CAQH CORE National Webinar:
Uniform Use of CARCs & RARCs
Maintenance Update: How to Improve
Your Revenue Cycle Management

July 16th, 2015
3:00 – 4:00pm ET

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Session Topics

- Welcome Introduction

- Uniform Use of CARCs & RARCs Rule and CAQH CORE Code Combination Maintenance Update

- CAQH CORE Code Combination Task Group Maintenance Review

- Role of the CORE Code Combination Task Group

- Case Study from an Implementer -- United Healthcare

- Q&A

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Participating in Today's Session

- Download a copy of today's presentation on the CAQH.org website
  - 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
  - Submit your questions on-line *at any time* by entering them into the **Q&A panel on the right-hand side of the GoToWebinar desktop**
  - On-line questions will be addressed first

- There will be an opportunity today to submit questions using the telephone
  - **When directed by the moderator**, **press the "raise hand" button** to join the queue for audio questions

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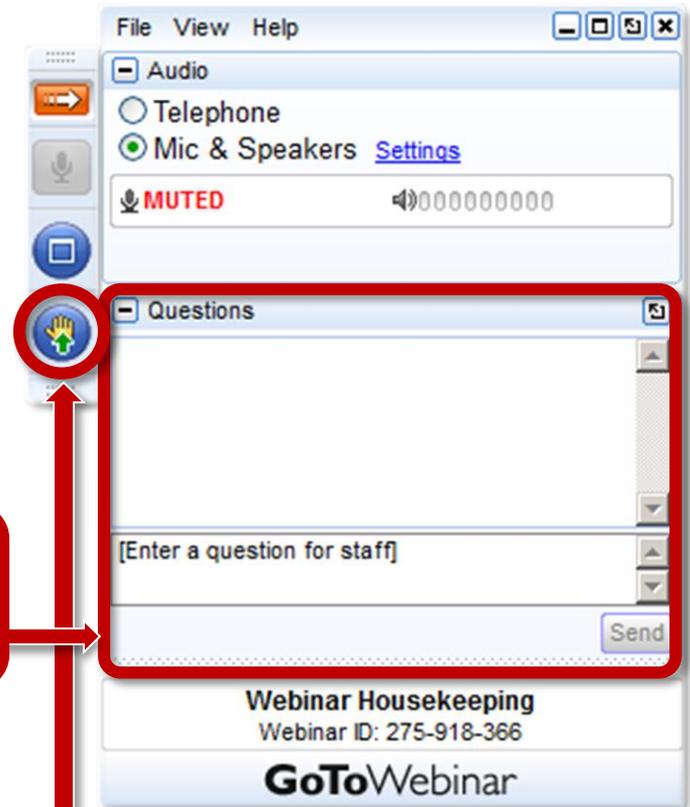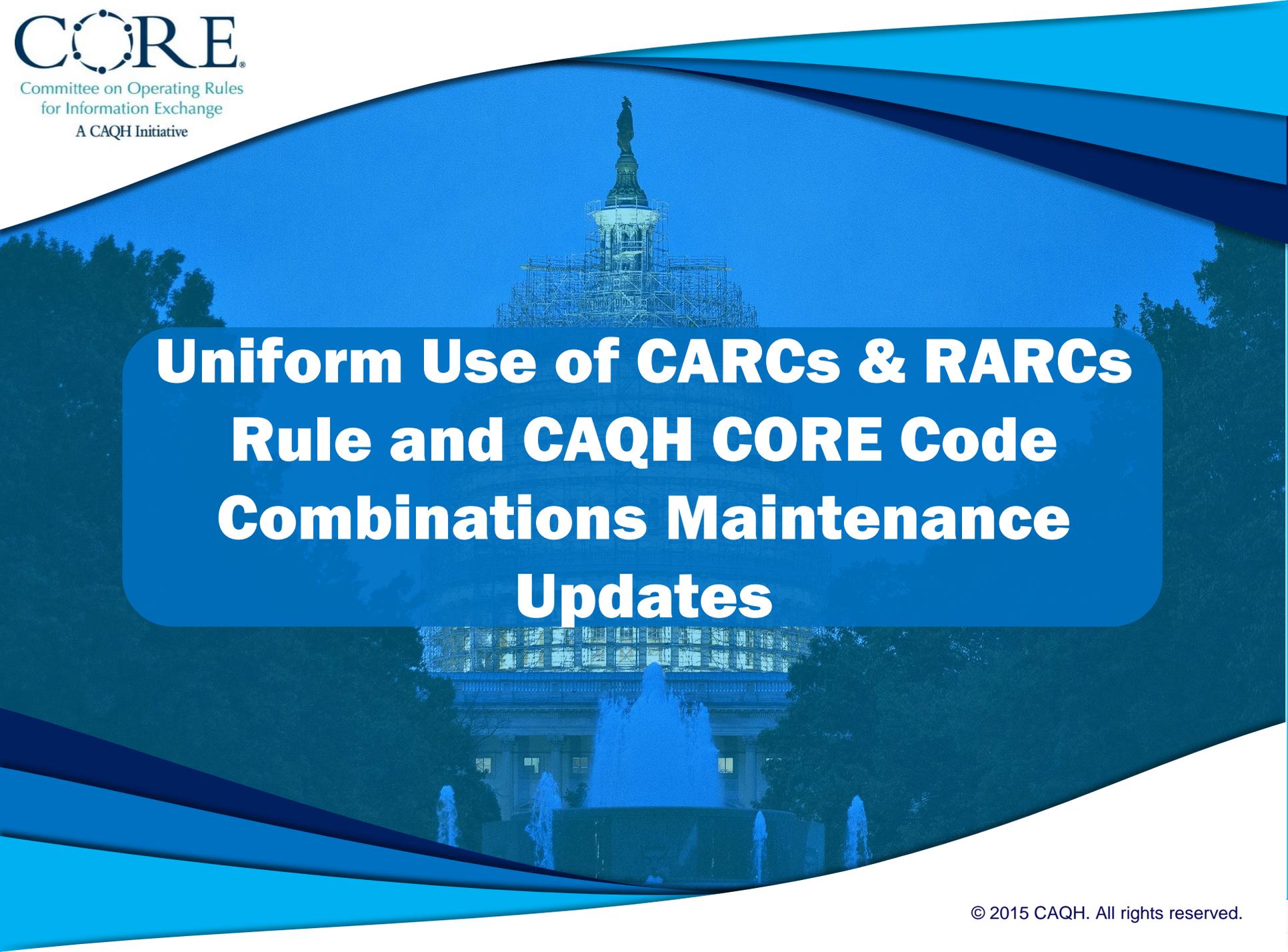
Uniform Use of CARCs & RARCs Rule and CAQH CORE Code Combinations Maintenance Updates

