CAQH CORE Webinar

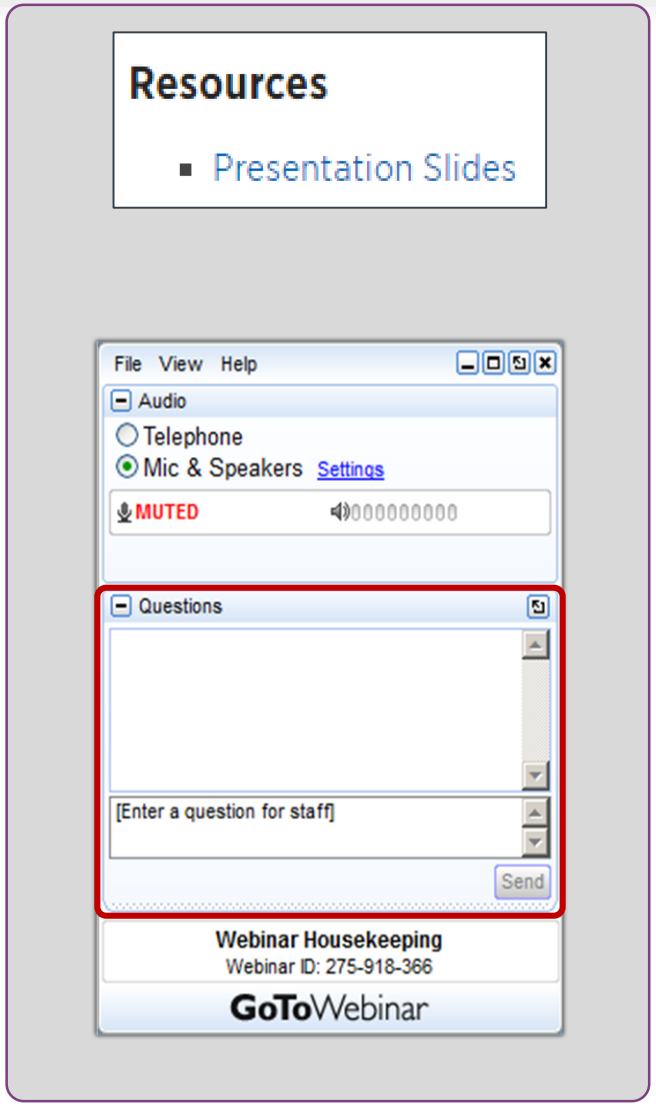
Take the Next Step in Administrative Efficiency: Phase V CAQH CORE Prior Authorization Operating Rules

May 29, 2019

Logistics

Presentation Slides and How to Participate in Today's Session

- **You can download the presentation slides at www.caqh.org/core/events after the webinar.**
- Click on the listing for today's event, then scroll to the bottom to find the Resources section for a PDF version of the presentation slides.
- A copy of the slides and the webinar recording will be emailed to all attendees and registrants in the next 1-2 business days.
- Questions can be submitted ***at any time*** using the **Questions panel on the GoToWebinar dashboard.**



CAQH CORE

Session Outline

- CAQH CORE Approach to the Prior Authorization Challenge
- Phase V CAQH CORE Operating Rule Requirements
  - *Phase V CAQH CORE Prior Authorization (278) Request / Response Data Content Rule*
  - *Phase V CAQH CORE Prior Authorization Web Portal Rule*
- Phase V CAQH CORE Certification Test Suite
- Next Steps
- Implementation Resources
- Q&A

Thank You to Our Speakers

Noam Nahary

Senior Director, Health Service Receivables

Montefiore Medical Center

Rhonda Starkey

Director, eBusiness Services

Harvard Pilgrim Health Care

Robert Bowman

Director

CAQH CORE

CAQH CORE Approach to the Prior Authorization Challenge

The Prior Authorization Challenge

Prior authorization (PA) began as a means to manage the utilization of healthcare resources: people, time and dollars. It requires providers to request approval from a health plan before a specific procedure, laboratory test, service, device, supply or medication is provided to the patient. Referrals require a provider to obtain approval from a health plan before a patient can be referred to another provider (e.g., specialist). Each step of the prior authorization process is labor-intensive and generates time-consuming and costly administrative burden in the industry.

Fast Facts

PA within the Context of Other Administrative Transactions	The PA process is separate from the patient eligibility and claims processes. Siloed processes can jeopardize provider reimbursement and/or result in unintended patient out of pocket costs.
Volume*	Approximately 182 million prior authorization transactions per year (in the medical, commercial market alone).
Transaction Mode*	51% manual (phone, fax, email); 36% partially electronic (web portal; interactive voice response system), 12% electronic (5010X217 278 Prior Authorization Request and Response).
Wait Times**	Approx. 65% of physicians report waiting at least one business day for a PA response, and 26% report waiting at least 3 business days. 91% of Providers surveyed by the AMA reported that the PA process delays patient care.
Potential Savings*	Full adoption of the standard prior authorization transaction (X12/v5010 278 Request and Response) by health plans and providers could result in a savings of $7.28 per transaction, for the portions of the prior authorization process included in the 5010X217 278 Request and Response.

Example 1. Even if a PA is approved, the patient's eligibility may not be confirmed, or may have changed.

Example 2. Even if a PA is approved, edits may be applied to the claim, and the service may still be denied.

Sources: *CAQH Index (2018); commercial market figures only. | **AMA PA Physician Survey (2018).

