

Webinar Series: CAQH CORE & NACHA –

Understanding the Current State of Healthcare Payments, with InstaMed

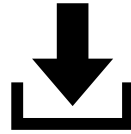
June 22, 2021
2:00-3:00 pm EST



Agenda

- NACHA Overview, Trends & Payment Standard
- CAQH CORE Overview, Trends & Payment/Remittance Operating Rules
- InstaMed - Trends in Healthcare Payments: Eleventh Annual Report
- Conversation
- Q&A

Housekeeping



You can download the presentation slides now from the “Handouts” section of the GoToWebinar menu.

You can download the presentation slides and recording at www.caqh.org/core/events after the webinar.



A copy of the slides and the webinar recording will also 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.**

Thank You to Our Speakers

Deirdre Ruttle

Chief Marketing Officer | InstaMed
Head of Wholesale Payments
Healthcare Marketing | J.P. Morgan

Brad Smith, AAP

Senior Director, Industry
Engagement and Advocacy
Nacha

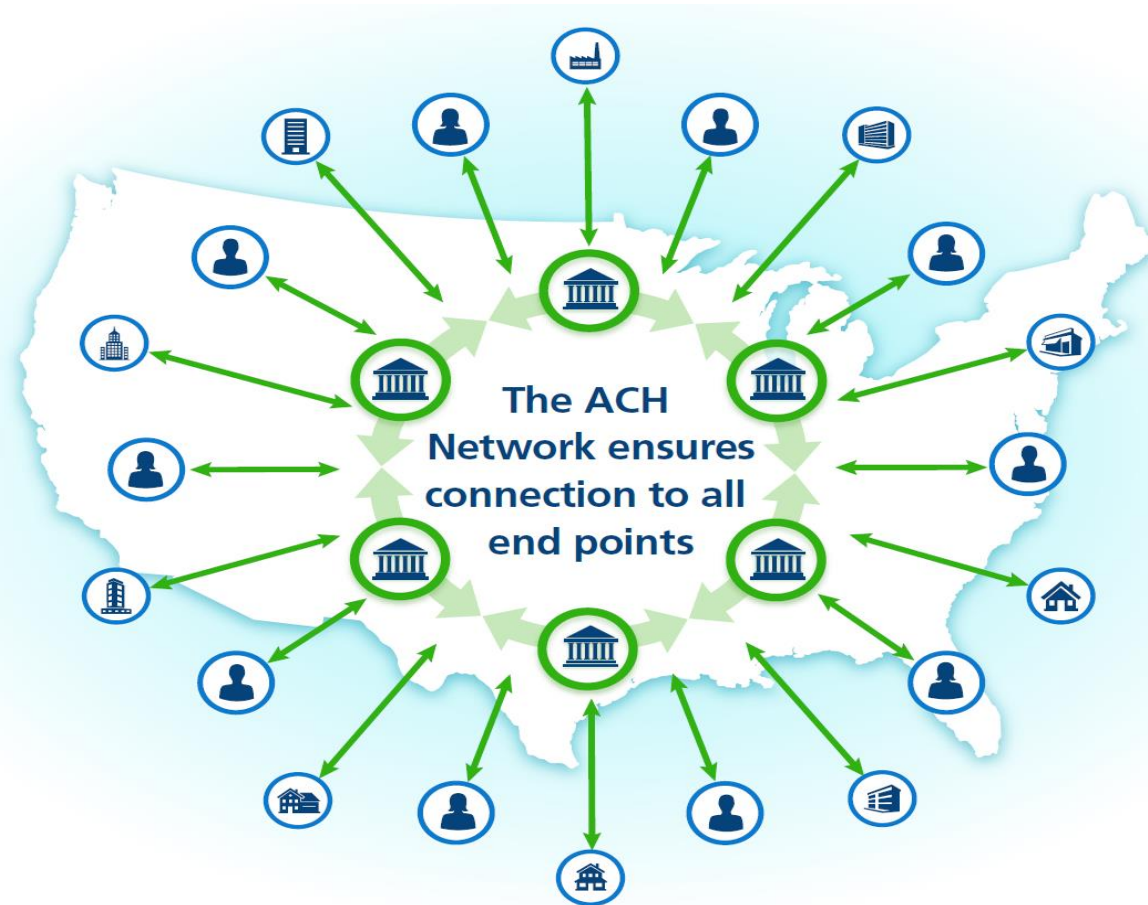
Erin Weber

Director
CAQH CORE

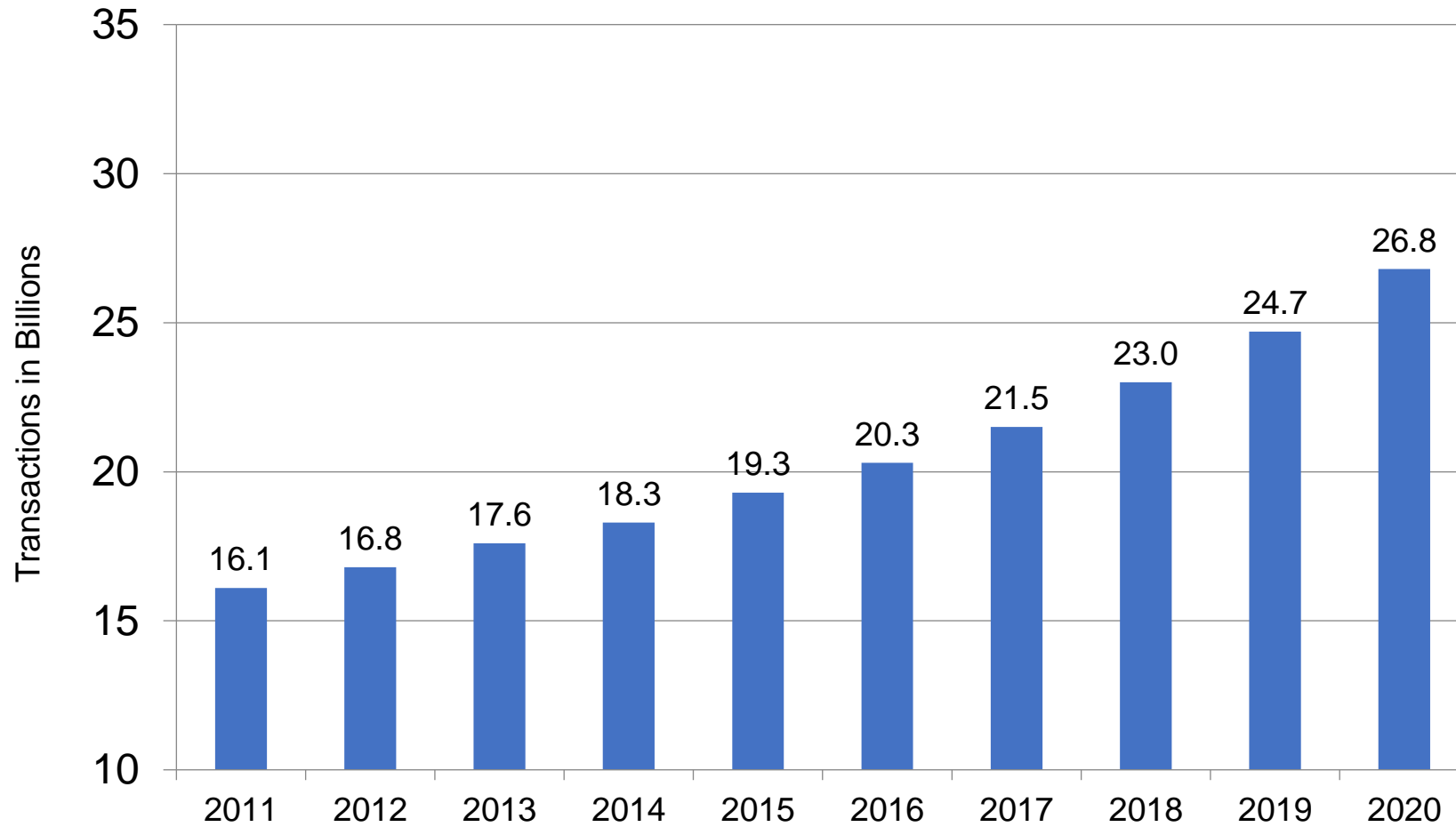
Healthcare EFT Payments

June 2021

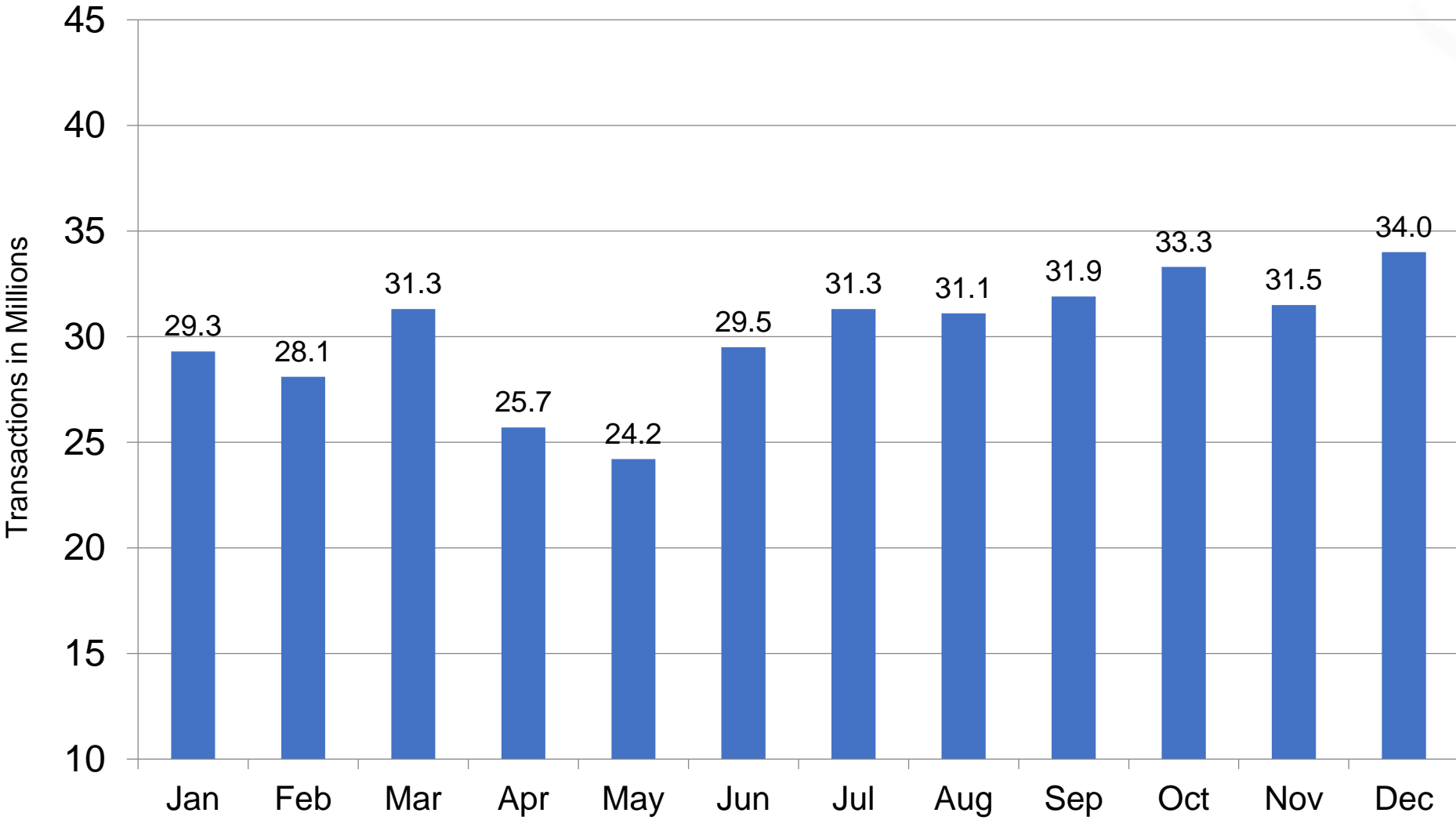
The Strength of the ACH Network



The ACH Network is Thriving



Healthcare EFT Volume - 2020

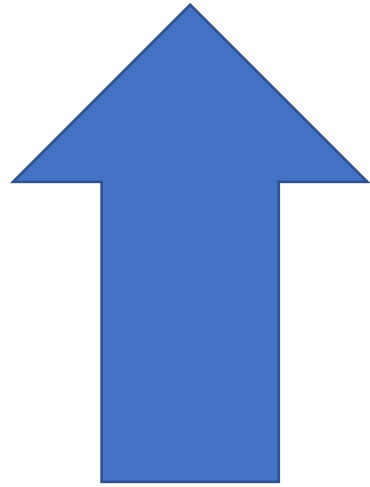


ACH Network Volume – 2021

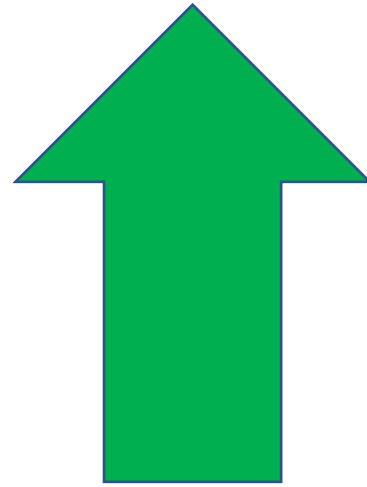
Volume across major transaction types compared to 1Q 2020



