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Health Care Payments via ACH
FAQs

General Questions

Q. When are these changes effective?
The changes to the *NACHA Operating Rules* will be effective September 20, 2013. As of this date:

- ODFIs and Originators of health care claim payments must:
  - Clearly identify CCD entries that are health care EFT transactions by populating the Company Entry Description field (field 7 of the Batch Header Record) with "HCCLAIMPMT",
  - Ensure that the Company Name field (field 3 of the Batch Header Record) is populated with the name of the health plan or third-party administrator that is recognized by the healthcare provider and the party the provider submits its claims, and
  - Ensure that each health care EFT transaction includes one addenda record and that the Payment-Related Information field (Field 3 of the CCD Addenda Record) contains the ANSI ASC X12 835 version 5010 TRN Reassociation Trace Number data segment.
    - The data segment terminator for the TRN Reassociation Trace Number can be either the backslash "\" or the tilde "~"
- RDFIs must provide the following for all health care EFT transactions:
  - A service to provide or make available, either automatically or upon the request of a provider, all information contained within the Payment Related Information field of the CCD Addenda Record.
    - One delivery option must be via a secure electronic delivery channel that at a minimum meets the 128-bit RC4 encryption technology standard. Mail, fax, or unsecured email of payment related information is not considered a secure, electronic delivery method.
  - Training for customer facing personnel to recognize a request from a provider to receive the CORE-required Minimum CCD+ Reassociation Data Elements or the TRN Reassociation Trace Number or the payment trace number and direct them to the appropriate staff to sign up for delivery of the data contained in the Payment Related Information field of the health care EFT transaction.

Q. What is the difference between the January 1, 2014 compliance date for the healthcare EFT standard and the September 20, 2013 implementation date for the changes to the NACHA Operating Rules?
The changes to the *NACHA Operating Rules* to support healthcare are effective September 20, 2013. This will allow participants in the ACH Network to be prepared to support Federal Regulations established by the Patient Protection and Affordable Care Act which require health plans to certify with

HHS that they are compliant with the healthcare EFT standard and the healthcare EFT and ERA Operating Rules no later than January 1, 2014.

Q. Does this Rule apply only to government healthcare payments or private payments also?
The Health Care Payments via ACH rule applies to both government and private claims reimbursement payments that use the ACH Network.

Q. Are health plans required to use the ACH Network to transmit health care claim payments to providers?
No, health plans are allowed to use other forms of EFT payment methods (e.g., credit cards and wire transfers) as well as checks to pay health care claims payments. If a healthcare provider requests delivery of the claims reimbursement payment using the healthcare EFT standard (CCD+Addenda), the health plan must deliver the payment using the CCD+Addenda through the ACH Network. [45 CFR 162.925 (a) (1)]

FAQs for ODFIs

Q. How should I prepare to implement this Rule change?

- Educate any customers that are health plans or that originate ACH transactions on behalf of health plans on the new requirements for the identification of healthcare EFT transactions.
    - Clearly identify CCD entries that are health care EFT transactions by populating the Company Entry Description field (field 7 of the Batch Header Record) with "HCCLAIMPMT".
    - Ensure that the Company Name field (field 3 of the Batch Header Record) is populated with the name of the health plan or third-party administrator that is recognized by the healthcare provider and the party the provider submits its claims.
    - Ensure that each health care EFT transaction includes one addenda record and that the Payment-Related Information field (Field 3 of the CCD Addenda Record) contains the ANSI ASC X12 835 version 5010 TRN Reassociation Trace Number data segment; and the data segment terminator for the TRN Reassociation Trace Number can be either the backslash "\" or the tilde "~"
- Ensure that any transactions that are originated as a healthcare EFT transaction are formatted correctly, include the addenda record, and include the TRN Reassociation Trace Number in the Payment Related Information field.