CAQH CORE

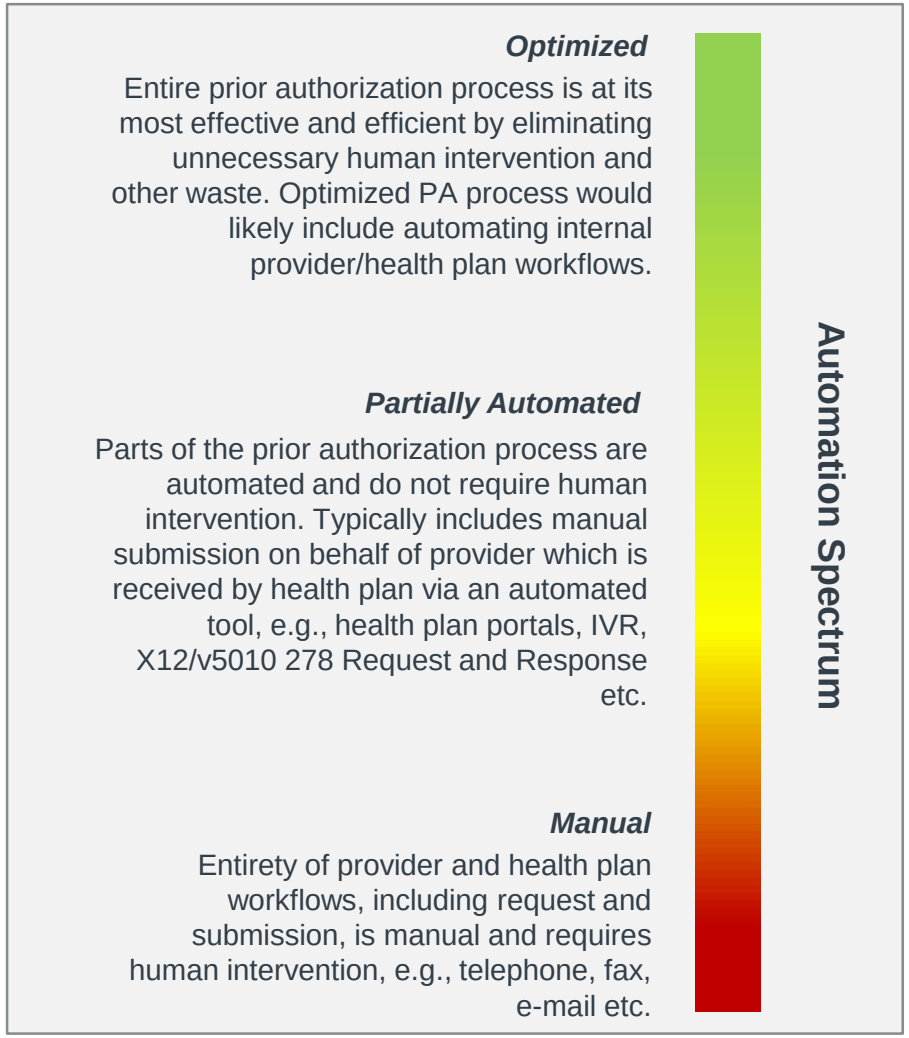
CAQH CORE Vision for Prior Authorization

Introduce targeted change to propel the industry collectively forward to a prior authorization process optimized by automation, thereby reducing administrative burden on providers and health plans and enhancing timely delivery of patient care.

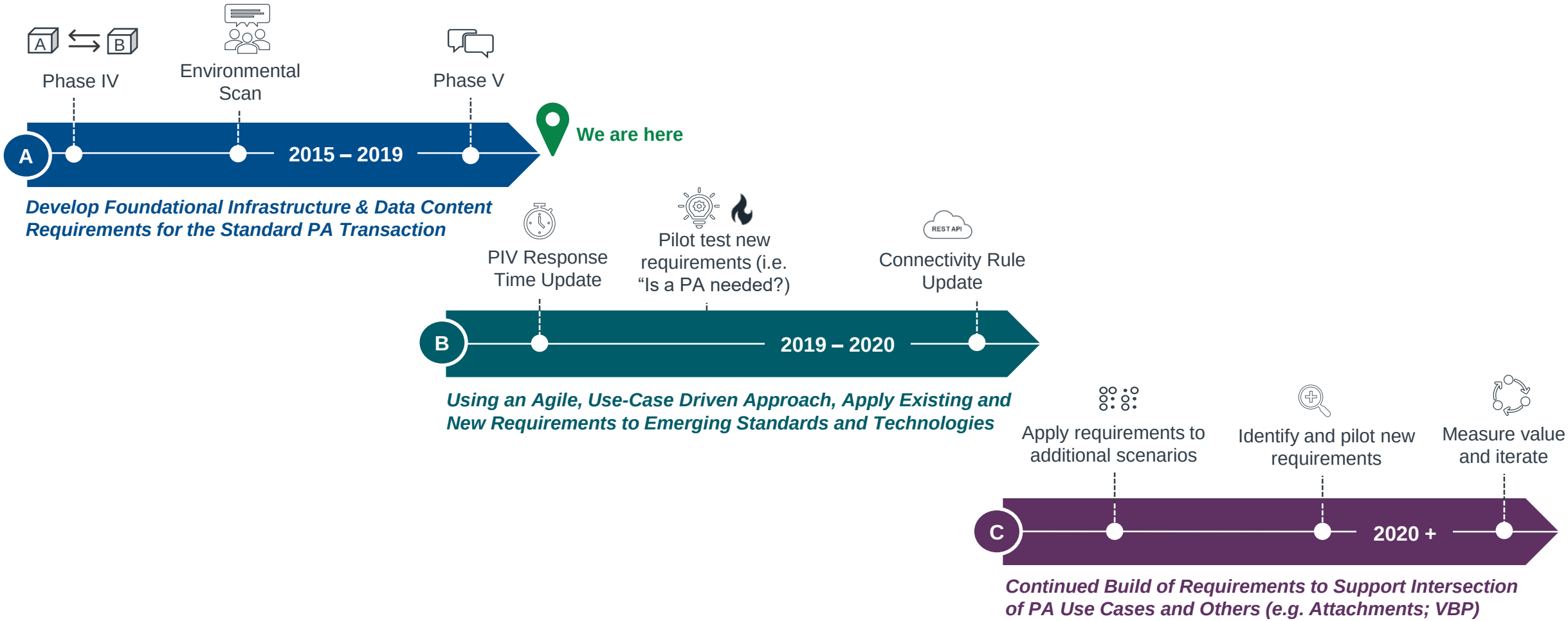
The Phase IV Operating Rule established **foundational infrastructure requirements such as connectivity, response time**, etc. and builds consistency with other mandated operating rules required for all HIPAA transactions.