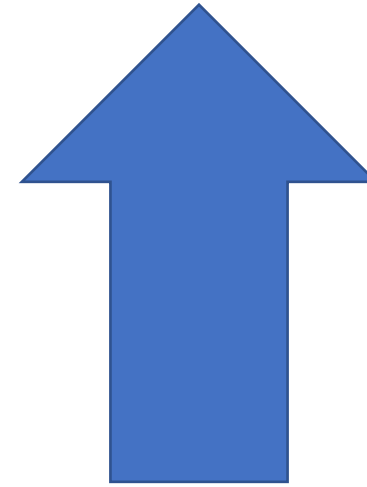
2020 CAQH Index Report



**Entire healthcare
industry EFT
volume rose
5.4%**



**Medical EFT
volume was
up 3.4%**



**Dental EFT
volume
was up
93%**



Brad Smith, AAP
Senior Director, Industry Engagement and Advocacy
703-981-2072

bsmith@nacha.org

CAQH
CORE

CAQH CORE Overview & Payment/Remittance Operating Rules

Erin Weber
Director, CAQH CORE

CAQH CORE Mission/Vision & Industry Role

Industry-led, CAQH CORE Participants include healthcare providers, health plans, vendors, government entities, associations and standard-setting organizations. Health plans participating in CAQH CORE represent **75 percent of the insured US population**.