CAQH CORE Uniform Use of CARCs and RARCs Rule
Four Business Scenarios

Pre-CORE Rules

| 360 CARCs | ✖ | 910 RARCs | ✖ | 4 CAGCs | = | Inconsistent Use of Over 300,000 Potential Code Combinations |
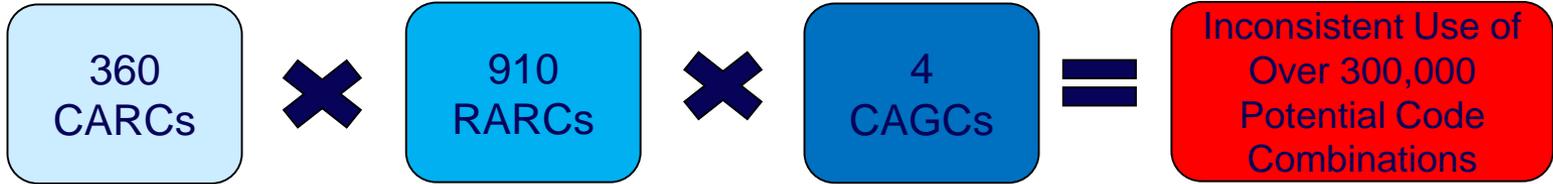
Post CORE Rules

