

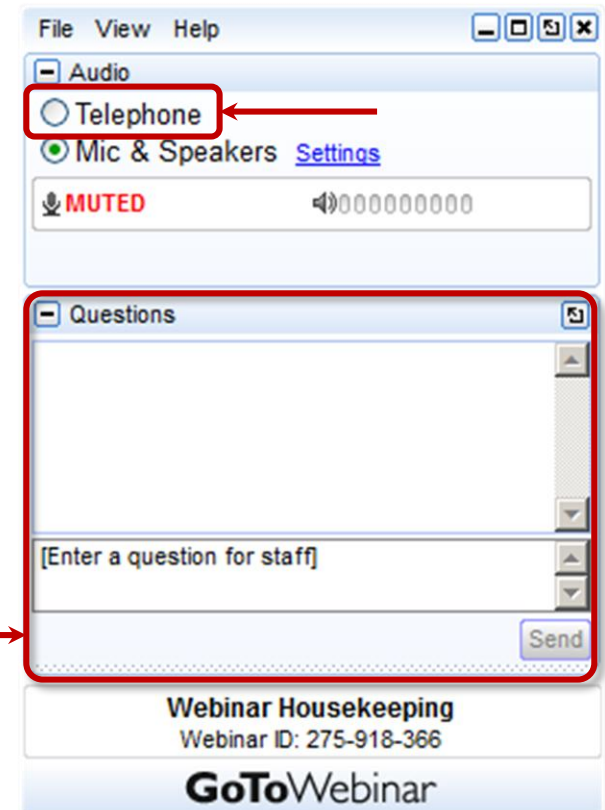


Going Paperless in Your EFT/ERA Transactions - Benefits for Hospitals & Providers

Thursday,
September 10th, 2015
2:00-3:00pm ET

Logistics – *How to Participate in Today's Session*

- Download a copy of today's presentation on the [CAQH.org website](http://CAQH.org)
 - Navigate to the CORE Education Events page and access a pdf version of today's presentation under the list for today's event
- The phones will be muted upon entry and during the presentation portion of the session
- At any time throughout the session, you may communicate a question via the web
 - Questions can be submitted **at any time** with the **Questions panel on the right side of the GoToWebinar desktop**
 - On-line questions will be addressed first



Thank You Speakers!

CAQH CORE would like to thank our guest presenters for today's webinar.



Priscilla C. Holland AAP
Senior Director Healthcare Payments
NACHA



Eric Brodsky
Director of Billing and Operations
Midwest Center for Women's Health Care



Douglas Downey
Vice President, Treasury Services
HCA Inc.

Session Outline

1. Affordable Care Act (ACA) Mandate for Operating Rules
2. CAQH CORE Phase III Operating Rules: EFT & ERA
3. Potential Benefits: Industry Impacts for Key Stakeholder Groups
4. NACHA Case Studies
5. Midwest Center for Women's Healthcare Case Study
6. Hospital Corporation of America (HCA) Case Study
7. Q & A

Polling Question #1:

Stakeholder Type

Which stakeholder type best describes your organization?