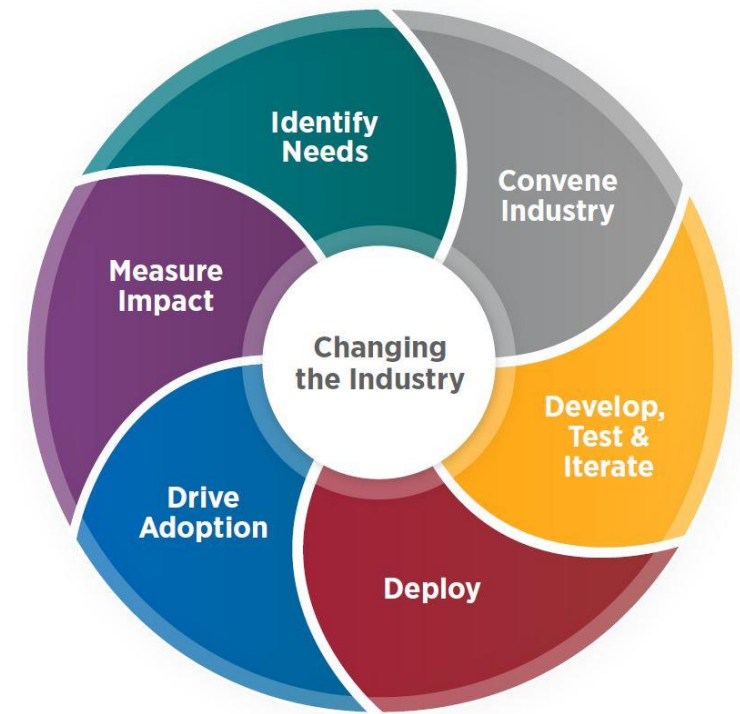
MISSION Drive the creation and adoption of healthcare operating rules that **support standards, accelerate interoperability and align administrative and clinical activities** among providers, payers and consumers.

VISION An **industry-wide facilitator** of a trusted, simple and sustainable healthcare data exchange that evolves and aligns with market needs.

INDUSTRY ROLE **Develop business rules to help industry** effectively and efficiently use electronic standards while remaining technology- and standard-agnostic.

DESIGNATION CAQH CORE is the **national operating rule author to improve the efficiency, accuracy and effectiveness of industry-driven business transactions** and designated by the Department of Health and Human Services (HHS) as the operating rule authoring entity for HIPAA-covered administrative transactions.

CAQH CORE BOARD **Multi-stakeholder.** Members include health plans, providers (some of which are appointed by associations such as the AHA, AMA, MGMA), vendors, and government entities. Advisors to the Board include SDOs (X12, HL7, NACHA, NCPDP) and WEDI.



CAQH CORE Operating Rules

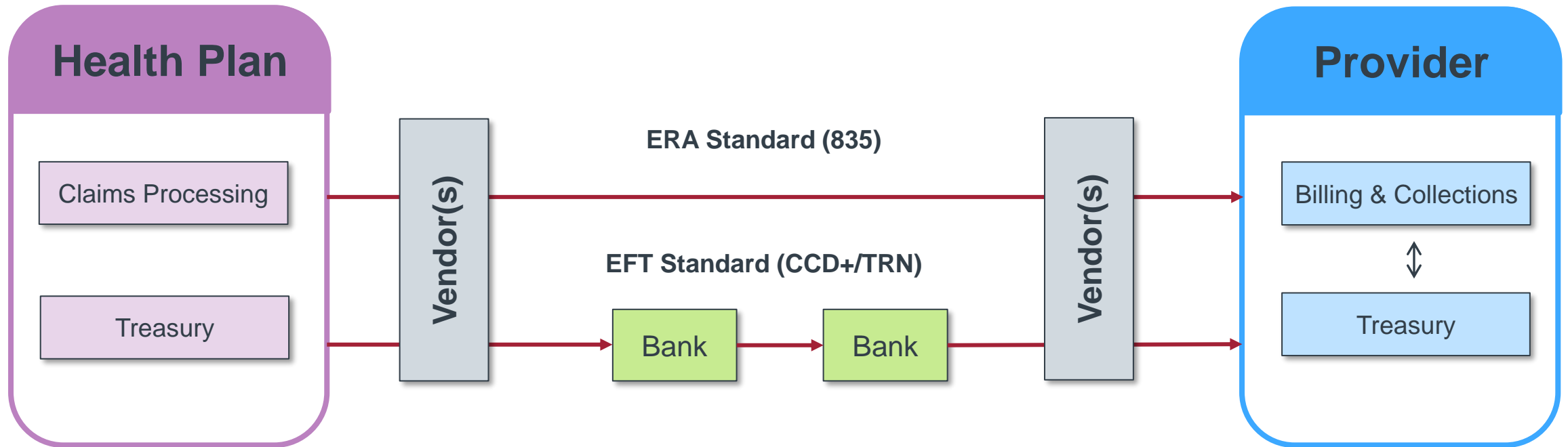
Rule Set	Infrastructure	Connectivity Rule Application	Data Content	Other
Eligibility & Benefits	Eligibility (270/271) Infrastructure Rule	Connectivity Rule vC1.0.0 Connectivity Rule vC2.0.0	Eligibility (270/271) Data Content Rule	Single Patient Attribution Data Rule
Claim Status	Claim Status (276/277) Infrastructure Rule	Connectivity Rule vC2.0.0		
Payment & Remittance	Claim Payment/ Advice (835) Infrastructure Rule		EFT/ERA 835/CCD+ Data Content Rule	EFT/ERA Enrollment Data Rules
Prior Authorization & Referrals	Prior Authorization (278) Infrastructure Rule	Connectivity Rule vC3.0.0	Prior Authorization (278) Data Content Rule	Prior Auth Web Portal Rule
Health Care Claims	Health Care Claim (837) Infrastructure Rule			
Benefit Enrollment	Benefit Enrollment (834) Infrastructure Rule			
Premium Payment	Premium Payment (820) Infrastructure Rule			
Attributed Patient Roster	Attributed Patient Roster (834) Infrastructure Rule	Connectivity Rule vC4.0.0*	Attributed Patient Roster (834) Data Content Rule	