Four Common Business Scenarios with ~1600 Code Combinations
Help to resolve those claims that are not "clean" claims

CORE Business Scenario #1:
Additional Information Required – Missing/Invalid/Incomplete Documentation
(≈380 code combos)

CORE Business Scenario #2:
Additional Information Required – Missing/Invalid/Incomplete Data from Submitted Claim
(≈370 code combos)

CORE Business Scenario #3:
Billed Service Not Covered by Health Plan
(≈765 code combos)

CORE Business Scenario #4:
Benefit for Billed Service Not Separately Payable
(≈70 code combos)

Code Combinations not included in the CORE-defined Business Scenarios may be used with other non-CORE Business Scenarios

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CAQH CORE Code Combinations Maintenance Process

CORE Business Scenario #1: Additional Information Required – Missing/Invalid/ Incomplete Documentation (≈380 code combos)	CORE Business Scenario #2: Additional Information Required – Missing/Invalid/ Incomplete Data from Submitted Claim (≈370 code combos)	CORE Business Scenario #3: Billed Service Not Covered by Health Plan (≈765 code combos)	CORE Business Scenario #4: Benefit for Billed Service Not Separately Payable (≈70 code combos)

CAQH CORE Compliance-based Reviews

Stability of CORE Code Combinations maintained

- Occur 3x per year
- **Triggered by tri-annual updates to the published CARC/RARC lists** by code authors
- Include only adjustments to code combinations to align with the published code list updates (e.g. additions, modifications, deactivations)
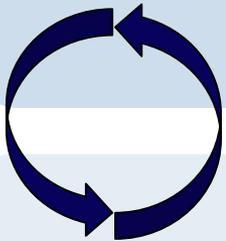
CAQH CORE Market-based Reviews

Supports ongoing improvement of the CORE Code Combinations

- Occur 1x per year
- Considers industry submissions for adjustments to the *CORE Code Combinations based on business needs* (addition/removal/relocation of code combinations and potential new Business Scenarios)
- *Opportunity to refine the CORE Code Combinations as necessary to ensure the CORE Code Combinations* reflect industry usage and evolving business needs

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Maintenance: Uniform Use of CARCs and RARCs Rule
CORE Code Combinations Task Group (CCTG)

- **Goal**: Ongoing, data-driven focus on bringing uniformity to claim adjustment code *(see dedicated webpage)*

- Composed of more than 50 CORE Participating Organizations from a wide variety of stakeholders; led by four multi-stakeholder Co-Chairs:

  - Shannon Baber, *UW Medicine*
  - Heather Morgan, *Aetna*

  - Lynn Franco, *UnitedHealth Group*
  - Janice Cunningham, *RelayHealth*

- Conducts three Compliance-based Reviews and one Market-based Review per year*

Recent Compliance-based Review (CBR) Work Efforts	**Recent Market-based Review (MBR) Work Efforts**
Completed CBR in response to updated code lists published on 03/01/15, adjustments included in *June 2015 CORE Code Combinations;* CBR in response to updated code lists published on 07/01/15 in progress	Completed MBR in response to 2014 submissions received for potential Market-based Adjustments to code combinations in the *existing* CORE-defined Business Scenarios

CBR & MBR updates reflected in
June 2015 v3.2.0
CORE Code Combinations

*NOTE: MBR updates are published concurrent with one of the three CBR updates.

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Maintenance: Uniform Use of CARCs and RARCs Rule
CCTG Q3 - Q4 2015 Activities

Q3:
- Code Committee publication of updated CARC & RARC lists on 07/01/15
- CCTG Compliance-based Review (CBR) in progress

Q4:
- Publication of *CORE Code Combinations v3.2.1* on 10/01/15
- Launch of 2015 Market-based Adjustments Industry Survey
- CCTG CBR due to expected codes update on 11/01/15

Get Involved in the CORE Code Combinations Maintenance Process!