1. Health Plan
2. Vendor/Clearinghouse
3. Hospital
4. Provider
5. Other

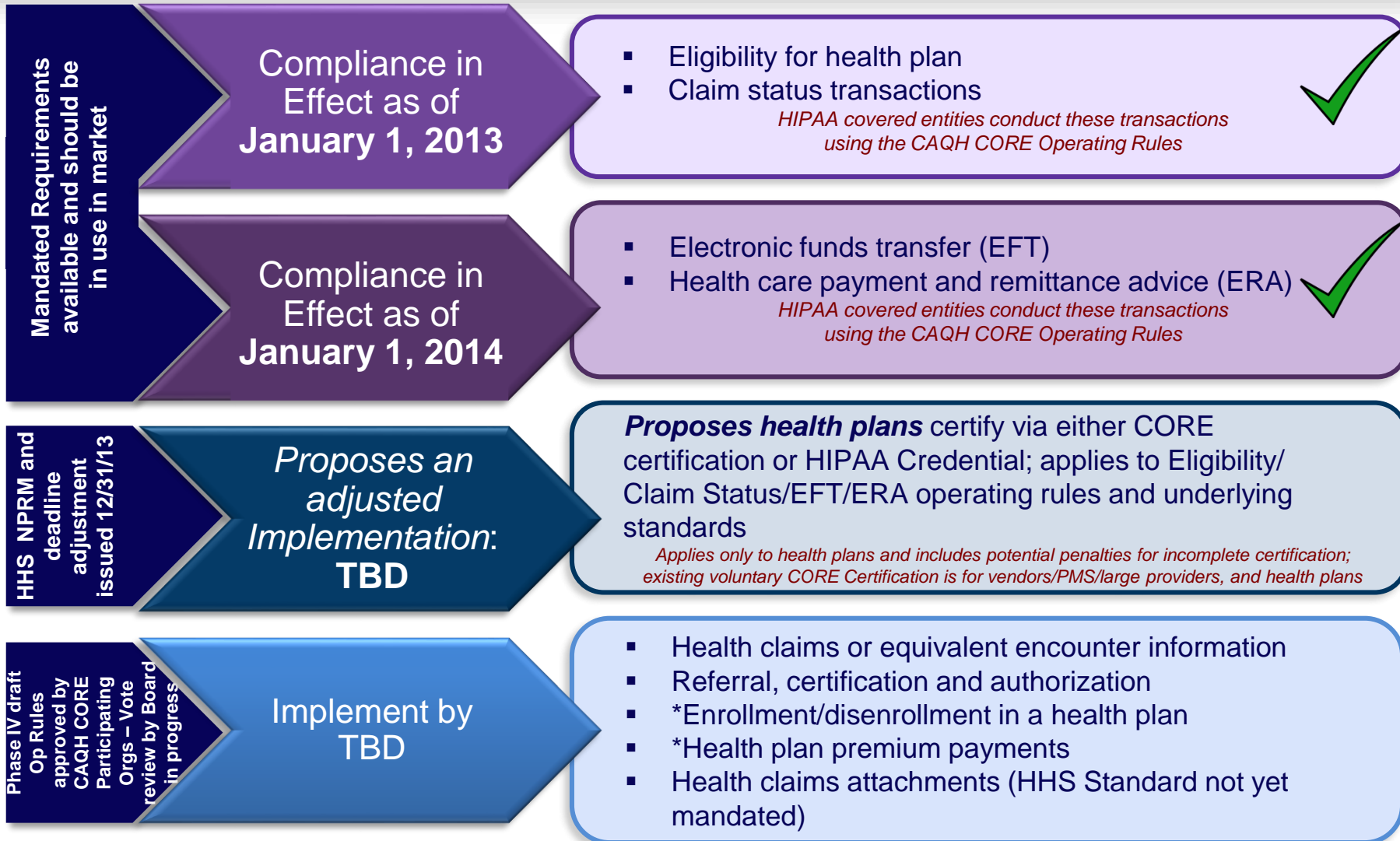
ACA Mandate for Operating Rules

Robert Bowman
Senior Manager, CAQH CORE

Who Must Comply with Standards and Operating Rules? *Required of All HIPAA Covered Entities*

- ACA Section 1104 mandates that all HIPAA covered entities comply with healthcare operating rules.
- CAQH CORE is the operating rule authoring entity as designated by the Secretary of Health and Human Services.
- HIPAA Administrative Simplification standards, requirements and implementation specifications apply to:
 - Healthcare Providers: Any person or organization who furnishes, bills, or is paid for healthcare in the normal course of business
 - Covered ONLY if they transmit protected health information electronically (directly or through a business associate) in connection with a transaction covered by the HIPAA Transaction Rule
 - Examples include but are not limited to: Doctors, Clinics, Psychologists, Dentists, Chiropractors, Nursing Homes, and Pharmacies
 - Health Plans (including TPA, Long-term Care, Medicare, Medicaid, etc.)
 - Healthcare Clearinghouses

ACA Mandated Operating Rules and Certification Compliance Dates



*Also used in federal and state Health Information Exchanges (HIX) implementations

ACA Mandated Healthcare EFT Standard and EFT & ERA Operating Rules

- Healthcare EFT Standard: July 2012 CMS announces [CMS-0024-IFC](#) is in effect
 - Adopts the NACHA ACH CCD plus Addenda Record (CCD+) and the X12 v5010 835 TR3 TRN Segment as the HIPAA mandated Healthcare EFT Standard
- EFT & ERA Operating Rules: April 2013 CMS announces [CMS-0028-IFC](#) should be considered the Final Rule and is now in effect
 - Adopts Phase III CAQH CORE Operating Rules for the Electronic Funds Transfer (EFT) and Health Care Payment and Remittance Advice (ERA) transactions except for rule requirements pertaining to Acknowledgements*
 - CMS also confirms that the CORE Code Combinations maintenance process updates are immediately effective

Compliance date for both the Healthcare EFT Standard and EFT & ERA Operating Rules was January 1, 2014

* [CMS-0028-IFC](#) excludes requirements pertaining to acknowledgements.

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CAQH CORE Phase III Operating Rules

EFT & ERA

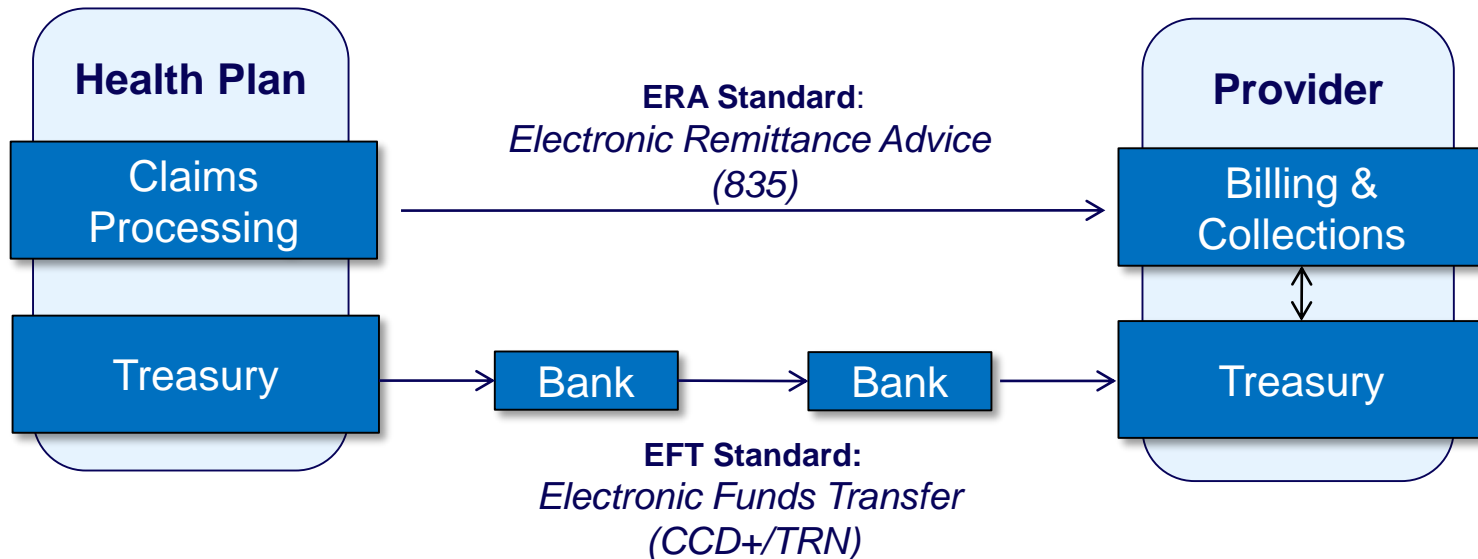
EFT and ERA Transaction Flow

EFT and ERA Operating Rules represent the convergence of financial services and healthcare