Rules in purple boxes are federally mandated.

*Connectivity Rule vC4.0.0 can be used to support all rule sets for CORE Certification.

EFT and ERA Transaction Flow

Operating Rules Represent the Convergence of Financial Services and Healthcare



CAQH CORE Payment & Remittance Operating Rule Requirements

CAQH CORE Payment & Remittance Operating Rules are federally mandated, except for rule requirements pertaining to Acknowledgements.

INFRASTRUCTURE			DATA CONTENT
<p>Health Care Claim Payment/Advice (835) Infrastructure Rule</p> <ul style="list-style-type: none"> Includes CAQH CORE Master Companion Guide. Requires CAQH CORE Connectivity Rule. Details batch acknowledgement requirements. 	<p>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 as well as elapsed time between sending and receipt. Determines requirements for resolving late/missing EFT/ERA transactions. 	<p>EFT & ERA Enrollment Data Rules</p> <ul style="list-style-type: none"> Identifies a maximum set of standard data elements for EFT enrollment. Requires health plan to offer electronic EFT enrollment. Requires providers to specify preference for how payments should be made. 	<p>Uniform Use of CARCs & RARCs (835) Rule</p> <ul style="list-style-type: none"> Identifies four CAQH CORE-defined Business Scenarios with a set of required code combinations that convey details of the claim denial or payment to the provider.

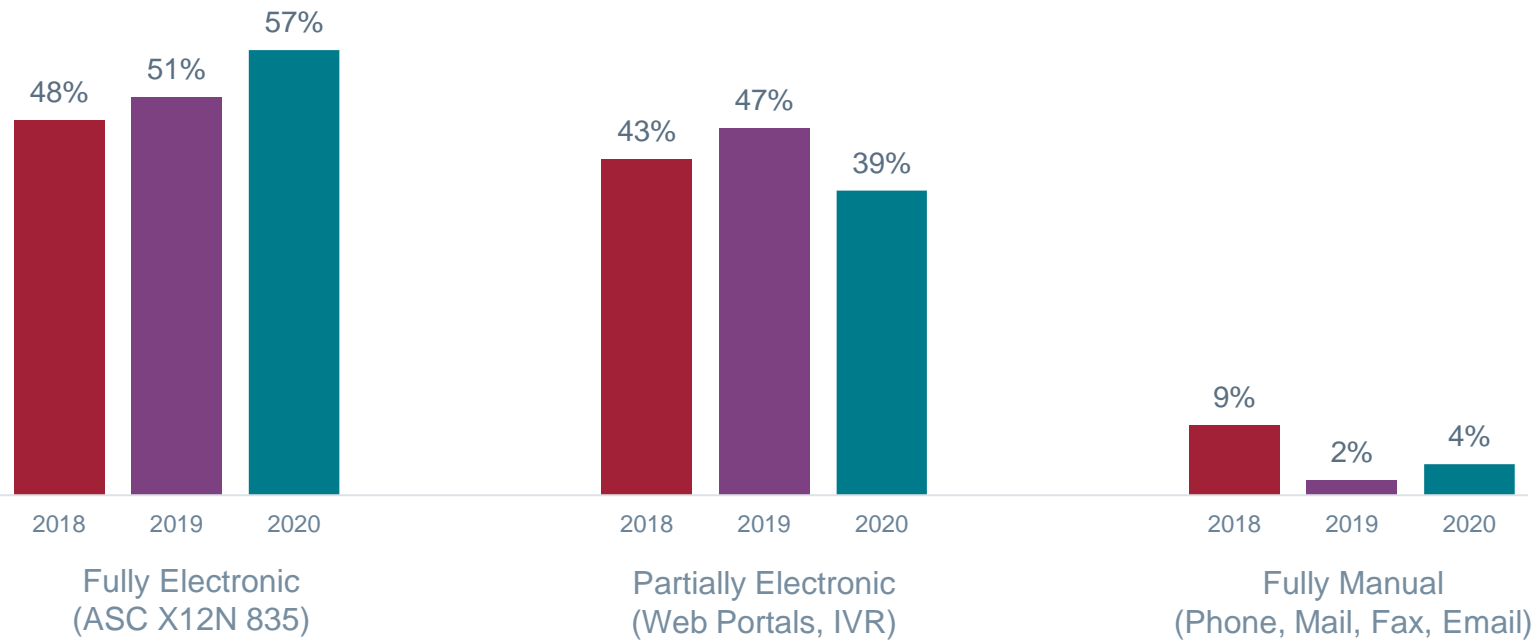
Benefits of CAQH CORE Payment & Remittance Operating Rules