- Participate in the CORE Code Combinations Task Group - participation is available to all CORE Participating Organizations, for information on becoming a CORE Participant contact core@caqh.org

- Submit a response to the 2015 Market-based Adjustments Industry Survey - information on how to submit a response will be distributed in Q4 2015

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Maintenance: Uniform Use of CARCs and RARCs Rule
CORE Code Combinations v3.2.0 Overview

Summary of Adjustments in the Current Version of the *CORE Code Combinations*

130
Code Combos Added*

232
Code Combos
Added*

102
Code Combos
Removed*+
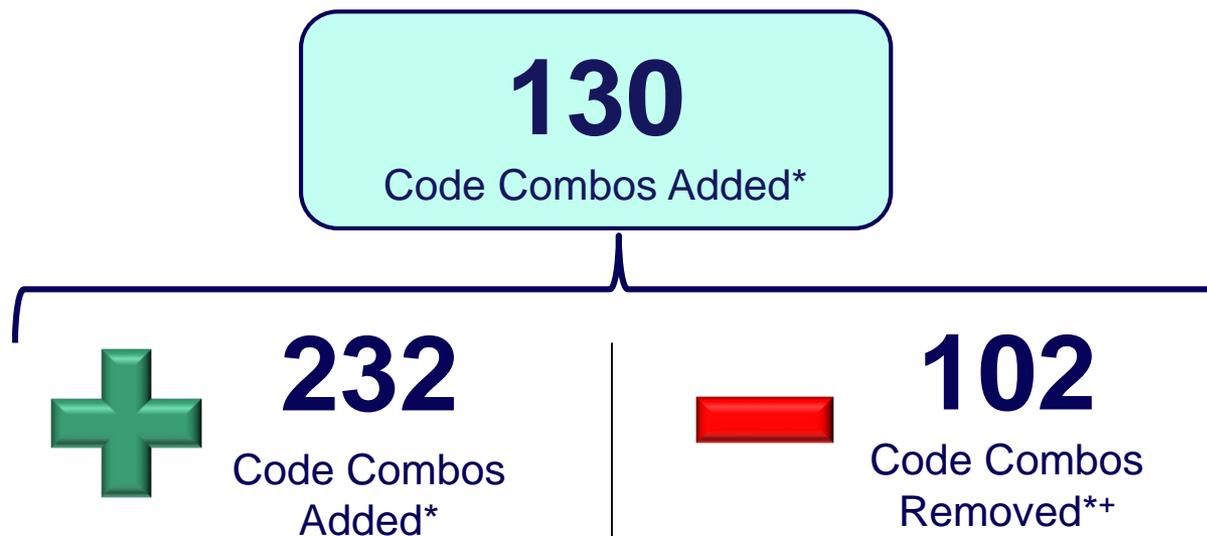
Version 3.2.0 of the *CORE Code Combinations* includes updates based on:

- **Compliance-based adjustments** as part of the CAQH CORE Code Combinations Maintenance Process based on published CARC & RARC lists as of March 2015

- **Market Based Adjustments** to the *existing* CORE-defined Business Scenarios due to 2014 Market-based Review

*Includes 3 CARC 9 Code Combinations removed from Business Scenario #2 and added to Business Scenario #3 due to the MBR.

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Maintenance: Uniform Use of CARCs and RARCs Rule
CORE Code Combinations - Additions

	Business Scenario #1	Business Scenario #2	Business Scenario #3	Business Scenario #4
CARC	163	4	5	24
RARC	N375	M20	MA109	M112
Rationale	Clear description of what payer needs from provider	Communicates to provider reason why claim was denied (missing or inconsistent modifiers)	Gives providers instructions for updating information for denied claims	Informs providers of managed care plan payments under DMEPOS
Benefits	Reduction in manual follow-up; More accurate and clear claims payment & 835 denial/ adjustment message	Reduced provider time spent gathering additional information or clarification	Reduced provider time spent gathering additional information or clarification	More accurate and clear 835 claim denial/ adjustment messages

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Maintenance: Uniform Use of CARCs and RARCs Rule
CORE Code Combinations - Removals/Relocations