- Both transactions are sent using “recognized” electronic HIPAA standards
- Aim is to increase adoption of both standards in healthcare

Together the transactions foster the goals of administrative simplification by moving the process of reimbursement from paper to electronic

- ERA is an electronic transaction that enables providers to receive claims payment information from health plans electronically; ERA files are intended to replace the paper Explanation of Payment (EOP)
- EFT enables providers to receive payments from health plans electronically



Mandated EFT & ERA Operating Rules *Requirements*

	Rule	High-Level Requirements
Data Content	<p>CAQH CORE 360: Uniform Use of CARCs and RARCs (835) Rule <small>Claim Adjustment Reason Code (CARC) Remittance Advice Remark Code (RARC) Claim Adjustment Group Codes (CAGC)</small></p>	<ul style="list-style-type: none"> Identifies a <i>minimum</i> set of four CAQH CORE-defined Business Scenarios with a <i>maximum</i> set of CAQH CORE-required code combinations that can be applied to convey details of the claim denial or payment to the provider
Infrastructure	<p>CAQH CORE 380: EFT Enrollment Data Rule</p>	<ul style="list-style-type: none"> Identifies a maximum set of standard data elements for EFT enrollment Outlines a flow and format for paper and electronic collection of the data elements Requires a health plan to offer electronic EFT enrollment
	<p>CAQH CORE 382: ERA Enrollment Data Rule</p>	<ul style="list-style-type: none"> Similar to EFT Enrollment Data Rule
	<p>CAQH CORE 370: EFT & ERA Reassociation (CCD+/835) Rule</p>	<ul style="list-style-type: none"> Addresses provider receipt of the CAQH CORE-required Minimum ACH CCD+ Data Elements required for re-association Addresses elapsed time between the sending of the v5010 835 and the CCD+ transactions Requirements for resolving late/missing EFT and ERA transactions Recognition of the role of <i>NACHA Operating Rules</i> for financial institutions
	<p>CAQH CORE 350: Health Care Claim Payment/Advice (835) Infrastructure Rule</p>	<ul style="list-style-type: none"> Specifies use of the CAQH CORE Master Companion Guide Template for the flow and format of such guides Requires entities to support the Phase II CAQH CORE Connectivity Rule. Includes batch Acknowledgement requirements* Defines a dual-delivery (paper/electronic) to facilitate provider transition to electronic remits

- [CMS-0028-IFC](#) excludes requirements pertaining to acknowledgements. The complete Rule Set is available [HERE](#).

CAQH CORE EFT & ERA Reassociation (CCD+/835) Rule

Problem Addressed: It has been challenging for providers to reassociate the remittance data with the payment information. Data from the health plan that the provider needs to make this reassociation has been incorrect, missing, or not delivered to the provider in a usable way.



EFT & ERA Operating Rules: *Rules in Action*

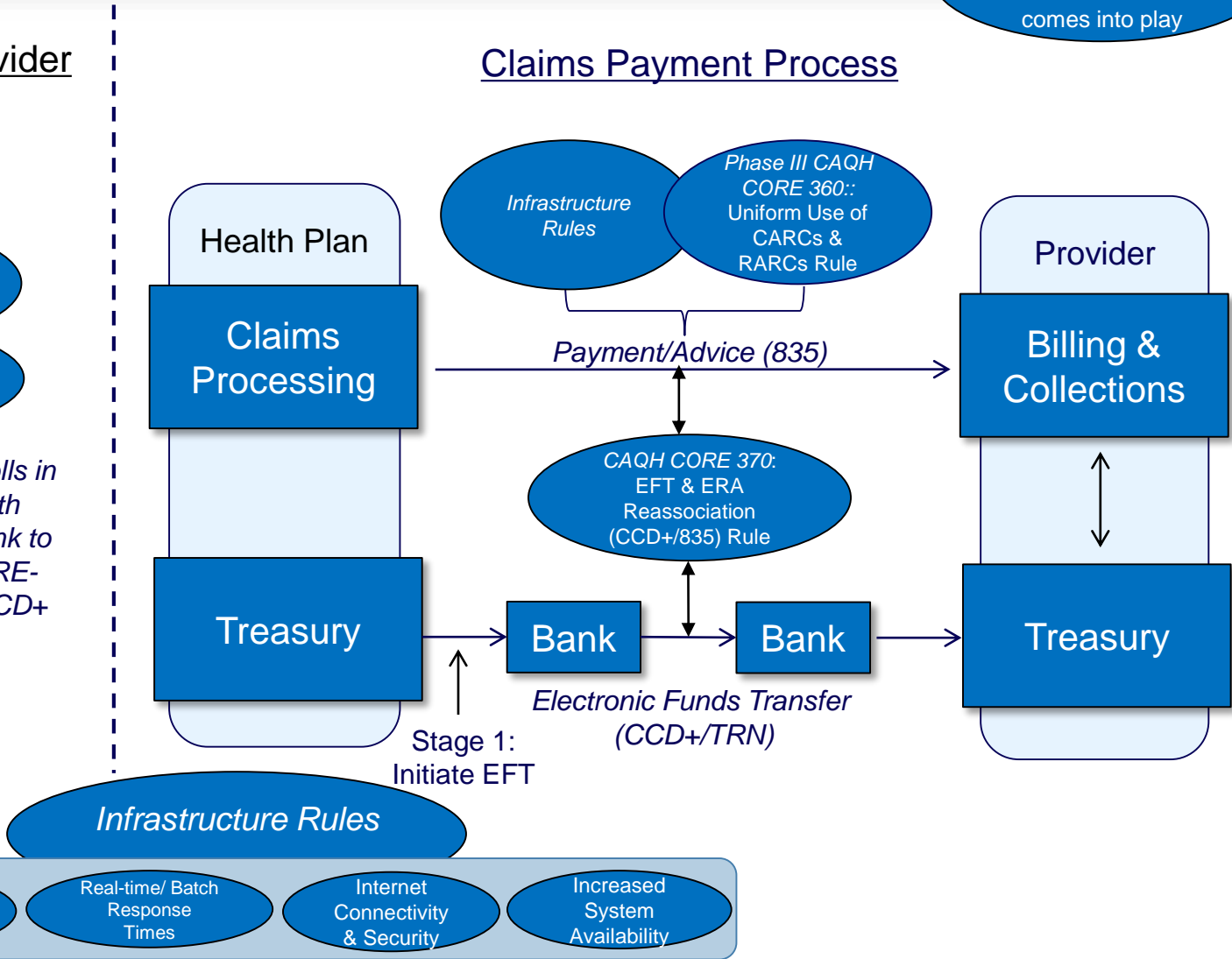
Indicates where a CAQH CORE EFT/ERA Rule comes into play

