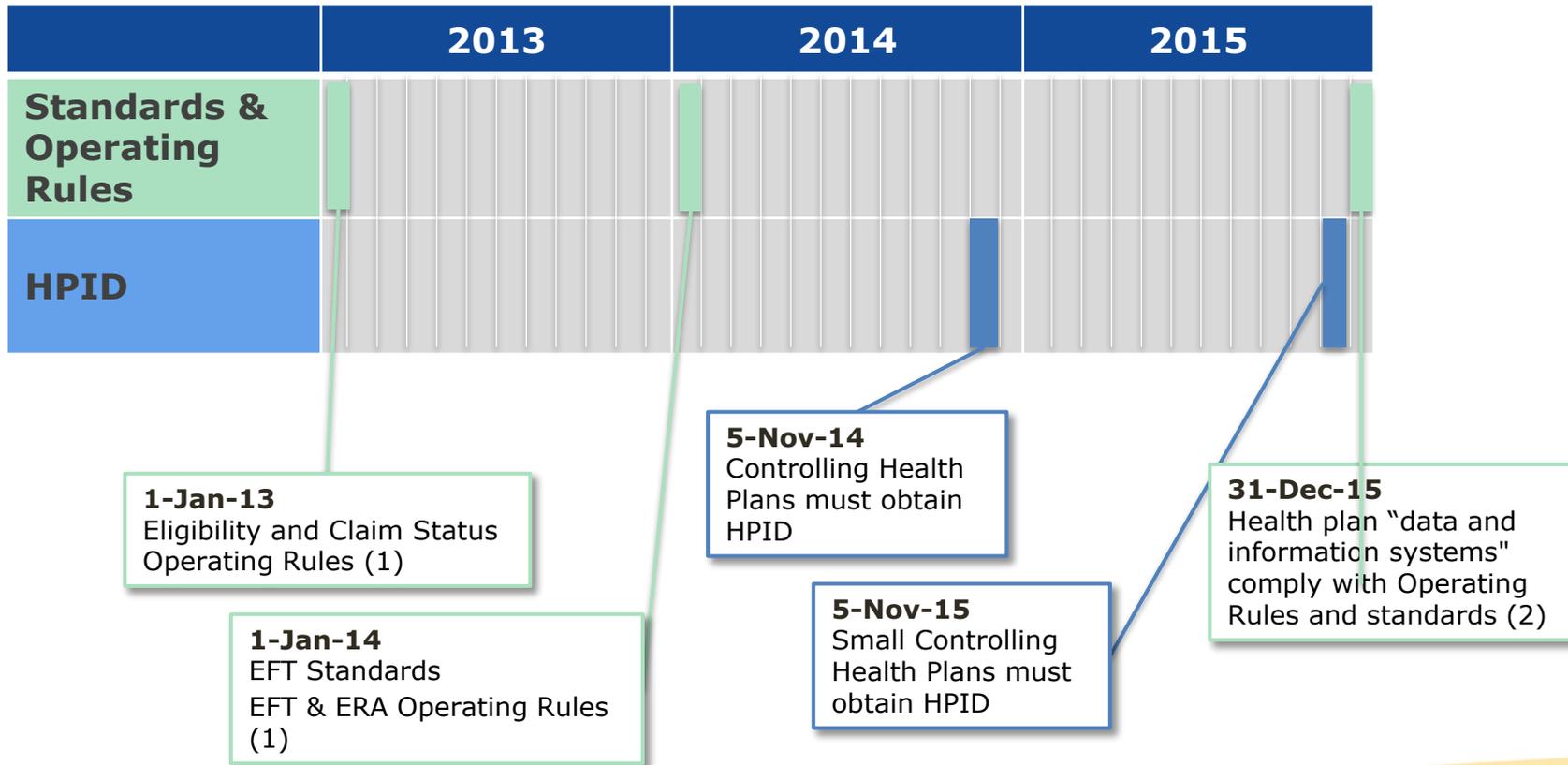
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Administrative Simplification Group
Centers for Medicare & Medicaid Services