	Business Scenario #1	Business Scenario #2	Business Scenario #3	Business Scenario #4
CARC	148	9	96	97
RARC	13 total RARCs associated with CARC 148	M20	MA67	N45
Rationale	Does not belong because states information needs to come from *another provider* and this Business Scenario is specific to *billing provider*	Provider/reviewer code inconsistent with age	This RARC is related to a billing error; this Business Scenario is for charge not covered by a health plan	RARC definition does not add specificity to the CARC
Benefits	Reduction in manual follow-up; More accurate and clear claims payment & 835 denial/ adjustment message	Improved electronic secondary billing; Reduction in manual follow-up; More accurate and clear claims payment & 835 denial/ adjustment message	Reduced manual provider follow-up	RARC does not relate to the message on the CARC

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Maintenance: Uniform Use of CARCs and RARCs Rule
Compliance and Resources

Updated Version of the *CORE Code Combinations*	Compliance Date *(Applies as of January 1, 2014 to all HIPAA-covered Entities)*
June 2015 v3.2.0 (released June 5th)	**September 5, 2015**

HIPAA covered entities have **90 days** from the date of publication of an updated version of the *CORE Code Combinations* until compliance with that version is required; any outlier deadlines set by Code Committees, e.g. code isnt deactivated for 180 days, are addressed in CORE policy

Available Resources

• For more information please visit CAQH CORE's dedicated webpage for CAQH CORE 360 Rule and the Code Combinations Maintenance Process

– You can access and download the *June 2015 CORE Code Combinations v3.2.0* and a marked-up version of the *CORE Code Combinations* that highlights adjustments made between versions

– In addition to current announcements, future versions of the *CORE Code Combinations* will also be announced on the webpage and deprecated versions will be available for reference

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Polling Question #1:
CARC RARC Process

Do you have a process in place to adjust internal CARC/RARCs based on the updated code lists published three times a year?
1. Yes
2. Unsure
3. No
4. We are developing a process
5. Not applicable to my organization

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CORE Code Combination Task Group Role
& Value of Uniform Use of CARCs & RARCs from
an Implementer Perspective – UnitedHealthcare

CAQH CORE Webinar Session – July 16, 2015

Contact Info: Lynn Franco & Melody Smith

Claims Business Process Managers

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UnitedHealth Group: Corporate Profile

OUR HEALTH BENEFITS BUSINESS: UNITEDHEALTHCARE

UnitedHealthcare®

Helping People Live Healthier Lives

UnitedHealthcare Community & State

UnitedHealthcare Employer & Individual

UnitedHealthcare Medicare & Retirement

UnitedHealthcare Military & Veterans

"Health in Numbers"

- Serving 35 million Americans at every stage of life
- Innovation-driven growth
- Exceptionally well positioned to evolve and grow through health care reform

OUR HEALTH SERVICES BUSINESS: OPTUM

OPTUM™

Making the Health Care System Work Better for Everyone

OptumInsight

OptumHealth

OptumRx

- Health care information technology
- Consumer engagement and support
- Integrated care delivery
- Pharmacy
- Health financial services

"Good for the System"

A dedicated and independent business providing services to:

6,000 hospital facilities, 250,000 health care professionals, 60 million consumers

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Healing health care. Together.℠

- A Phase I and Phase II v5010 CORE Certified health plan

- CORE Board Member

- Current Co-Chair of the CAQH CORE Code Combinations Task Group: Lynn Franco, UnitedHealthCare

- Immediate Past CAQH Board Chair, David S. Wichmann, Executive VP, UnitedHealth Group and President, UnitedHealth Group Operations and Technology

- UnitedHealth Group is an active collaborator on industry initiatives that simplify healthcare administration for health plans and providers, resulting in better care experiences for patients and caregivers.