The Phase V Operating Rules address **needed data content** in the prior authorization standard electronic transaction and **enable greater consistency across other PA exchange mechanisms.**

Ongoing efforts in 2019 to **pilot test requirements** for a provider to **determine whether an authorization is needed** and update the Phase IV Rule with a **timeframe for final determination.**



CAQH CORE Prior Authorization Roadmap



CAQH CORE Rules: Development to Approval

Identify Opportunities

Prior Authorization Advisory Group

The Prior Authorization Advisory Group **researched opportunities for potential rules** prior to the Prior Authorization Subgroup commencing rule writing.

Develop Phase V Rules & Test Suite

Rules Work Group

Prior Authorization Subgroup

Technical Work Group

Certification & Testing Subgroup

The Prior Authorization Subgroup **developed and straw polled draft rules** for review. The Rules Work Group reviewed and **voted on the draft rules.**

The Certification & Testing Subgroup **developed and straw polled a draft Certification Test Suite to accompany the draft rules.** The Technical Work Group voted on the draft test suite developed by the Certification & Testing Subgroup.

Approve Rules Package

Full CORE Voting Participating Orgs

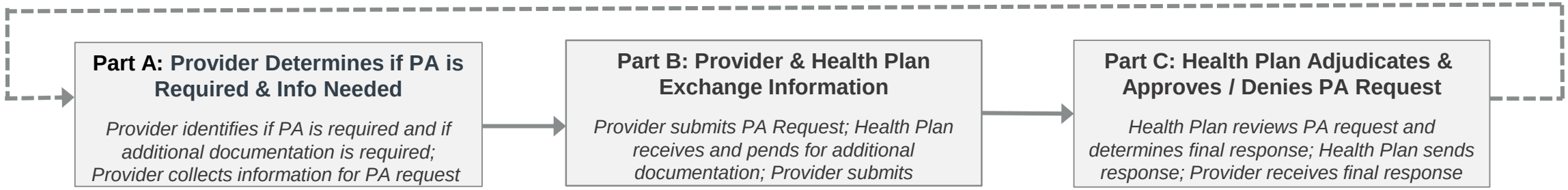
CAQH CORE Voting Participating Organizations (entities that create, transmit or use healthcare administrative data) **approved the Rules Package at a nearly 90% approval rate.**

CAQH CORE Board

The CAQH CORE Board **approved the Rules Package.**

CAQH CORE Operating Rules Address Key Pain Points in the Prior Authorization Process

Key Components of the Prior Authorization Process*



- ★ **Consistent patient identification** to reduce common errors and associated denials.
- ★ **Application of standard X12 data field labels to web portals** to reduce variation in data elements to ease submission burden and encourage solutions that minimize the need for providers to submit information to multiple portals.
- ☆ **Standard Companion Guide format** to ensure trading partners are informed of the nuances required for successful transaction processing.

- ☆★ **System availability** requirements for a health plan to receive a PA request.
- ★ **Consistent review of diagnosis, procedure and revenue codes** to allow for full adjudication.
- ★ **Consistent use of codes** to indicate errors/next steps for the provider, including need for additional documentation.
- ★ **Detection and display of code descriptions** to reduce burden of interpretation.
- ☆★ **Confirmation of receipt of PA submission** to reduce manual follow-up for providers.
- ☆ **Consistent connectivity and security methods** between trading partners to improve timely flow of transactions and data.
- ☆ **Time requirement for initial response.**

- ☆ **Consistent connectivity and security methods** between trading partners to improve timely flow of transactions and data.
- ★ **Detection and display of code descriptions** to reduce burden of interpretation.

☆ *Requirement in CAQH CORE Phase IV Operating Rule – Available for Use.*

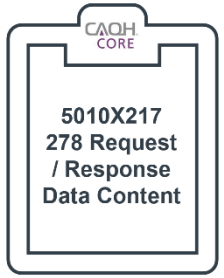
★ *Requirement in CAQH CORE Phase V Operating Rule – Nearing Implementation.*

* Depicts the most common path for the PA process to follow.