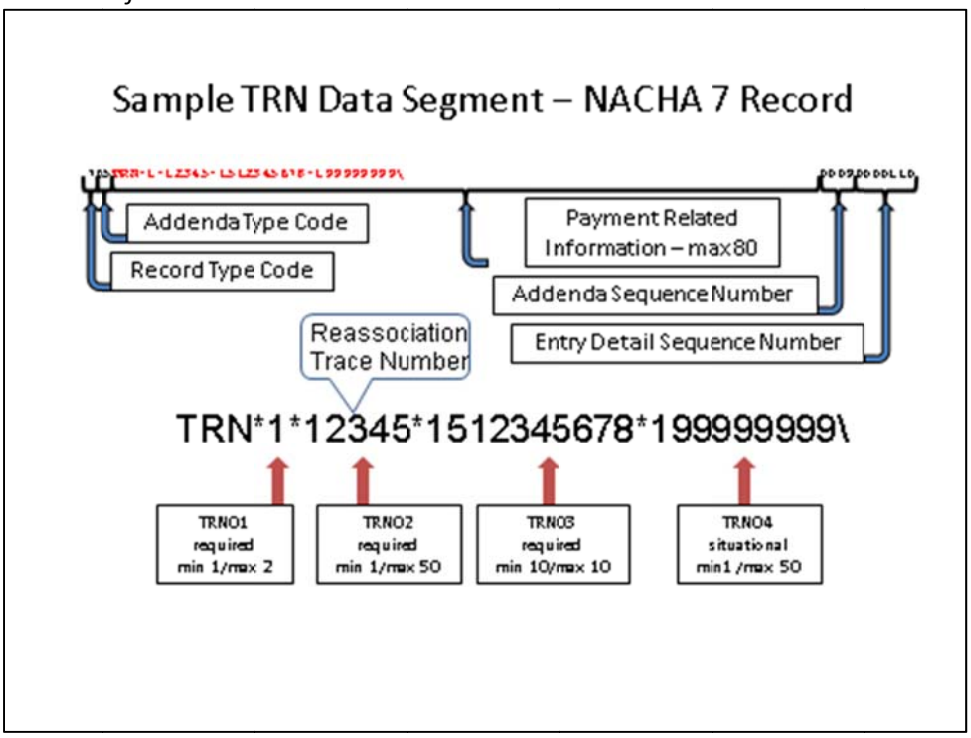
Q. Do I need to use a different descriptor to differentiate health claim payments from prescription claim payments?
No, the HCCLAIMPMT descriptor is used for both health claim payments and pharmacy payments.

Q. What should be included in the Company Name field?
The Company Name Field should include the name of the health plan originating the entry or the name of the self-insured organization's third-party administrator. The name must be recognized by the healthcare provider and the party to whom the healthcare provider submits claims.

Q. What should be included in the addenda record?
The addenda record of the CCD Entry for the healthcare EFT transaction must contain the TRN Reassociation Data Elements as defined in the ASC X12 835 version 5010 TR3 (Implementation Guide).

Q. What are the CORE-required Minimum CCD+ Reassociation Data Elements?
The Effective Entry Date, Amount of the Entry, and the TRN Reassociation Trace Number that is contained in the Payment Related Information field of the CCD Entry.

Q. What is the structure for the TRN Reassociation Trace Number?



Q. The TRN Reassociation Trace Number as defined by ASC X12 835 version 5010 TR3 can exceed the 80 characters allowed in the CCD Addenda Record Payment Related Information field. How should the excess characters be handled?
The TRN04 segment is a conditional segment that is rarely used, if it is used and the TRN data segment exceeds the 80 characters supported by the CCD, the TRN 04 should be truncated.

Q. Some of the terms seem to mean different things depending on who you are talking to, can you explain?
Healthcare providers and financial insitutions use similar terms to mean different things. This chart compares those terms and meanings.

Health Care Provider	Financial Institution
RTN = Reassociation Trace Number	RTN = Routing & Transit Number
Trace Number = shortened version of	Trace Number = unique ACH transaction

Reassociation Trace Number	identifier
Addenda = do not recognize this term	Addenda = where the Reassociation Trace Number is located

Q. Is it possible for the ODFI and Originator to include the changes in the ACH file before the September 2013 effective date?
The tilde "~" should not be used as a segment terminator in the TRN Reassociation Trace Number until September 20, 2013. All other changes may be included in the ACH file before that date.