Role of CAQH CORE Task Group Co-Chair

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Maintenance to ensure a uniform use of **CARCs** and **RARCs**, support stability and ongoing improvement of the **CORE** code combinations which is done using a :

Market Based Reviews (MBR)

- Held once a year via teleconferences and online surveys.
- Allows industry submissions for adjustments to the CORE Code Combinations based on business needs (addition/removal of code combinations and potential new Business Scenarios)
- Opportunity to refine the CORE Code Combinations as necessary to ensure they reflect industry usage and evolving business needs

Compliance Based Reviews (CBR)

- Held three times a year.
- Supports ongoing improvement of the CORE Code Combinations
- Includes only adjustments to code combinations to align with the published code list updates (e.g. additions, modifications, deactivations)

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UnitedHealthcare: Transaction Services Profile

Operational Objective: Collaborate with our provider network to transition phone calls and paper to electronic transactions, and transition batch to real-time.

Health Plan Operations

- \> 20 million Benefit/Eligibility and Claim Status calls annually
- \> 411 million claims processed annually

Eligibility and Benefits

- Supports eligibility transactions in both real-time and batch
- \> 264 million EDI transactions annually
- 95% of these eligibility transactions are handled in real time

Claim Status

- Supports claim status transactions both in real-time and batch
- \> 54 million EDI transactions annually

835 Transactions

- 97% of the claims on our two major platforms will result in an 835 transaction

UnitedHealthcare: Transaction Flow and Channels

Electronic channels support the following HIPAA ASC X12 transactions:

- Real-Time eligibility (270/271), claim status (276/277) – using v5010
- Batch eligibility, claim status, referrals (278), payment advice (835), and claim (837)

TRADING PARTNERS

- LabCorp / Quest / Large Facilities
- Providers
- Providers
- Clearing Houses

CHANNEL*

- Direct Connects — 35%
- Connectivity Director — 1%
- OptumInsight Clearinghouse — 64%

SYSTEMS INFRASTRUCTURE

- External Customer Gateway
- B2B
- UFE
- Claims Engines
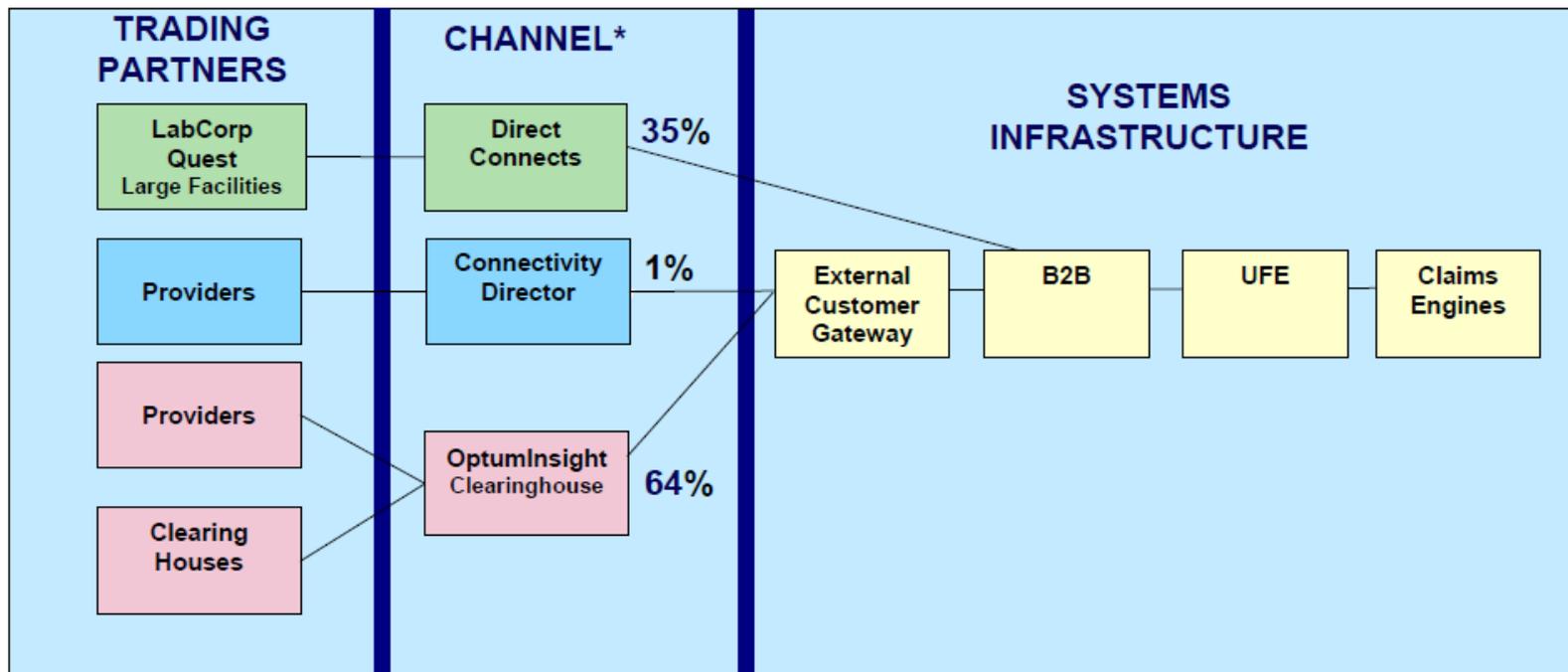
Note: UnitedHealthcare (UHC) also supports web portal inquiries but is encouraging the adoption of electronic transaction processing