Phase V CAQH CORE Operating Rules Requirements

Introducing the Phase V Prior Authorization Operating Rules

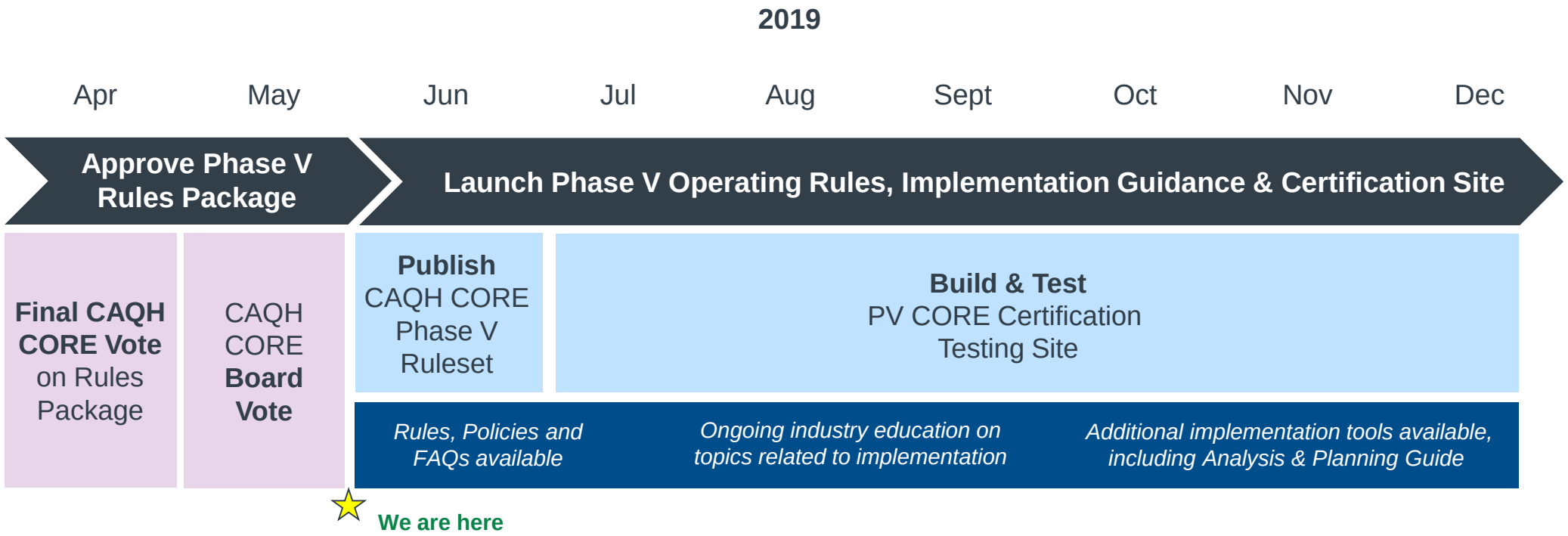
The new CAQH CORE Phase V Prior Authorization Operating Rules are the result of a collaborative effort of more than **100 stakeholder groups** across the industry and received nearly **90% approval rating** from the voting CAQH CORE Participating Organizations.



The **Phase V CAQH CORE Prior Authorization (278) Request / Response Data Content Rule** targets one of the most significant problem areas in the prior authorization process: requests for medical services that are pended due to missing or incomplete information, primarily medical necessity information. These rule requirements reduce the unnecessary back and forth between providers and health plans and enable shorter adjudication timeframes and fewer staff resources spent on manual follow-up.

The **Phase V CAQH CORE Prior Authorization Web Portal Rule** builds a bridge toward overall consistency for referral and prior authorization requests and responses by addressing fundamental uniformity for data fields, ensuring confirmation of the receipt of a request and providing for system availability. This Rule supports an interim strategy to bring greater consistency to web portals given current widespread industry use, with a long-term goal of driving adoption of standard transactions.

Phase V Operating Rules Package Voting and Launch Timeline



Final CAQH CORE Vote

- CAQH CORE Voting Participating Organizations (entities that create, transmit or use healthcare administrative data) **approved the Rules Package at a nearly 90% approval rate.**
- The Phase V Operating Rules Package passed required quorum (at least 60% of Participating Voting Organizations submit a vote) and approval levels (at least 66.67% approval) to move on to the CAQH CORE Board Vote, which passed with strong support.

Phase V CAQH CORE Operating Rules

1. *Phase V CAQH CORE Operating Rules Set*
   - *Phase V CAQH CORE Prior Authorization (278) Request / Response Data Content Rule*
   - *Phase V CAQH CORE Prior Authorization Web Portal Rule*
2. *Phase V CAQH CORE Certification Test Suite*

Prior Authorization (278) Request / Response Data Content Rule

Requirements & Scope

Key Rule Requirements
✓ Consistent patient identification and verification to reduce to reduce common errors and denials.
✓ Return of specific AAA error codes and action codes when certain errors are detected on the Request.
✓ Return of Health Care Service Decision Reason Codes to provide the clearest explanation to the submitter.
✓ Use of PWK01 Code (or Logical Identifiers Names and Codes & PWK01 Code) to provide clearer direction on status and what is needed for adjudication.
✓ Detection and display of all code descriptions to reduce burden of interpretation.

Scope	
In Scope	▪ Applies to the 5010X217 278 Request / Response transactions for prior authorizations for procedures, laboratory testing, medical services, devices, supplies or medications within the medical benefit. ▪ Applies when any HIPAA covered entity, conducts or processes the 5010X217 278 Request / Response transaction.
Out of Scope	× Prior authorizations covered by retail pharmacy benefit. × Prior authorization specific to emergency / urgent requests. × Referral requests.

Prior Authorization (278) Request / Response Data Content Rule

Requirement Deep Dive: Consistent Patient Identification and Verification

5010X217 278 Request / Response Data Content

Pain Point: Health plans often pend or deny PA requests due to incorrect, incomplete or inconsistent patient identification.

Rule Requirement is applicable to PA Submitter and Provider-facing Vendor.

Submitting Patient Identifying Information

- Specifies data field (loop and segment) in which a provider must submit identifying information if patient is a ***subscriber.***
- Specifies data field (loop and segment) in which a provider must submit subscriber and dependent information if patient is the ***dependent.***

Rule Requirement is applicable to PA Responder and Provider-facing Vendor.

Normalizing Patient Last Name

- Normalization applies to specific **characters in a patient's last name** including:
  - Punctuation values.
  - Upper case letters.
  - Special characters.
  - Name suffixes and prefixes.
- Requires character strings to be removed during name normalization.
- Recommends set of punctuation values to be used to delimit last name from suffix or prefix.

NOTE PERTAINING TO LAST NAME NORMALIZATION REQUIREMENT: *This Rule does NOT*

- Require CORE-certified entities to internally store data elements.
- Require conversion of letter case and/or special characters by any party for subsequent processing of the data through external systems.
- Specify whether the full last name or only a portion of the last name must be validated.
- Specify the search criteria used to identify a patient.