Pre- Payment: Provider Enrollment

- CAQH CORE 380: EFT Enrollment Data Rule
- CAQH CORE 382: ERA Enrollment Data Rule

Content: Provider first enrolls in EFT and ERA with Health Plan(s) and works with bank to ensure receipt of the CORE-required Minimum ACH CCD+ Data Elements for reassociation

Claims Payment Process



Potential Benefits

Industry Impacts for Key Stakeholder Groups

How Operating Rules Benefit Providers: *EFT & ERA Operating Rules*

Key Benefits

- **Standardized electronic enrollment for EFT/ERA:** Providers will be able to enroll in both EFT and ERA electronically with all health plans using a consistent set of data elements
- **Potential reduction in manual claim rework:** With health plans more consistently using denial and adjustments codes per the CORE-defined Business Scenarios, providers will have less rework
- **Reduction in A/R days:** Automated and timely re-association of EFT and ERA leading to efficiencies and reduced errors for payment posting

Savings Estimate

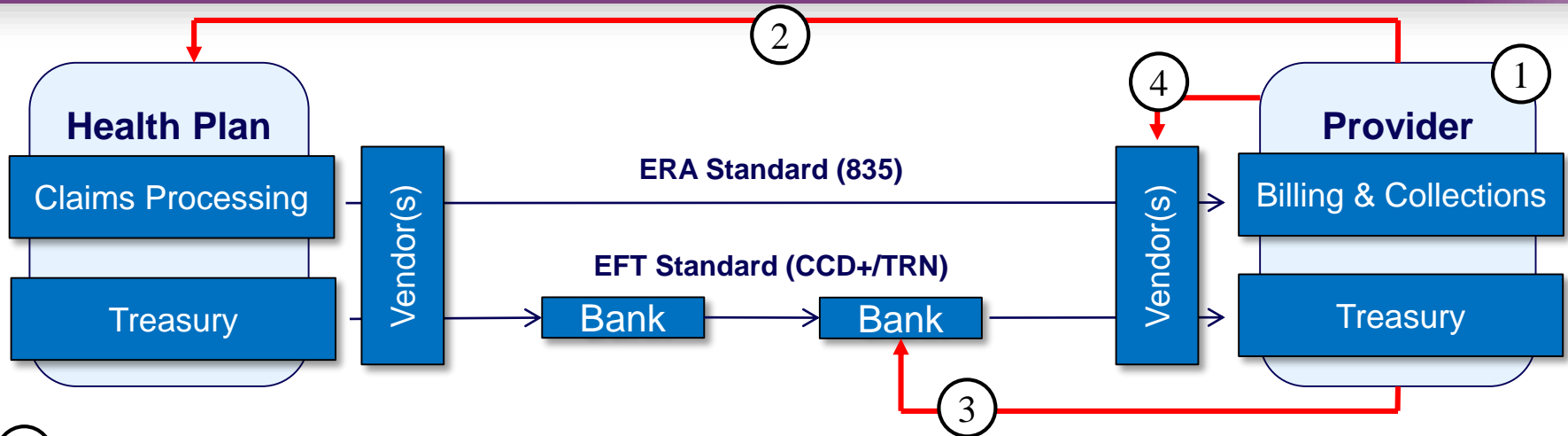
- Between \$300 million and \$3.3 billion over 10 years* for providers, including hospitals and health systems, and health plans

Timeframe

- Both the ACA-mandate and Medicare required compliance with the EFT Standard and the EFT & ERA Operating Rules by January 2014
- Hospitals and Health Systems have been working with their trading partners to achieve these benefits

* [Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transactions](#)

How to Maximize Benefits of Operating Rules: Provider Actions



- ① Determine if you are conducting the applicable electronic transactions
 - If you conduct the X12 v5010 835 and ACH CCD+, these transactions must comply with the Operating Rules
 - Assess organizational readiness/compliance and Identify all systems and vendors that touch X12 v5010 835 and the Healthcare EFT Standard transactions
 - Use CAQH CORE [Analysis and Planning Guide](#)
- ② Understand health plan agreements and options for payment and remittance information
 - Request healthcare EFT payments from your payers, both public and private, using the [Sample Provider EFT Request Letter](#)
- ③ Contact financial institution to request delivery of the EFT and payment-related information including the reassociation trace numbers
 - To help facilitate this request, CAQH CORE developed the [Sample Provider EFT Reassociation Data Request Letter](#)
- ④ If applicable, ensure vendor has updated its systems to align with the CAQH CORE Operating Rules
 - Encourage your vendor (and Health Plan) to become [CAQH CORE Certified](#)

What is EnrollHub?