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UHC Planning – Analysis began in 2013 with the CORE 360 mapping publication. Next we determined our maintenance process to be used for each publication.

- Identified resource needs
- Identified and created education for understanding of the requirements

UHC Analysis – Reviewed 835 code mapping. Aligned resources for mapping of the various claims platforms.

- Reviewed current processes and conducted gap analysis
- Identified and implemented business process changes
- Identified and implemented enhancements to removed hard coded system logic

UHC Maintenance – Orderly process to implement the *CORE Code Combinations*, which are updated three times per year.

- Added business table flexibility to allow ease of mapping rather than the need to engage in IT system enhancements each time updates were required.
- Created tools to simplify the identification of updates needed.

- Created multi platform process to ensure consistency in mapping.
- Six publications reviewed annually to update mapping.
- Created an internal workgroup that reviews the market based surveys to respond.

CAQH CORE Publication	WPC Publication	UnitedHealthcare Analysis
February 1	March 1	Immediately follows each publication.
June 1	July 1	
October 1	November 1	

- Creation of business tables for updates to be done without a system release or IT involvement.
  - Same day update capability
  - Allows for immediate corrections if errors are found
  - Allows for ability to instantly address provider complaints if an issue is received
- Removed hard coding in the system logic that would automatically apply certain CARC/RARC codes.
- Intake and responses are housed in one location.
- Piloting an Access database to create report mapping extracts to identify the updates required.

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Benefits

- Promotes consistency in reporting to providers.
- Reductions in administrative costs for posting.
- Removes variability from payer to payer for the providers and UHC.
- Internal areas welcoming guidance for usage.

Challenges

- Mapping UHC business/product needs with CORE 360 mapping rules.
- Time challenges required for updates and surveys.
- Reeducating internal business partners on new mapping expectations and requirements.
- Required additional staffing.

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Join CAQH CORE to directly contribute:

- The most effective way for individual organizations to ensure they have direct input on the operating rules is to become a CORE Participating Organization -- Participation on Subgroup/Work Group rules-writing calls, surveys, straw polls, and ballots; eligibility to Co-Chair
- Entity vote on CAQH CORE Operating Rules at Work Group and Full CORE Participating Organization voting levels
- Access to CAQH CORE Education Sessions specific to CORE Participating Organizations

- **Submit Market-based Adjustments to the CORE Code Combinations through online submission form**

- **Complete CAQH CORE Industry Surveys**

- **Host Educational sessions within your organization/system**

- **Attend CAQH CORE Education Sessions**

Polling Question #2:
CARC RARC – Benefits of Uniformity

Which benefits of implementation of the CAQH CORE Code Combinations has your organization experienced? (Check all that apply)

1. Promotes consistency in reporting to providers
2. Reduces administrative costs
3. Reduction in variability of claim denial reporting from payer to payer
4. Faster claim issue resolution and revenue processing
5. Not applicable to my organization