Administrative Simplification Tools

- » Standards (updates for format and data content)
- » Code sets (standardize and codify language used)
- » Operating rules (standardize connectivity, response time, and availability requirements)

Administrative Simplification Timeline



Benefits of Administrative Simplification

- » **Reduces health care billing and payment costs** – by making it easier for providers and health plans to share administrative information electronically
- » **Streamlines financial transactions** – reducing the chance of errors or rejections based on incorrect information
- » **Increases time providers spend with patients** – by reducing time spent on paperwork

Why Do We Need Operating Rules?

- » It's all about the providers:
 - Operating rules are designed to reduce administrative burden
 - Operating rules have very few requirements for providers, many benefits

Scope of Operating Rules

- » **Data content requirements:** More robust eligibility response, standardized CARC and RARC code combinations ERA
- » **Connectivity:** Requires “safe harbor” connection via public Internet (HTTP/S)
- » **Companion Guides and Enrollment forms:** Standardized template
- » **Response time:** 20 seconds or less (real time) for eligibility and claim status
- » **Maintenance of rules:** Code Combinations in ERA
- » Operating rules around **acknowledgements NOT** adopted

Key Dates for Operating Rules

- » January 1, 2013 Compliance Date
 - Eligibility for a Health Plan (request and response)
 - Health Claim Status (request and response)

- » January 1, 2014 Compliance Date
 - Health care electronic funds transfers (EFT) and remittance advice (ERA) operating rules and EFT Standards (payment and payment info)

Eligibility & Claim Status Operating Rule Set

- » Operating rules for patient eligibility and health claim status transactions
- » Key considerations for providers
 - Easily accessible claims and eligibility information
 - Secure data transmission
 - Less time spent verifying information over the phone



EFT & ERA Operating Rule Set

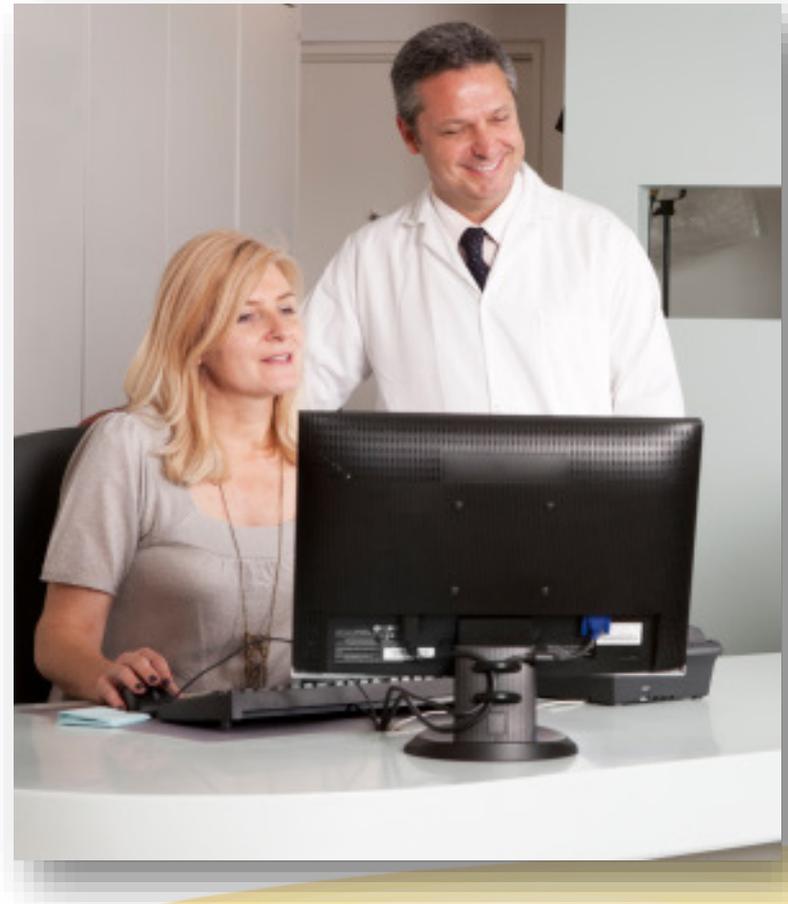
Electronic Funds Transfer (EFT) is the transmission a health plan sends to its bank to pay provider claims electronically (through an electronic funds transfer).