CAQH CORE

Prior Authorization (278) Request / Response Data Content Rule

Requirement Deep Dive: Requesting Additional Documentation for a Pended Response

5010X217 278 Request / Response Data Content

Pain Point: When providers receive pended and denied responses from the health plan/UMO, the codes supporting the responses are not always consistent and are often ambiguous.

Rule Requirement is applicable to PA Responder and Provider-facing Vendor.

Requesting Additional Documentation for a Pended Response

To indicate that review is pended for additional medical information at the patient event and service level requires the return of **HCR01 Action Code of A4 Pended** as well as the appropriate **HCR03 Industry Code** and *either*:

- The appropriate **PWK01** Attachment Report Type Code.

  OR

- One or more appropriate **LOINC**,

  AND

- The appropriate **PWK01** Attachment Report Type Code.

NOTE: The requirement applies when the 5010X217 278 Request transaction includes one or more Diagnosis Code(s) in Loop 2000E Patient Event Level HI Patient Diagnosis Health Care Information Codes and/or Procedure or Revenue Code(s) in Loop 2000F Service Level SV1, SV2, or SV3 segments that can be categorized by the health plan and its agent into one or more of the following types of service: General Outpatient, Inpatient, Surgery, Oncology, Cardiology, Imaging, Laboratory, Physical Therapy, Occupational Therapy, Speech-Language and Pathology.
The rule does NOT require providers to submit diagnosis or procedure code.

CAQH CORE

Prior Authorization (278) Request / Response Data Content Rule

Consistent Use of Codes to Indicate Errors, Decisions and Next Steps

5010X217 278 Request / Response Data Content

Pain Point: When providers receive pended and denied responses from the health plan/UMO, the codes supporting the responses are not always consistent and are often ambiguous.

Rule Requirements are applicable to PA Responder and Provider-facing Vendor.

Consistent and Uniform Use of AAA Error and Action Codes

- Requires the return of specific AAA Error and Action Codes in Response when certain errors are detected in the request[1].

Using Health Care Service Decision Reason Codes (HCSDRC)

- Requires the use of a second HCSDRC be returned in the HCR segment to the submitted in addition to the required code to provide the most comprehensive information.

[1]Specified in Sections 4.2.2, 4.2.3 & 4.2.3

CAQH CORE

Prior Authorization (278) Request / Response Data Content Rule

Detection & Display of 278 Response Data Elements

5010X217 278 Request / Response Data Content

Pain Point: Providers must contact health plans (often via phone) to understand next steps.

Rule Requirement is applicable to PA Responder and Provider-facing Vendor.

Detection & Display of 278 Response Data Elements

- Requires the receiver of 5010X217 278 Response to detect and extract all data elements, data element codes and corresponding code definitions to which the rule applies in the 5010X217 278 Response.
- The receiver must display or otherwise make the data appropriately available to the end user without altering the semantic meaning of the 5010X217 278 Response data content.

CAQH CORE

Phase V CAQH CORE Operating Rules

1. *Phase V CAQH CORE Operating Rules Set*
   - *Phase V CAQH CORE Prior Authorization (278) Request / Response Data Content Rule*
   - *Phase V CAQH CORE Prior Authorization Web Portal Rule*
2. *Phase V CAQH CORE Certification Test Suite*

Prior Authorization Web Portals Rule

Requirements & Scope

Key Rule Requirements
✓ Use of the 5010X217 278 Request / Response TR3 Implementation Names or Alias Names for the web portal data field labels to reduce variation.
✓ System availability requirements for a health plan to receive requests, to enable predictability for providers.
✓ Confirmation of receipt of request to reduce manual follow up for providers.
✓ Adherence to the requirements outlined in the 278 Request / Response Data Content Rule when the portal operator maps the collected data from the web portal to the 5010X217 278 transaction.

Scope	
In Scope	▪ Applies to any web portal used to submit a referral as well as prior authorizations for procedures, laboratory testing, medical services, devices, supplies or medications within the medical benefit. ▪ Applies when any entity and its agent make available a web portal to a provider to submit a prior authorization request or referral.
Out of Scope	× Prior authorizations covered by retail pharmacy benefit. × Does not require any entity to conduct, use or process a prior authorization or referral via a web portal if it does not currently do so.

Prior Authorization Web Portals Rule

System Availability & Reporting Requirements

Pain Point: The availability of a system to receive a PA request is not always consistent, and it is difficult to determine such availability.

Rule Requirements are applicable to PA Responder and Provider-facing Vendor.

System Availability Requirements

- Web portal system availability must be **no less than 86%** per calendar week.
- This allows for 24 hours per calendar week for regularly scheduled web portal downtime.

System Availability Reporting Requirements

- Publish routinely scheduled **downtime,** including holidays**.**
- **No response required** during scheduled, non-routine or unscheduled downtime(s).
- Provide information **within one hour of emergency downtime.**
- Publish non-routine downtime at least **one week in advance.**

Not Required by Web Portal Rule: During downtime, web portals are **not** required to send a response to notify the provider that the web portal is down and where to submit a prior authorization request.

NOTE: When a web portal system is down, the web portal operator should provide an alternative mode of submission, if applicable.

CAQH CORE

Prior Authorization Web Portals Rule

Confirmation of a Receipt of a Prior Authorization Request

Pain Point: Providers often must call to determine next steps after a prior authorization is submitted.

Rule Requirement is applicable to PA Responder and Provider-facing Vendor.

Confirmation of a Receipt of a Prior Authorization Request

- Web portals must return a submission receipt to the provider indicating that the complete Prior Authorization form was **successfully received**.
- Web portals must return information about the **"next steps"** of the web portal operator.

Examples of next steps include:

- Notification that the web portal operator requires additional documentation to process the request.
- Option to print and save a PDF.
- View the prior authorization status.
- The status or an update of a previously submitted request.
- Assignment of a transaction or reference control number.
- A detailed timestamp, potentially including date, time and time zone of the submission.