Q&A

Please submit your question:

- **Via the Web**: Enter your question into the Q&A pane in the lower right hand corner of your screen

Q&A
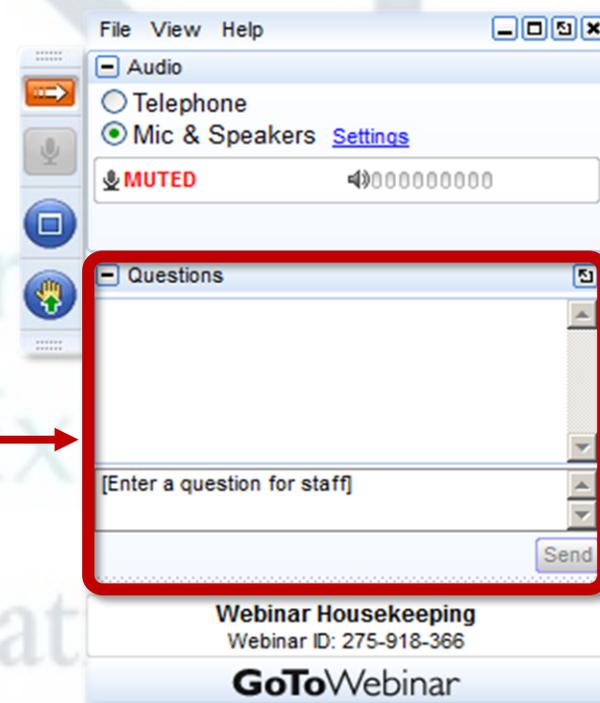
Please submit your question:

- **By Phone or VoIP**: When prompted for audio portion of Q&A, please press "Raise Hand" Button to queue up to ask a question

NOTE: *In order to ask a question during the audio portion of the Q&A please make sure that you have entered the **"Audio PIN"** (which is clearly identified on your user interface) by using your telephone keypad.*

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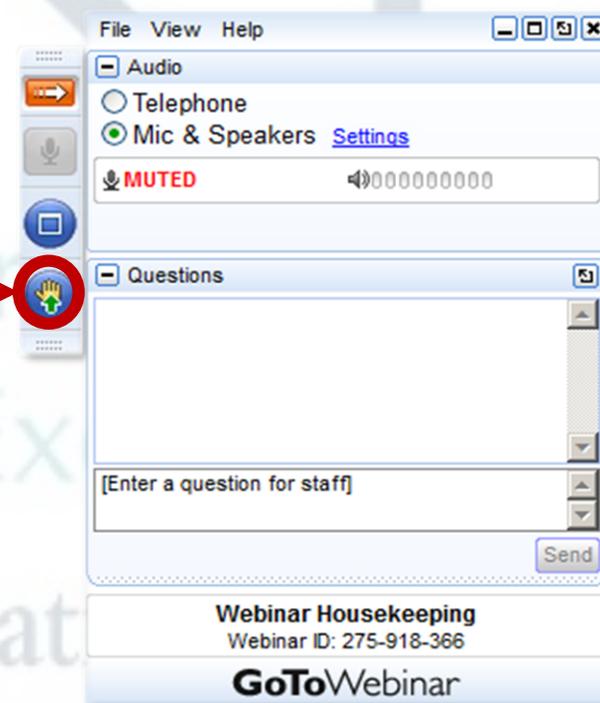
Top Takeaways:

- The CAQH CORE EFT & ERA Operating Rules, among other things, simplify the language used to communicate about claim payment and remittance information.

- Where before the CAQH CORE EFT/ERA Operating Rules there could be many thousands (possibly 200,000) of potential CARC/CARC code combinations, the operating rules maintenance process has reduced this to a list of 1,600 Code Combinations that address the major Business Scenarios driving claims issues.

- According to a CAQH CORE survey conducted in May 2015, over 40% of respondents indicated that CARC/RARC code combinations have made understanding ERAs easier.

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Thank You for Joining Us!

website: www.CAQH.org

email: CORE@caqh.org

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