Key Benefits:

- **Improves cash flow** via expedited payment and remittance reconciliation through the receipt of electronic payments and remittances.
- **Eliminates the need for manual re-keying of reconciliations** of EFTs and ERAs by requiring a trace number that links the two transactions.
- **Increases ability to conduct targeted payment issue follow-ups** through uniform and maintained ERA codes (CARCs, RARCs, and CAGCs).
- **Standardizes enrollment for EFT/ERA** so providers can sign up for both EFT and ERA electronically.
- **Automates re-association of EFT and ERA** leading to efficiencies and reduced errors.

2020 CAQH Index Key Findings

Medical Plan Adoption of Remittance Advice, 2018-2020 CAQH Index



Medical plan adoption of electronic remittance advice continued to increase, rising six percentage points (51% to 57%).

Dental plans also showed an increase in adoption year over year, rising three percentage points to 25 percent.

The medical and dental industries combined spent \$7 billion on remittance advice transactions, representing the second highest transaction expense after eligibility and benefit verification.

Trends in Healthcare Payments Annual Report

- Commissioned surveys – consumers, providers and payers
- InstaMed Platform data
- Third-party sources





Digital Surge of 2020

Finding Virtual Alternatives to In-Person Encounters



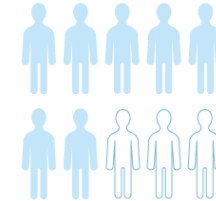
Internet as a necessity

87% of Americans say the internet is important during COVID-19, including 53% who said it has been essential.



Moving payments online

\$211.5 billion was spent on ecommerce in the second quarter of 2020, up 31.8% quarter over quarter.



Future with digital payments

Almost 7 in 10 consumers worldwide say the shift to digital payments will likely be permanent.

Pew Research Center, 53% of Americans Say the Internet Has Been Essential During the COVID-19 Outbreak, April 2020

J.P.Morgan, How COVID-19 Has Transformed Consumer Spending Habits, November 2020

Mastercard, Mastercard Study Shows Consumers Globally Make the Move to Contactless Payments for Everyday Purchases, Seeking Touch-Free Payment Experiences, April 2020

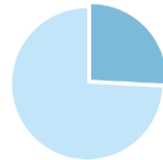
Healthcare Goes Virtual

Telehealth Interest and Usage Grows



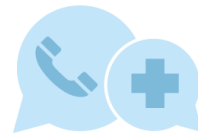
Telehealth use increases rapidly

Telehealth visits increased by 50% in the first quarter of 2020, compared with the same period in 2019.



Virtual preference

26% of respondents would prefer a virtual relationship with a primary care physician.



Medicare + telehealth growth

9 million Medicare beneficiaries used telehealth during COVID-19.

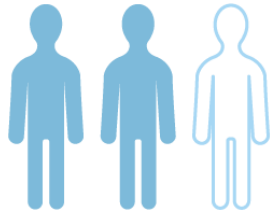
Centers for Disease Control and Prevention (CDC), Trends in the Use of Telehealth During the Emergency of the COVID-19 Pandemic, March 2020

Health Affairs, Early Impact of CMS Expansion of Medicare Telehealth During COVID-19, July 2020

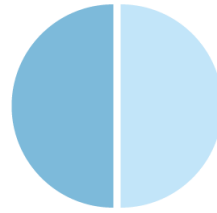
UnitedHealthcare, 2020 UnitedHealthcare Consumer Sentiment Survey, September 2020

Harsh Realities of Healthcare Costs

Stress of Affording Large Healthcare Bills



Two-thirds of adults
worry about unexpected
medical bills.



50% of U.S. adults
fear bankruptcy due to a
major health event.



1 in 7 Americans
who likely had COVID
avoided care due to costs.

