

ISSUE DATE November 22, 2013	EFFECTIVE DATE December 9, 2013	NUMBER 99-13-14
SUBJECT CAQH CORE Federal Mandate: Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA)		BY  Vincent D. Gordon, Deputy Secretary Office of Medical Assistance Programs

PURPOSE:

The purpose of this bulletin is to announce upcoming changes to meet the federally mandated Council for Affordable Quality Healthcare Committee on Operating Rules for Information Exchange (CAQH CORE) Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA) Operating rules.

SCOPE:

This bulletin applies to all providers enrolled in the Medical Assistance (MA) program who render service to recipients enrolled in the MA Fee-for-Service (FFS) delivery system. These changes also apply to (or impact) clearinghouses, vendors and financial institutions that contract with MA providers.

Physicians participating in the MA managed care delivery system should address EFT/ERA questions directly to the applicable MA managed care organization (MCO).

BACKGROUND / DISCUSSION:

The Health Insurance Portability and Accountability Act (HIPAA) included a series of administrative simplification provisions designated to standardize electronic transactions. The Patient Protection and Affordable Care Act (ACA), signed March 23, 2010, expanded the administrative simplification provision of HIPAA for enhancement of existing transactions and includes updates to the both the Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA) transactions as part of the HIPAA requirements for all covered entities.

The Centers for Medicare & Medicaid Services (CMS) published the final Federal regulation implementing the EFT & ERA Operating Rules on April 19, 2013. Details of the EFT & ERA Operating Rule Set can be found at the CORE website <http://www.caqh.org/>.

The Department of Public Welfare (Department), along with all health plans, is required to be compliant with the EFT & ERA Operating Rules on or before January 1, 2014. These rules are designed to develop consistency and standardization across the health care industry. The EFT/ERA rules will require changes primarily for health plans, clearinghouses, and software

<p>COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:</p> <p>The appropriate toll free number for your provider type</p> <p>Visit the Office of Medical Assistance Programs Web site at http://www.dpw.state.pa.us/provider/healthcaremedicalassistance/index.htm</p>

vendors. Providers should inquire with any contracted entity as to the status of their EFT/ERA implementation efforts to ensure they will be compliant by January 1, 2014.

PROCEDURE:

The Department will be making the following outlined changes and/or updates to meet Federal requirements in accordance with the final operating rule.

Uniform use of Claim Adjustment Reason Codes and Remittance Advice Remark Codes:

Per the rule, the Department will review the present use and assignment of Claim Adjustment Reason Codes (CARCs) and Remittance Advice Remark Codes (RARCs). All of the Error Status Codes (ESCs) used in the PROMISe™ system will be reviewed and grouped in one of four (4) CAQH CORE-defined Business Scenarios (if applicable). The most appropriate CARC/RARC combination will then be assigned to satisfy the rule. Providers can expect to see the updated code set beginning December 30, 2013.

In addition, the Department will review and update the code set tri-annually both to comply with the rule and keep the PROMISe™ system current for optimal use by the provider community. Additional information regarding CARCs and RARCs along with the current code set can be found on the CORE website <http://www.caqh.org/>.

Electronic Funds Transfer and Electronic Remittance Advice Enrollment:

The Department will offer an electronic enrollment option to providers to allow for a secure, quick and effective method to register for both EFT and ERA. Any provider utilizing the electronic enrollment option will be able to enroll, modify or cancel enrollment through the PROMISe™ portal. In order to use this option the provider must be a registered PROMISe™ Portal user to access the electronic enrollment form. The electronic enrollment option will be available beginning December 20th, 2013. The PROMISe™ portal can be found at: <https://promise.dpw.state.pa.us>

In addition to the EFT and ERA electronic enrollment option, the Department will continue to accept paper applications for the registration process. Both EFT and ERA paper enrollment forms have been modified to be compliant with the rule. The Department will continue to accept the previous versions of both the EFT and ERA forms until March 31, 2014. After this date, outdated forms will not be processed, only enrollment requests completed on the current CORE compliant format will be accepted. Copies of the new EFT and ERA enrollment forms can be downloaded at: http://www.dpw.state.pa.us/provider/doingbusinesswithdpw/electronicfundstransferdirectdepositinformation/S_001140.

ERA and EFT Re-association Requirements:

The CAQH CORE rules address re-association objectives with two separate requirements.

1. Addenda Record – Per the rule, an addenda record will be added to the EFT for re-association purposes. This unique identifier is to be used by the provider to match the electronic remittance advice to the electronic funds transfer payment for reconciliation purposes. The Department will begin transmitting the addenda record on December 18th, 2013.
Providers will need to request that their financial institution deliver the addenda record as the bank may not automatically deliver the addenda information. The addenda record is a re-association feature to assist providers with reconciliation activities. EFT payments will not be delayed or affected if this feature is not utilized by the provider. For more detailed information regarding the addenda record, please access the following link:
http://www.dpw.state.pa.us/provider/doingbusinesswithdpw/electronicfundstransferdirectdepositinformation/S_001140
2. Three Day Delivery Requirement - Per the rule, the Department is mandated to deliver the ERA within three business days of EFT issuance.
Beginning with the weekly Financial Cycle 24 (RA date 12/9/13), the Department will modify the ERA delivery schedule. **NO** ERAs will be delivered on Monday, December 9, 2013. The ERA for Financial Cycle 24 will be delivered on Monday, December 16, 2013 and the corresponding payment will be issued on Wednesday, December 18, 2013.
Please note: the payment schedule will not be changing, only the ERA delivery schedule.

Moving forward, ERAs will be delivered on Mondays and the corresponding payment will be issued two days later on Wednesdays (excluding holidays). The paper remittance advice will continue to be delivered on the PROMISe™ portal nine (9) days prior to payment issuance. This process will affect any provider that is registered for ERA regardless of the payment method.