Q. As an ODFI, do I have to allow my Originators to use the tilde as the terminator for the data segment? This would require a programming change for my software.
Yes, effective September 20, 2013, the tilde will be valid segment terminator in the *NACHA Operating Rules* and should be supported for all CCD entries. The backslash will also still be available as a terminator.

FAQs for RDFIs

Q. How should I prepare to implement this Rule change?

- Educate staff to recognize a request from healthcare providers to deliver the Payment Related Information field data of the healthcare EFT, the CORE-required Minimum CCD+ Data Elements, or the TRN Reassociation Data Elements. The healthcare provider may ask for the delivery of the remittance data using one of the preceding titles.
- Have a product or products available to deliver the remittance data to the healthcare provider, if it is requested. One delivery option must be via a secure electronic delivery.

<u>Formatting</u>
Q As an RDFI, how will I recognize that I have received a health care payment?
The letters "HCCLAIMPMT" will be found in the Company Entry Description Field (Field 7 of the Batch Header Record – Record 5) of the CCD Entry.

Q What if I receive a healthcare payment CCD+ that does not include an addenda record?
If the CCD is identified as a healthcare EFT Entry with HCCLAIMPMT in the Company Entry Description field and the entry does not include an addenda record with the TRN Reassociation trace number in the Payment Related Information field, an RDFI may encourage its Receiver to contact the Originator for this information. If this is seen repeatedly with an ODFI or Originator, the RDFI may consider either contacting the ODFI or filing a Rules violation through the NACHA System of Fines.

Q As an RDFI, do I have to be able to accept the tilde as the terminator for the data segment?
Yes, the tilde will be a valid segment terminator for all CCD entries effective September 20, 2013.

Q Can an RDFI return a health care transaction?
Yes, a healthcare EFT transaction can be returned for a valid reason using the appropriate Return Reason Code. It cannot be returned simply because it is a healthcare EFT transaction.

Electronic Delivery

Q. What is the difference between delivering automatically and delivering upon request?

- An example of automatic delivery is when a financial institution puts the remittance data on the online banking statement that is available to every customer automatically. If your financial institution automatically delivers remittance data to their customers via a secure online delivery option, then your financial institutions already meets the requirements on the new rule change.
- Delivery of remittance data "upon request" means that the Receiver must contact the financial institution to setup the delivery of information, identify how and when the information will be delivered and discuss potential pricing.

Q. What are some options for a secure, electronic means? What are delivery methods that would not meet this requirement?

- Secure delivery options include Web access through the bank's secure online services, online account access or online reporting. Secure email could also be used (this is not a standard email).
- Methods that do not meet the requirement include fax, unsecure email, or print and mail.

Q Do my receivers have to receive this information electronically?

No, but your financial institution must have one secure electronic delivery method that you make available to your customer. The customer may choose other options.

Q Currently my small financial institution has very few healthcare providers as small business members. The requirement to develop an electronic information delivery method to accommodate these few members will require scarce resources that are dedicated to other more highly prioritized projects, are there any easy ways to meet the requirements of this Rule?

There are a number of software solutions available today to meet the requirements for a secure electronic delivery option that will require very little time to implement. The Federal Reserve has a FedLine service that delivers the remittance data to your bank customer through a secure electronic delivery method. Many of the ACH software vendors also have services available. Please contact your vendors to see what services they currently offer.

Q What if the healthcare provider is a single doctor practice that uses a consumer banking account?

The *NACHA Operating Rules* require the delivery of Payment Related Information to a Non-Consumer Account. If you have a healthcare provider that is using a consumer account for his business activity you have multiple options; if your systems allow for the delivery of Payment Related Information to a consumer account you can deliver the information, if the systems do not support delivery of the Payment Related Information to a consumer account you can suggest your customer change the type of account to a business account or decline the request to deliver the requested information. You are only required by the *NACHA Operating Rules* to deliver the Payment Related Information to a Non-Consumer Account.