JAMA Network, US Statistics on Surprise Medical Billing, February 2020

Gallup, 50% in U.S. Fear Bankruptcy Due to Major Health Event, September 2020

Gallup, In U.S., 14% With Likely COVID-19 to Avoid Care Due to Cost, April 2020

What's Going on Here?

Surprise, Confusion and Frustration in Healthcare Payments



80% of consumers were surprised by a medical bill, including those who:

Got a bill for more than expected

Got an unexpected bill

Sent to collections

InstaMed Consumer Healthcare Payments Survey 2020

New Consumer Expectations After 2020

How the Pandemic Is Shaping Consumer POV

Contactless options after the pandemic



76% of consumers
expect telehealth to be an option in the
future.



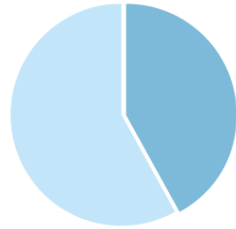
78% of consumers
want contactless options to remain in the
future.

InstaMed Consumer Healthcare Payments Survey 2020



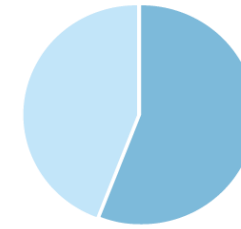
Startling Disconnect

Providers Still Don't See How Payments Impact Patient Experience



42% of providers

think collection efforts have no impact on the patient experience.



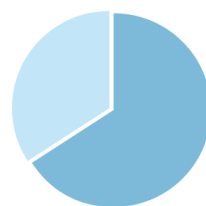
56% of consumers

would consider switching providers for a better healthcare payments experience, including having the ability to understand costs upfront and make payments how they want.

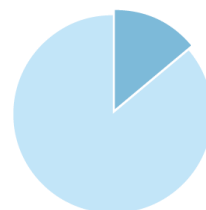
Falling Short of Payment Expectations

Sentiment Reveals How Far Apart Payment Expectations Are From Reality

66% of consumers receive medical bills in the mail

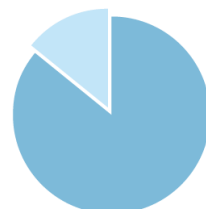


vs.

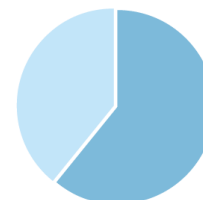


only 14% of consumers prefer to pay medical bills via mailed paper check.

86% of consumers pay recurring bills online



vs.

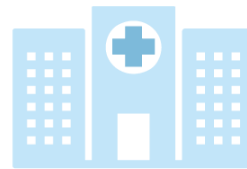


58% of providers rely on mailed paper statements to collect.

Harsh Financial Impacts of the Pandemic



Healthcare spending
was down 2% in 2020.



Total projected losses
to hospitals and health systems in
2020 at least \$323 billion.



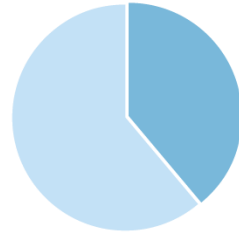
73% of providers
reported lower volume of patients after
initial COVID-19 shutdowns.

KFF, COVID-19 Is Causing Health Spending to Go Down, December 2020

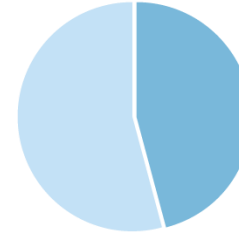
American Hospital Association, Hospitals and Health Systems Continue to Face Unprecedented Financial Challenges due to COVID-19, June 2020

InstaMed Provider Healthcare Payments Survey 2020

Harsh Financial Impacts of the Pandemic



39% of providers
said their primary revenue cycle concern
was related to the COVID-19 pandemic.



46% of providers
relied on outside funding to remain in business
(e.g., government stimulus funding, business
loans, etc.).

Outdated Collection Methods Come Up Short



93% of providers
rely on manual and paper payment methods to collect.



63% of providers
take 30+ days to collect after a patient encounter.



93% of providers
issue patient refunds.

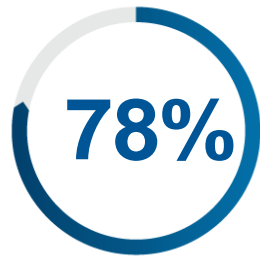


84% of providers
receive paper checks from one or more payers.



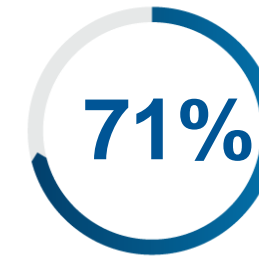
The Pandemic's Impact on Payers

Increase in contactless payments



of payers

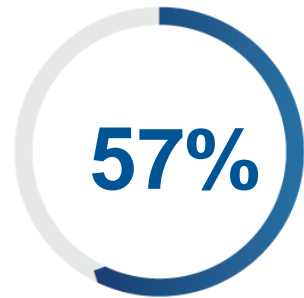
adopted and promoted contactless payment options for premiums amid the COVID-19 pandemic.