- EnrollHub is an easy-to-use enrollment tool that enables healthcare providers (including dentists) to use a single, secure on-line process to sign up for electronic payments with multiple health or dental plans at once.
- EnrollHub eliminates the need for healthcare providers to complete separate forms for enrollment with each plan.

Who may use EnrollHub?

- EnrollHub is available to all healthcare professionals and providers, at no charge.
- Health and dental plans may use EnrollHub independently, or integrated with current electronic funds transfer (EFT) and electronic remittance advice (ERA) tools to achieve broader adoption of electronic payments.

Polling Question #2: ***Use of EFT/ERA Transactions***

Please indicate the extent to which your organization sends or receives health care payments through EFT (ACH Network only).

1. 1%-25% of the time
2. 26%-50% of the time
3. 51% - 75% of the time
4. Above 75% of the time
5. We neither send nor receive health care payments through EFT (ACH Network only)

CAQH CORE and NACHA Webinar: NACHA Case Studies

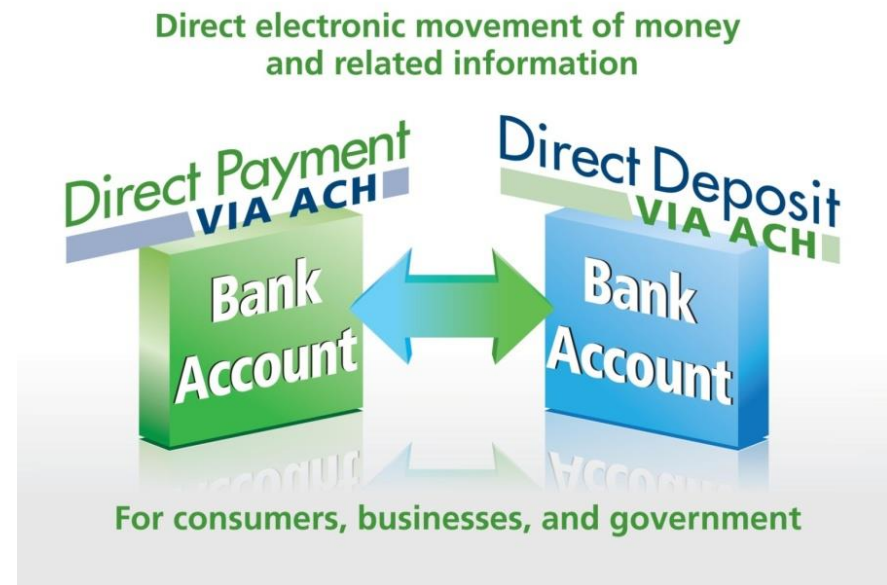
Eric Brodsky, Director of Billing and Operations
Midwest Center for Women's Health Care

Douglas Downey, Vice President of Treasury Services
HCA Inc.

Priscilla C. Holland AAP, Senior Director Healthcare Payments
NACHA – The Electronic Payments Association

Brief Introduction to NACHA and the ACH Network

- NACHA is the private sector rule-making organization that administers the ACH Network.
- NACHA is the standards organization for the healthcare EFT standard
- Develops, maintains, and enforces the *NACHA Operating Rules*
- The ACH Network:
 - Facilitates global commerce by serving as a safe, efficient, ubiquitous and high-quality electronic payment system; it is best known for Direct Deposit and Direct Payment
 - Is accessible via more than 13,000 U.S. financial institutions
 - Process close to 22 billion ACH payments in 2013, moving almost \$39 trillion in value
 - Provides funds transfer and settlement of credit and debit card transactions