Prior Authorization Web Portals Rule

Web Form Data Field Labels and Conformance with the 278 Data Content Rule

Pain Point: Providers allocate substantial staffing resources to manage web portal submissions, as each portal is different. Lack of standardization increases time spent to enter each request.

Rule Requirements are applicable to PA Responder and Provider-facing Vendor.

Web Form Data Field Labels

- Requires the use of 5010X217 278 Request / Response TR3 **Implementation Names** for the web portal data field labels, which supports the HIPAA-mandated standard transaction.
- Entities may also use the **TR3 "Alias" field** name.

A web portal operator may present supplemental information regarding the data fields via a "mouse hover" function or some similar functionality.

Conformance with the 278 Data Content Rule

- If a web portal operator **maps the data** collected from the web form to the X12/005010X217 Health Care Services Review – Request for Review and Response (278) transaction it must **conform** with the Phase V CAQH CORE Prior Authorization 278 Request / Response Data Content Rule.

Phase V CAQH CORE Operating Rules

1. *Phase V CAQH CORE Operating Rules Set*
   - *Phase V CAQH CORE Prior Authorization (278) Request / Response Data Content Rule*
   - *Phase V CAQH CORE Prior Authorization Web Portal Rule*

2. *Phase V CAQH CORE Certification Test Suite*

CORE Certification Background

Developed by Industry, for Industry to Promote Administrative Efficiency

CORE Certification is the most robust and widely-recognized industry program of its kind – the Gold Standard. The approach allows organizations to demonstrate their ability to reduce administrative costs through adoption of operating rules.

Requirements are developed by broad, multi-stakeholder industry representation via transparent discussion and polling processes.

Requirements testing is conducted by third party vendors that are experts in EDI and testing.

CAQH CORE serves as a neutral, Certification administrator.

CORE Certification Background

Market Penetration Continues to Grow

361 Certifications have been awarded since the program's inception.

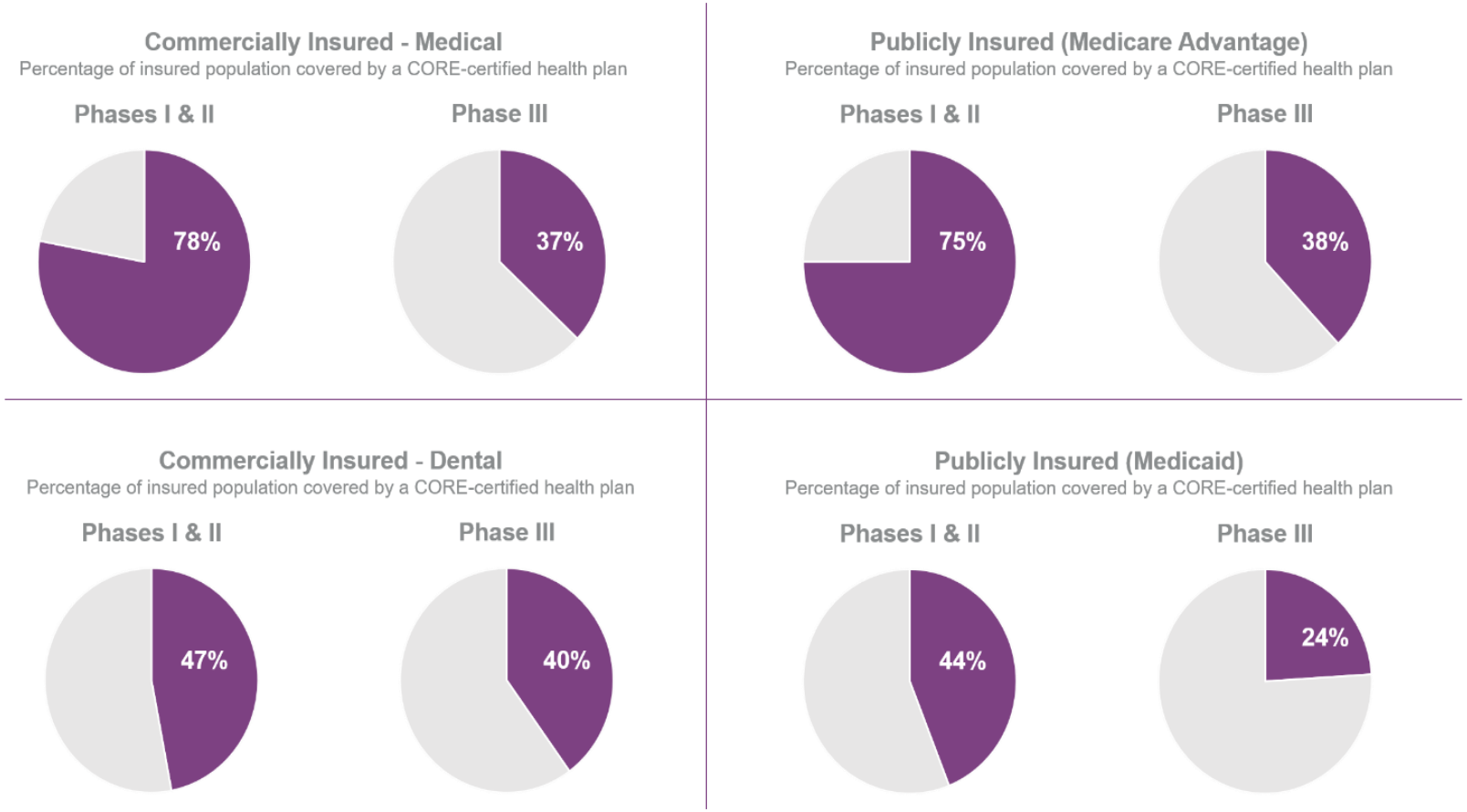
Congratulations to our most recent CORE Certifications!

eligibill

HealthTrio® LLC

FRONTRUNNER HEALTH CARE

SecurityHealth Plan℠



CAQH CORE

Phase V CAQH CORE Certification Test Suite

Overview of Sections

Introduction:

- Provides an overview and gives context on the CAQH CORE Certification Test Suites.