Electronic Remittance Advice (ERA) is a description of payment that health plans send to providers.

EFT and ERA Operating Rules are rules enabling providers to quickly and efficiently enroll and use EFT and ERA.

EFT and ERA Operating Rules

- » Simpler, standardized enrollment for providers across different health plans
- » Use of same trace number in both EFT and ERA allows for automated reassociation
- » Standard use of code combinations (CARCS, RARCS, and Group Codes) across different health plans



EFT Payment Considerations

- » EFT Standard (financial standard: CCD+) is an Automated Clearing House (ACH) payment network standard
- » In EFT rules, entities have a choice: ACH or other payment network
- » Health plans must transmit payments through ACH network if requested by the provider
- » CMS FAQ 9778 for more information

Healthcare EFT CCD+ Volumes*

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Total Number of Forward CCD Entries	8,154,530	7,952,355	9,268,614	9,911,341	9,833,081	11,212,351
Total Value of Forward CCD Entries (in billions)	\$45.1	\$45.2	\$55.6	\$61.4	\$59.7	\$61.3

- 1st quarter 2014 saw a 32% increase in EFT health care transactions over 4th quarter 2013.

* Volumes do not include Medicare volumes.

NACHA and the ACH Network

- » NACHA is the private sector rule-making organization that administers the Automated Clearing House (ACH) Network.
- » NACHA develops, maintains, and enforces the *NACHA Operating Rules*
- » NACHA is the standards organization for the healthcare EFT standard

Perceived Barriers to EFT via ACH

- » Time spent in EFT enrollment with each health plan
 - Prioritize payers and enroll with most active health plans first.
 - Work with a healthcare clearinghouse to enroll with the health plans that they support
 - Utilize the free CAQH EFT Enrollment Utility

Perceived Barriers to EFT via ACH

- » Overpayment Recovery
 - Initial notification
 - Recovery options
 - Provider check
 - Recoupment from a future RA
 - Financial reconciliation

Healthcare EFT Standard

- » 45 CFR 162.1602 identifies the healthcare EFT standard as the NACHA CCD+Addenda (effective Jan. 1, 2014)
 - Addenda must be populated with the TRN Reassociation Trace Number as defined in the ASC X12 835 version 5010 TR3 Report (Implementation Guide)
 - The reassociation trace number (TRN) data segment is carried in the healthcare EFT standard and the Electronic Remittance Advice (ERA) 835 and used to reassociate the payment with the ERA
 - All health plans must be able to deliver the healthcare EFT standard for claims reimbursement payments if it is requested by the provider
 - Allows for payments processed through other electronic payment methods including cards and wire transfer; however, they are not recognized as the healthcare EFT standard

HIPAA Enforcement – Current Process

- » The current HIPAA Transactions & Code Set (TCS) and Affordable Care Act (ACA) operating rules enforcement process is primarily complaint-driven.
- » The CMS website, <http://www.cms.gov/Regulations-and-Guidance/HIPAA-Administrative-Simplification/Enforcement> offers a wide range of helpful information about Enforcement.

Additional Information

- » For information on claims, eligibility, EFT, and ERA operating rules, visit the eHealth website (<http://www.cms.gov/eHealth/>) and look for Administrative Simplification under the Programs tab
- » For information on HIPAA, operating rules, standards and identifiers, visit the ACA section at <http://www.cms.gov/Regulations-and-Guidance/HIPAA-Administrative-Simplification/Affordable-Care-Act>

Questions?