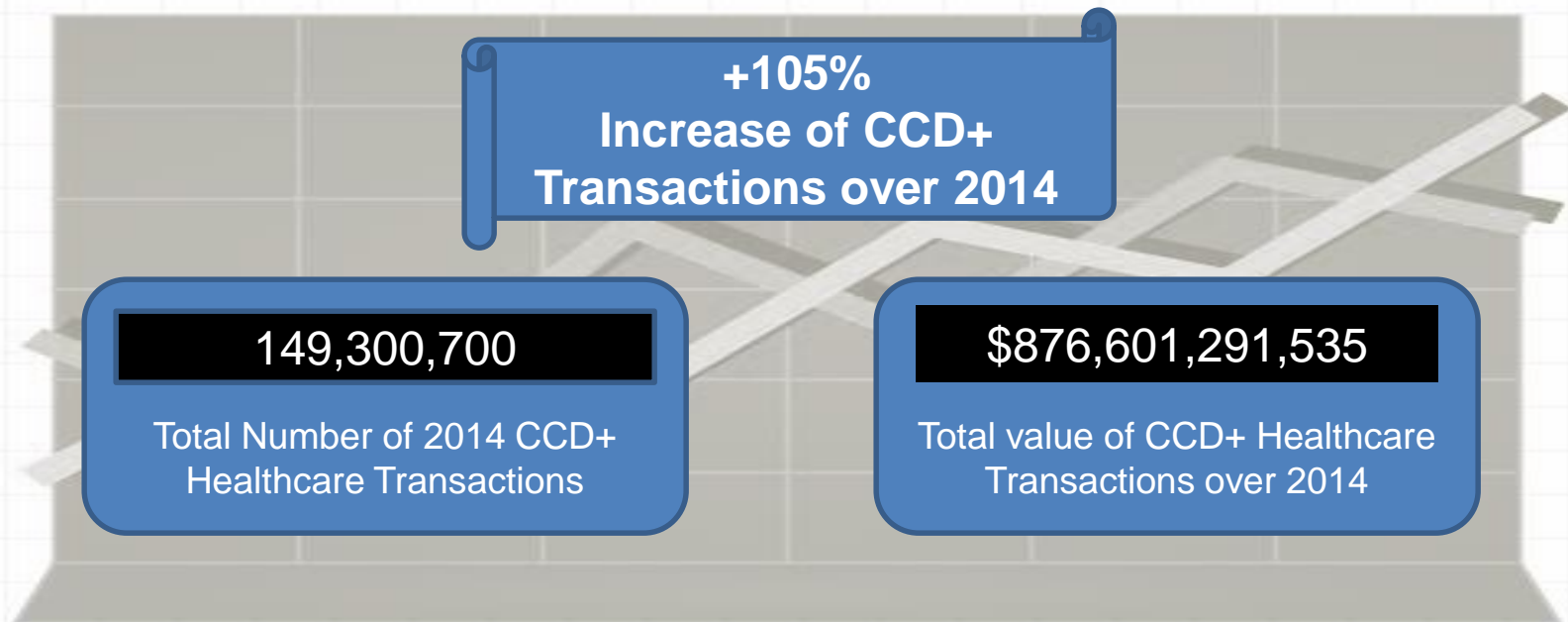


Healthcare EFT Standard – HIPAA Standard

- Patient Protection Affordable Care Act (ACA) mandated the identification of a healthcare EFT standard transaction and development of operating rules for HIPAA standard transactions
- 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 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 BUT they are not the healthcare EFT standard

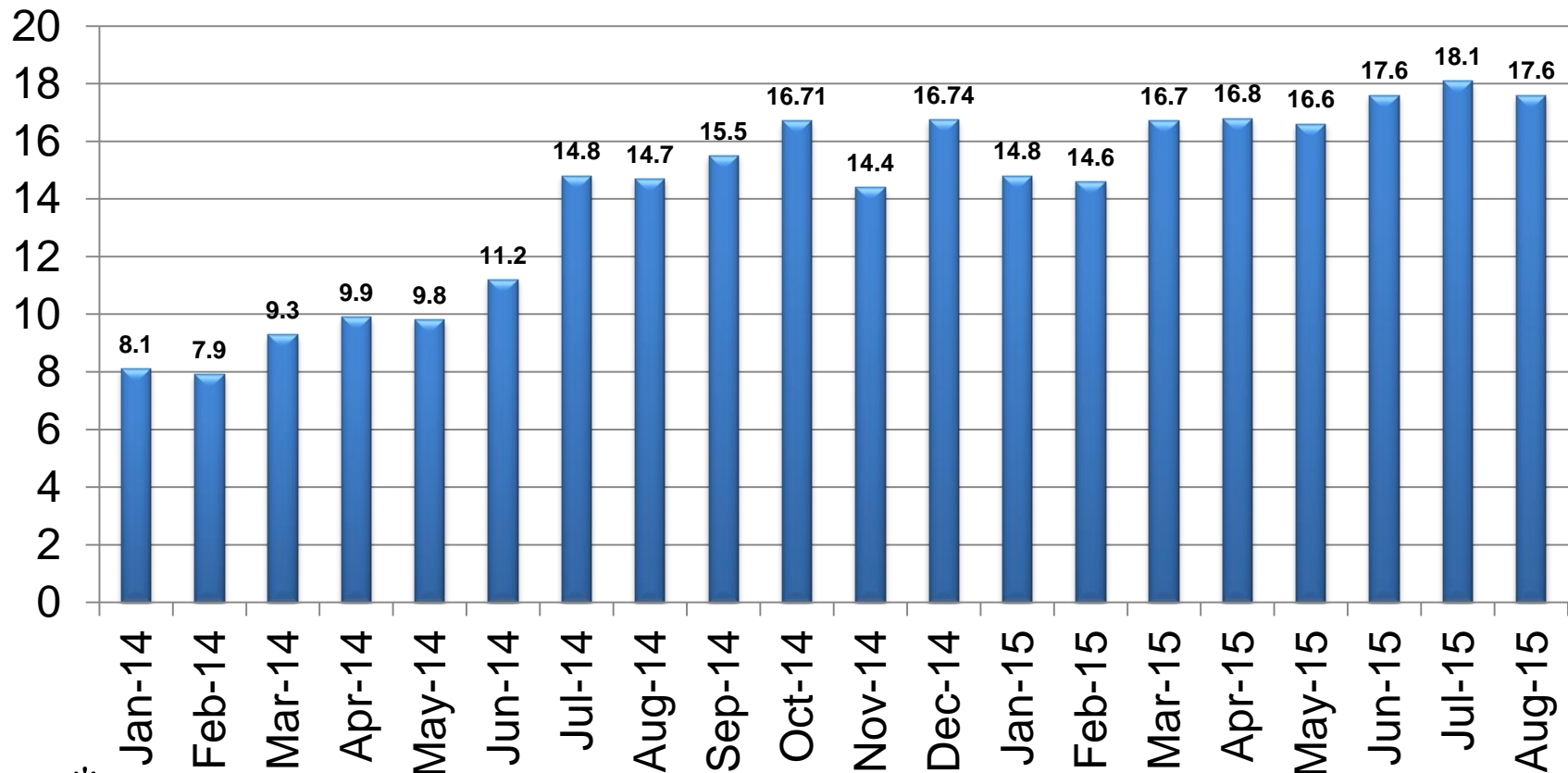
2014 Healthcare EFT Volume

- NACHA tracks the healthcare EFT volumes of CCD+ transactions using a specific identifier of “HCCLAIMPMT” in the ACH record.



2014 – 2015 Healthcare EFT Volumes

Volume in Millions



*July 2014 – Medicare system updates add volumes and values to ACH statistics.