Guidance:

- Considerations regarding stakeholder categories, different business processes for applicable standard transactions and other guidance.

Two Test Scenarios - Data Content and Web Portal:

- Key Rule requirements.
- Conformance Testing requirements.
- Test Scripts assumptions by rule.
- Detailed step-by-step test scripts addressing each conformance requirement by rule for each stakeholder.

CAQH CORE Phase V Certification will be available December 2019

Phase V CAQH CORE Certification Test Suite

Table of Contents

Polling Question #1

What topic(s) related to the Phase V Operating Rules are of most interest to you for future webinars?
(Select all that apply.)

- Technical webinar on the operating rule requirements
- Phase V operating rule implementation how-to
- Phase V CORE Certification
- Overview of the X12 prior authorization transaction (278)
- DaVinci prior authorization HL7 FHIR proposal

Next Steps

Prior Authorization Next Steps

- Start planning efforts for CORE Certification for the Phase IV & V Operating Rules. Phase IV Certification is currently available, and Phase V will be available by the end of the year.

- Stay tuned for additional resources including the Phase V CAQH CORE Analysis & Planning Guide and Phase V FAQs to be posted to the CAQH CORE website in June 2019.

- Stay engaged in prior authorization requirements development by participating in the **Phase IV Response Time Task Group** or considering a **pilot project**. CAQH CORE continues to focus on:
  - Minimizing the timeframe to a final determination via enhancements to the Phase IV 278 Infrastructure rule.
  - Improving the electronic discovery of prior authorization rules, requirements and determinations through pilots measuring impact of potential new operating rules.
  - Streamlining the exchange of “Attachments” (i.e. medical information/supplemental documentation) to support prior authorizations.

Phase IV Prior Authorization Response Time Requirement Enhancements

Phase IV Task Group Launched in May

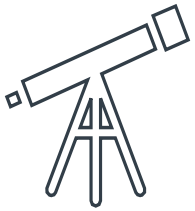
Phase IV Task Group Objective:

- Evaluate opportunities to strengthen the Phase IV CAQH CORE 452 Health Care Services Review –Request for Review and Response (278) Infrastructure Rule v4.0.0 to include a response time requirements for a final PA determination and update the PIV Certification Test Suite accordingly.
- The goal of the potential requirements is timely delivery of patient care and reduced administrative burden stemming from manual status checks and inconsistent timeframes.

Approach:

- After 73% of CAQH CORE Participating Organizations engaged in PA rule development indicated support for a PA response time requirement, CAQH CORE staff conducted an extensive review of national and state-level response time requirements.
- The Phase IV Task Group will involve a higher level of involvement (but shorter time frame) than traditional group participation.
- Task Group participants are either **Subject Matter Experts (SMEs)** with knowledge of how their organization operates with respect to final determination response times or an **Executive-Level Sponsor** interested in development of the requirement and supportive of their SME's efforts.

Coming Soon: CAQH CORE Prior Authorization Pilot Project



Vision:

Rapidly develop and track the impact of existing and potentially new CAQH CORE prior authorization operating rule requirements that support automation, add value to existing and emerging standards and reduce administrative burden for providers and health plans.

Goal:

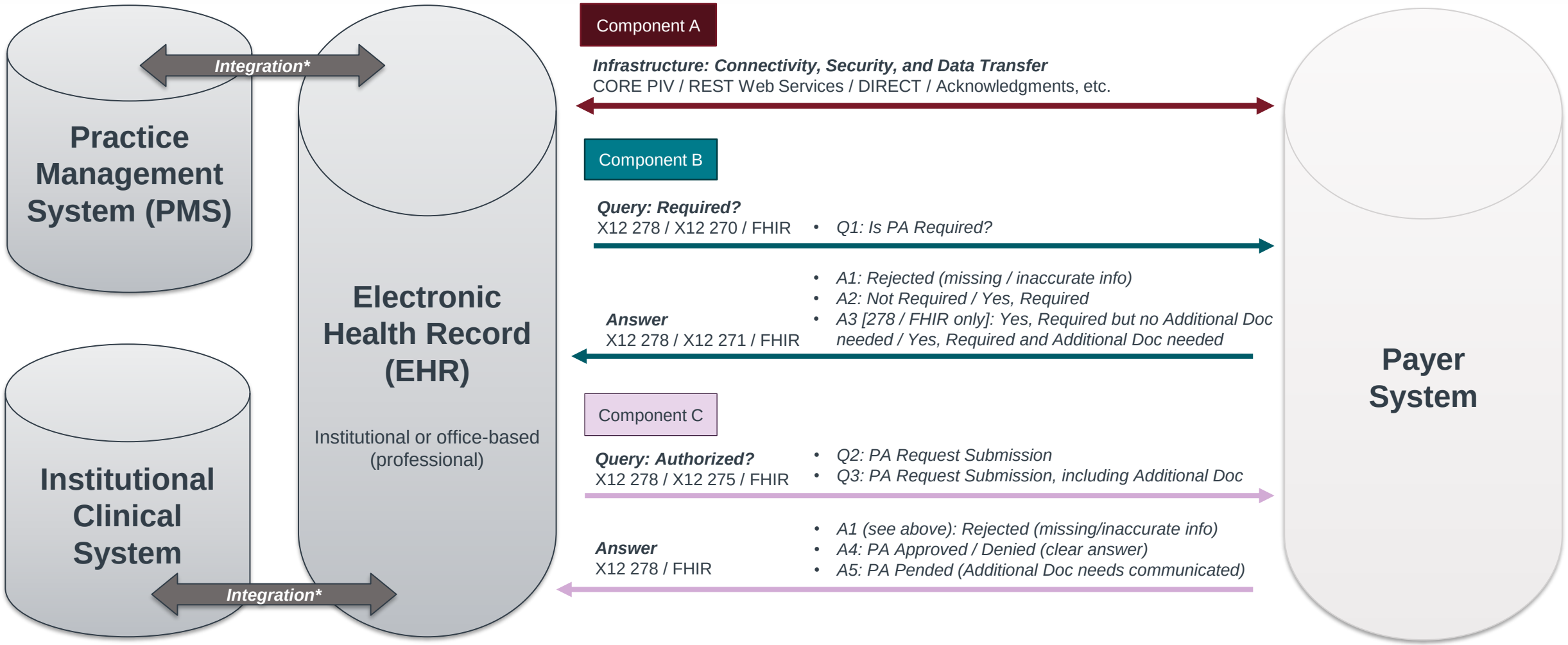
- Design and implement pilots with partner organizations in 2019 to assess impact of existing / new data content and infrastructure requirements for the electronic discovery of prior authorization rules, requirements, and determinations.

