

State Agency – Project Status Report



Reporting Period Ending on October 31, 2014

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	0.1	08/30/2013	John Evans	Initial Version.

Projects Status

The projects depicted below represent changes that potentially impact State Agencies:

1. Project/Change Order: Affordable Care Act (ACA) Operating Rules – Phase III

2.1 Overview: Phase III Operating Rules apply to Claim Payment/Advice (835) transactions, Electronic Funds Transfer (EFT), and Electronic Remittance Advice (ERA) data. Phase III continues to build on the Phase I and II rules. Phase III is made up of the following rules:

Rule 350 – 835 Retrieval

Enhances Phase II by adding an additional transaction for 835 data file retrieval and addresses dual delivery of 835 and Proprietary Paper Claim Remittance Advices.

An additional requirement added by the Agency will require 835s (Electronic Remittance Advice – ERA) to be generated for every provider. Therefore, every provider, or their designated representative, will need to register for a trading partner ID so that ERAs can be produced and distributed appropriately.

Rule 360 - Uniform Use of Claim Adjustment Reason Codes (CARC) and Remittance Advice Remark Codes (RARC)

Dictates the combination of codes that can be used for certain business scenarios. Working with their members and other large healthcare systems, CAQH CORE defined four common business scenarios that impact claim payment and processing. For each of these scenarios, CAQH CORE defined specific code combinations that **MUST** be used by Healthcare Systems on the v5010 X12 835 electronic RA. Business scenarios that are encountered beyond these four are left to the discretion of the Healthcare System to determine the code combination to use.

Rule 370 – EFT and ERA Re-association Rule (CCD+/835)

Standardizes the Re-association Data by specifying the location where the data should be stored in both the CCD+ EFT transaction and the 835 ERA transaction. Specifically, Re-association Data is to be placed in the:

- Addenda Record for the CCD+ transaction
- BPR and TRN Segments of the 835 Transaction

Rule 370 additionally specifies:

- The maximum allowed lag time between receipt of an ERA and its corresponding EFT
- Requirements for elapsed time auditing
- Requirements for resolving late or missing EFTs and/or ERAs

Rule 380-382 - ERA/EFT Enrollment

- Rule specifies the maximum data that may be collected to enroll a provider or trading partner for receiving an Electronic RA (ERA/835) or payments via EFT
- Only data elements specified by the rule may be collected.
- The rule specifies the names of the all data elements. These names must be used exactly on paper or electronic enrollment forms.
- The data elements must be presented in a specific order on paper or electronic forms.
- The rules specify which data elements are mandatory and which are optional.
- Related data elements are put into Data Element Groups. The groups must also be presented in a specific order and may be either mandatory or optional.
- The data elements and data element groups are similar, but not identical, for the two rules.

2.2 Current Status: Phase 1 changes (primarily data model) has been system tested, approved, and implemented. All impacted external entities were involved in review and testing of the changes prior to implementation. For

remaining changes (Phase 2), one design deliverable is being reworked and construction is in progress on the other Rules (350, 360, and 370). Additional changes have been incorporated into the project for Rules 370 (60 hours) and 360 (598 hours) which is due to oversight in the original proposal and design as well as a base defect. A quality audit has been conducted on the Risk Management Plan being leveraged from the ICD-10 project, and no findings were noted. A new project schedule baseline was approved. Cleanup of production EOBs (explanation of benefits), CARCs (claim adjustment reason codes) and RARCs (remittance advice remark codes) has been completed, reviewed and approved. Multiple meetings occurred to review new EOB to CAQH CORE CARC/RARC code combinations with extra efforts underway to finalize for final review and approval. All initial communications have been completed through October Provider Insider, RA Banner Message, Broadcast email message, and provider representative handout/flyer. Phase I/II certification testing has been completed and was submitted to CAQH CORE on September 24 for their 30-day review. Communication was distributed to all VANs regarding required move to Safe Harbor by end of year. As of mid-October, six VANs have moved to Production Safe Harbor.

2.3 Potential Impact: During the Agency kickoff meeting HP reviewed the requirements and solutions for all Rules with the Agency PMO and FPOs. Initial external entity and operational impacts have been assessed and are documented in the proposal and designs. As new impacts come to light throughout the construction and testing process, they will be documented, communicated, and included in the project implementation plans. Project risks are being identified, assessed, and documented. HP will work closely with impacted areas to mitigate the project risks.

Due to hours being added to the project for Rules 360 and 370 (noted above), as well as the fact that Rule 380/382 had not completed design, the project end dates are expected to pull out. It is not a viable option to add resources at this time as that would impact current progress being made. Implementation planning for Rules 350 and 370 will investigate the possibility of implementing them to model office according to the original schedule so that system testing can begin on time. Additional rules will be implemented to model office as they are ready – mitigating the risk to the overall project schedule.

2.4 Anticipated Implementation Date: According to the newly baselined project schedule, UAT and Vendor testing will occur mid-June – mid-August 2015 (original target dates were April – May 2015), with final implementation occurring end of August 2014 (original target date was mid-June 2015). Two months of post-implementation support will follow – to be concluded mid-November 2015 (original target date was mid-August 2015). Phase III certification testing will begin after integrated system testing and before the end of User Acceptance / Vendor testing.



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