Healthcare EFT Standard Value Proposition for Providers

- Receive health plan payments weeks faster to bill and collect remaining patient payment responsibility (i.e., deductibles) sooner
- Easy claims payment reconciliation with the EFT trace number included in the ERA
- Reduce posting errors
- Reducing administrative work and days in accounts receivable
- Reduce account receivable processing by moving from paper checks to EFT via ACH and ERA
- The 2014 CAQH Report indicates that a provider will save an estimated \$3.04 per payment received by EFT via ACH over check payments. Estimated \$7.21 savings with EFT & ERA.

NACHA Case Studies

- Two case studies have been developed discussing the benefits received by the organizations in switching from paper checks and explanation of benefits (EOBs) to the healthcare EFT standard and electronic remittance advice (ERA)
- Case studies are posted on the NACHA Healthcare Payments Resource page - <https://healthcare.nacha.org/ProviderResources>
- 1st case study is a mid-size provider practice with 56 providers, 19 medical locations, and a central business office
- 2nd case study is a large hospital group with 165 locally managed hospitals and 115 freestanding surgery centers in 20 states



MIDWEST CENTER
FOR
WOMEN'S HEALTHCARE
Exceptional care one patient at a time.

ERA/EFT Implementation and Benefits from a Multi- Provider Practice Case Study

Eric Brodsky

Director of Billing and Operations

Midwest Center for Women's HealthCare





MIDWEST CENTER
FOR
WOMEN'S HEALTHCARE
Exceptional care one patient at a time.

- 56 Providers of OB/GYN Care
- 19 Care Centers Throughout the North and Northwest Chicago Suburbs
- 1 Central Business Office/Corporate Headquarters
- Over 250 Employees
- 14 CBO Employees
- \$35 million annual revenue



Midwest Center for Women's Health Care: *Implementing ERA/EFT*

- First worked with the insurers it billed most
 - Aetna, United, Humana, Cigna and Blue Cross-Blue Shield, Medicare
 - Then worked to convert smaller insurers
 - Also participating with Emdeon and PaySpan
- ERA/EFT adoption
 - ERA: 90% of remittances
 - EFT: 90% of payments
 - Goal is to receive all payments electronically



Midwest Center for Women's Health

Care: *Benefits of ERA/EFT*

- Cost savings related to staffing
 - Staffers are able to process EFT payments more easily because each payment is linked to a unique ERA number, making it easy to identify the service and patient covered by the payment.
 - The size of the practice and number of claims billed have increased significantly over 7 years but with EFT and ERA no additional staff were needed.
- Faster patient billing
 - Because insurer payments via EFT are received and processed more quickly, patients also receive their bills quicker.
 - Patients are more likely to pay their bill if they receive their bill in a timely manner.
- Reduced billing errors
 - Electronic payments increase accuracy, leading to fewer mistakes and less verification.
- Reduced Days in Accounts Receivable
 - Days in A/R has dropped from 25 to as low as 13 in a given month



Midwest Center for Women's Health Care: *Tips for EFT Conversion*

- Pay attention to new and renewing contracts with payers
 - Find out what their policies and procedures are for EFT and ERA, and make sure you have a contact person for any EFT/ERA questions.
- Work closely with your clearinghouse
 - Many clearinghouses are not actively promoting EFT conversion. As a result, healthcare practices must be proactive about getting information about EFT conversion and making sure they take the necessary steps to enroll.
- Watch out for virtual cards
 - Some providers have expressed concerns over virtual card payments which are used by some health plans or their vendors to reimburse providers. With virtual cards, a provider is charged an average processing fee of 3 percent of the transaction value, plus a transaction charge to accept virtual card payments.
 - According to CMS, under HIPAA a provider has the right to choose to receive the HIPAA healthcare EFT for claims reimbursements and is not required by HIPAA to accept virtual card payments.
 - It is important for provider groups to establish a policy on handling of virtual card transactions in their practice.



ERA/EFT Implementation and Benefits from a Large Hospital Group Case Study

Doug Downey
Vice President of Treasury Services
HCA Inc.

Hospital Corporation of America (HCA)

- Founded in 1968
- 165 locally managed hospitals
- 115 freestanding surgery centers
- Operate in 20 states and England
- More than 200,000 employees
- Roughly 4 to 5 percent of all inpatient care delivered in the United States is provided by HCA facilities

HCA: *EFT Payments*

- Steadily converting checks to EFT for more than 20 years
- 2005 – processed more than 3.5 million check payments from health plans. Processed approximately 2.3 million check payments (34% reduction) in 2014
- With the healthcare EFT standard in place, this group expects its EFT conversions to accelerate now that health plans are required to provide the healthcare EFT payment option and expects to reduce the number of check payments by another million over the next 3 years
- 2014 – Processed almost 89,000 EFT payments (\$3.8B) and re-associated the EFT and ERA for “perfect” payment posting
- 2015 – On target to process more than 225,000 transactions
- 2016 – Pending business case anticipates the addition of four FTE’s focused solely on this initiative. The vision indicates on-boarding 50 health plans per year for the next 4 years.

HCA: *Benefits of EFT/ERA*

- Healthcare EFT standard
 - HIPAA standard requires that all health plans deliver claim payments electronically if they are requested by provider
 - Prior to the healthcare EFT standard many health plans did not offer claim payments via ACH
- 70% reduction in processing costs with healthcare EFT standard
 - Automation of the payment posting and reconciliation
 - 76% match on day 0
 - 97% match by day one
 - 98% match by day two
 - Elimination of errors from manual posting

RESOURCES

Healthcare Payments
Resource Page -
<https://healthcare.nacha.org>

or



[Home](#)[About](#)[Federal Health Reform](#)[Healthcare EFT Standard](#)[For Financial Institutions](#)[For Healthcare Providers](#)

WEDI Offers EFT and ERA Guidance

The Workgroup for Electronic Data Interchange (WEDI) has developed a whitepaper, [EFT and ERA Enrollment Process](#), that offers for implementation of the EFT/ERA enrollment process.