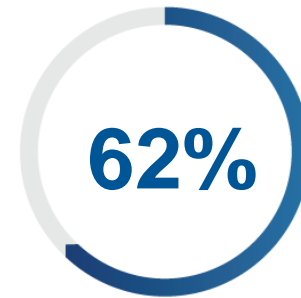
of payers

say contactless payment options for premiums are a top priority in 2021.

Too Much Paper and Fees in Claim Payments



of providers
cannot enroll in ERA/EFT with one or more
payers.

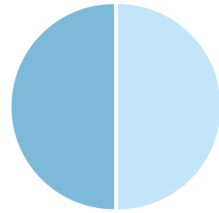


of payers
pay providers with paper and fee-based
options.

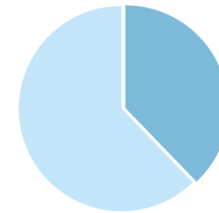
InstaMed Provider Healthcare Payments Survey 2020

InstaMed Payer Healthcare Payments Survey 2020

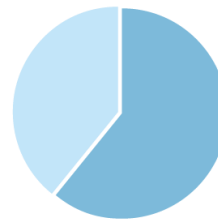
Too Much Paper and Fees in Claim Payments



Only half of providers
were offered a choice to opt out of virtual
card payments.

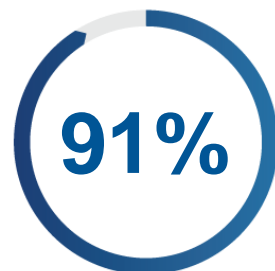


38% of providers
were dissatisfied with the processing
fees associated with virtual cards.

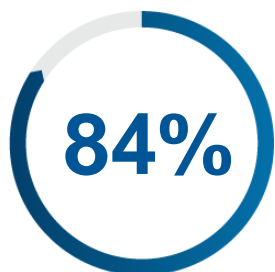


61% of providers
found the process of opting out of virtual
cards to be cumbersome and difficult.

Electronic Payments Must Dominate



91% of health plan executives say improving the clinician experience is a priority in 2021.



84% of providers prefer EFT from payers, 12% of providers prefer paper checks, 2% of providers prefer virtual cards.

PwC Health Research Institute, Health executive survey, August-September 2020

InstaMed Provider Healthcare Payments Survey 2020



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Conversation with Nacha, InstaMed & CAQH CORE

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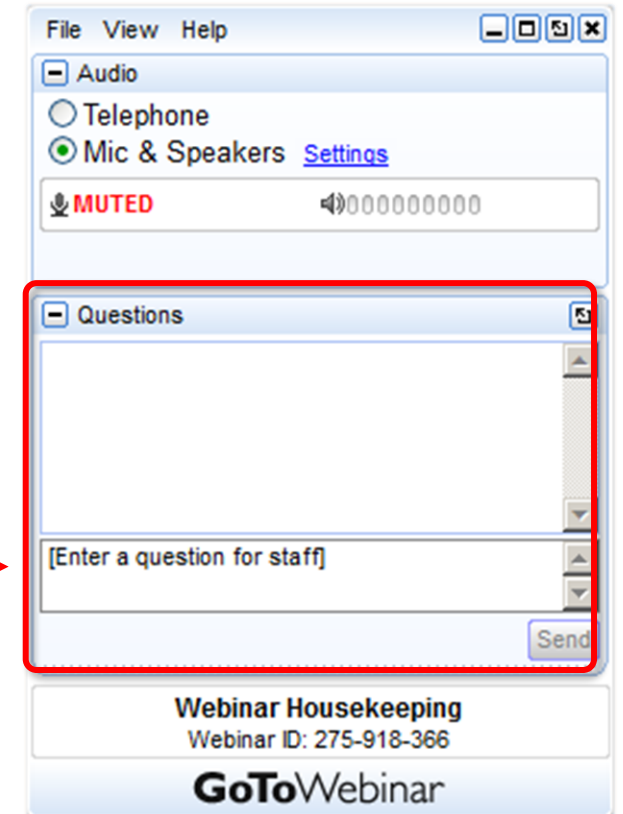
Jessica Porras
Senior Manager
CAQH CORE

Moderator

Audience Q&A

Ask our speakers anything

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



Upcoming CAQH CORE Education Sessions and Events

CAQH CORE & WEDI: Telehealth Webinar

July 9, 2021 1:00-2:00 PM EST

**CAQH CORE & HealthTrio: Implementation of
Operating Rules for Prior Authorization
Webinar**

August 18, 2021 2:00-3:00 PM EST

Resources



- Contact Your Health Plans - [Sample Provider EFT Request Letter](#)
- Contact Your Banks - [Sample Provider EFT Reassociation Data Request Letter](#)



- [Healthcare Payments Resources Website](#)
- [Healthcare Payments Resource Guide](#)
- [Revised ACH Primer for Healthcare Payments](#)

Thank you for
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Website: www.CAQH.org/CORE

Email: CORE@CAQH.org



Website: www.nacha.org