Piloted Rule Requirements:

- Support various connectivity and security methods.
- Work in concert with existing and emerging standards (X12, HL7 FHIR, etc.).
- Support timely and complete response to the provider that facilitates patient care and increases confidence for provider payment.
- Focus on specific categories of service; e.g., Imaging, Cardiology, Oncology, Surgery, etc.

PA Pilots to Add Value to Existing and Emerging Standards

Conceptual Model: CAQH CORE Operating Rules Support Pilot Components



* These systems are rarely integrated. An alternate workflow could have the PMS and Payer systems communicating back and forth, instead of the EHR. However, for the purpose of this conceptual model, integration is assumed as a precondition.

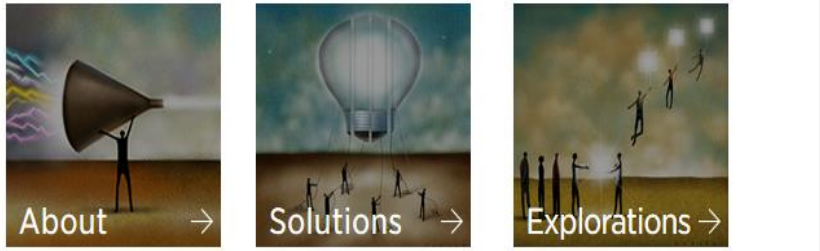
Polling Question #2

Which of the following Prior Authorization work efforts is your organization interested in engaging with or would like more information on? (Select all that apply.)

- Phase IV Prior Authorization Response Time Task Group
- Prior Authorization Pilot
- Phase V Prior Authorization CORE Certification - Beta Testing

Implementation Resources

Resources



- One Page Overview of the Phase V Operating Rules Requirements
- Phase V CAQH CORE Operating Rule Set
- Phase V Tutorials:
  - Request/ Response Data Content Rule
  - Web Portals Rule
- Phase V Certification Test Suite
- Previous Webinars:
  - CAQH CORE Webinar: Prior Authorization Landscape
  - CAQH CORE Participant Forum

NOTE: The CAQH CORE Calendar available to Participants contains all materials developed from the Subgroup and Work Groups.

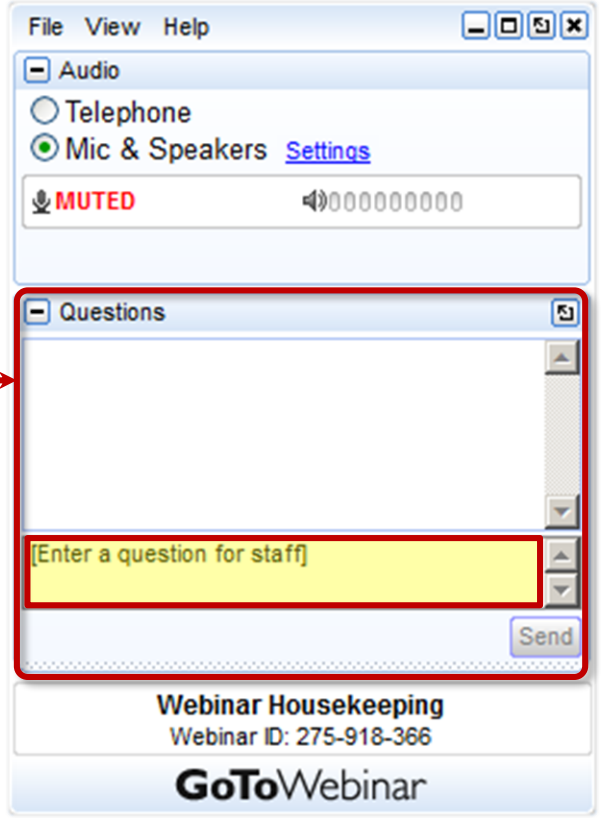
Please contact CAQH CORE Staff & Co-Chairs with any questions or concerns: CORE@CAQH.org

Audience Q&A

Please submit your questions

Enter your question into the “Questions” pane in the lower right hand corner of your screen.

You can also submit questions at any time to CORE@caqh.org



- The slides and webinar recording will be emailed to attendees and registrants in the next 1-2 business days.

CAQH CORE

Upcoming CAQH CORE Education Sessions

State Medicaid Experiences with Value-based Payments, with Center for Health Care Strategies and Minnesota Medicaid
THURSDAY, JUNE 6, 2:00 – 3:00 PM

CORE Certification Webinar Series: Security Health Plan Demonstrates Commitment to Administrative Efficiency
THURSDAY, JUNE 20, 2:00 – 3:00 PM

CONFERENCES

HFMA 2019 Annual Conference
JUNE 23-26, 2019

Thank you for joining us!

@CAQH

Website: www.CAQH.org/CORE

Email: CORE@CAQH.org

The CAQH CORE 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.