Truncate the TRN Number?

If the conditional TRN04 data segment is used it should be truncated if the overall TRN Reassociation Trace Number data segment exceeds 80 characters.

Healthcare EFT Standard Frequently Asked Questions

Questions about the healthcare EFT standard? Find answers to your questions on our FAQs page.

Collaboration

...a catalyst for improved efficiencies
and innovation.

Healthcare legislation will impact every financial institution in the United States. NACHA is working in partnership with CAQH CORE to help improve the efficiency and processing of healthcare payments and remittance information. U.S. healthcare expenditures accounted for 17.6 percent of the U.S. GDP in 2009. Today 20 to 40 cents of each healthcare dollar is spent on administrative costs. Healthcare legislation and Administrative Simplification can help to reduce that amount significantly – but it will take cross-industry cooperation, collaboration, and innovation.

<https://healthcare.nacha.org/>



NACHA Resources

- Healthcare Payments Resources Website
 - Provides a repository of information on a wide variety of topics for both financial institutions and the healthcare industry. Includes links to many other resources, as well as customized information to help “translate” concepts from one industry to the other (FAQs, reports, presentations).
 - <http://healthcare.nacha.org/>
- Healthcare EFT Standard Information
 - Located within the healthcare industry tab of the above website, specific information can be found on the healthcare EFT standard.
 - <http://healthcare.nacha.org/>
- Healthcare Payments Resource Guide
 - Publication designed to help financial institutions in implementing healthcare solutions. It give the reader a basic understanding of the complexities of the healthcare industry, identify key terms, review recent healthcare legislation, and discuss potential impacts on the financial services industry.
 - Order from the NACHA eStore “Healthcare Payments” section: www.nacha.org/estore.
- ACH Primer for Healthcare Payments
 - A guide to understanding EFT payment processing. Introduces the healthcare industry to the Automated Clearing House (ACH) Network, explains ACH transaction flow and applications, and includes two “next steps checklists,” one each for origination and receipt.(Free pdf publication)
 - <https://healthcare.nacha.org/ACHprimer>

CAQH CORE Resources for EFT & ERA

Contact Your Health Plans!

- To benefit from new EFT and ERA mandates, ensure your provider organization has requested the transactions from its health plans and EFT & ERA Operating Rule implementation status
- To help facilitate this request, CAQH CORE developed the [*Sample Provider EFT Request Letter*](#)
- Providers can use this sample letter as template email or talking points with health plan contacts to request enrollment in EFT/ERA and benefits of operating rules
- The tool includes background on the benefits EFT, key steps for providers, an actual letter template, and glossary of key terms

Polling Question #3: *CAQH CORE Education Tools*

What types of educational resources do you prefer to use when learning about CAQH CORE topics? (Check all that apply)

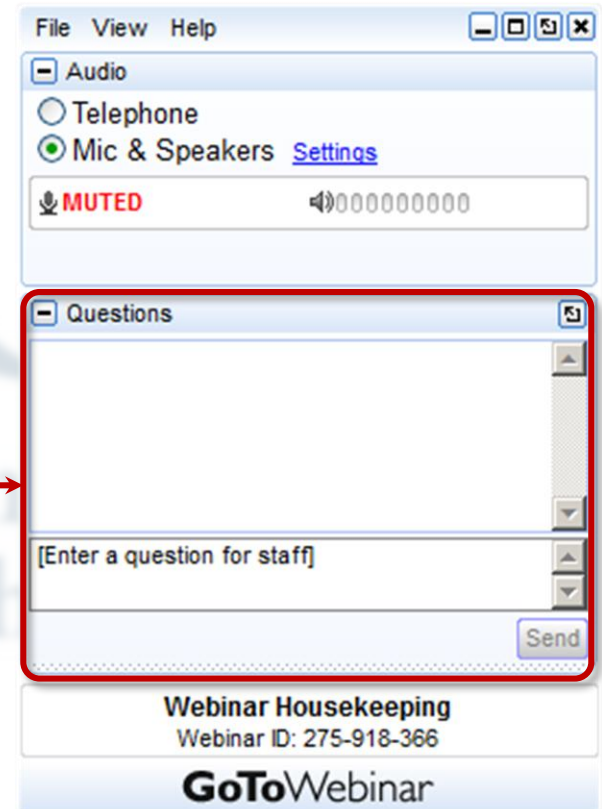
1. Webinars like these
2. Text documents (white papers, FAQs, and “how to” guides)
3. Short, informational videos (less than 3 minutes)
4. Self-paced, interactive e-learning modules

Have other ideas? Please email dvoytal@caqh.org with suggestions.

Audience Q & A

Please submit your questions

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



Key Takeaways

- EFT and ERA Operating Rules represent the convergence of financial services and healthcare. Together the transactions foster the goals of administrative simplification by moving the process of reimbursement from paper to electronic.
- Key Benefits include:
 - Standardized electronic enrollment for EFT/ERA
 - Potential reduction in manual claim rework
 - Reduction in Accounts Receivable (A/R) days
 - Better understanding of reason claim was denied or adjusted
 - Reduced errors for payment posting
- Midwest Center for Women's Health Care - Benefits of ERA/EFT:
 - Cost savings related to staffing
 - Faster patient billing
 - Reduced billing errors
 - Reduced Days in Accounts Receivable
- HCA - Benefits of EFT/ERA:
 - 70% reduction in processing costs
 - Automation of payment posting and reconciliation
 - Elimination of errors from manual posting

Thank you for joining us!

Website: www.CAQH.org/CORE

Email: CORE@CAQH.org



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