



HIPAA Electronic Standards Fact Sheet

Defense Health Agency (DHA) Information Management (IM) Division

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Adoption of Operating Rules for HIPAA Transactions

Background:

The Patient Protection and Affordable Care Act (ACA) (Public Law 111 – 148) requires the Department of Health and Human Services (HHS) to adopt a single set of operating rules for each Health Insurance Portability and Accountability Act (HIPAA) transaction and promulgate rules to establish the adoption. Operating Rules affect TRICARE where it employs HIPAA electronic transactions in Private Sector Care as a Health Plan/Payer and in Direct Care as a Provider of health services.

Which operating rules have been adopted so far?

Based on the recommendation of the National Committee on Vital Health Statistics (NCVHS), in July 2011, HHS published an Interim Final Rule with Comment (IFC) adopting the Council for Affordable Quality Healthcare (CAQH) Committee on Operating Rules for Information Exchange (CORE) Phase I and Phase II Operating Rules for the “Eligibility for a Health Plan” and “Health Care Claim Status” transactions. This IFC became a Final Rule in December 2011. Health plans and providers were to comply with the provisions of these operating rules by 1 January 2013.

On 10 August 2012, HHS published an IFC adopting Operating Rules for Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA). This IFC became a Final Rule in April 2013. The EFT/ERA Operating Rules adopted are the Phase III CAQH CORE EFT & ERA Operating Rule Set, including the CORE v5010 Master Companion Guide Template for the health care EFT and ERA transaction, with one exception. The Requirement 4.2, titled “Health Care Claim Payment/Advice Batch Acknowledgement Requirements,” of the Phase III CORE 350 Health Care Claim Payment/Advice (835) Infrastructure Rule was not adopted because that rule requires the use of the Accredited Standards Committee (ASC) X12 999 acknowledgement standard, and HHS has not adopted standards for acknowledgement transactions. Covered entities were to comply with the EFT & ERA Operating Rule Set by 1 January 2014.

What are operating rules?

Operating rules are defined by section 1171(9) of the ACA as “the necessary business rules and guidelines for the electronic exchange of information that are not defined by a standard or its implementation specifications.” The ACA establishes that adopted operating rules must meet the following criteria:

- Be consistent with and do not conflict with the existing HIPAA standards.
- Represent a consensus view of health care stakeholders.
- Be consistent with HIPAA and Health Information Technology (HIT) standards adopted by the Secretary.
- Reduce ambiguities currently permitted by the standard, resulting in better-defined inquiries and responses that add value to provider practice management and health plan operations.

How do operating rules help achieve administrative simplification?

Although the HIPAA adopted transaction standards improve data interchange, some gaps in the standards allow each health plan to use the transactions in different ways. To facilitate successful interoperability between data systems of different entities, operating rules are intended to more clearly define security requirements, transmission formats, response times, liabilities, exception processing, error resolution and rights and responsibilities of all parties. Operating Rules further constrain and “tighten up” the HIPAA adopted standard transactions. Operating rules enhance HIPAA standards by:

- Providing additional requirements for content so there is a more consistent manner of communication across health plans.
- Addressing ambiguous or conditional requirements in a HIPAA standard – which clarifies when to use or not use certain data elements or code values.
- Specifying how trading partners, including providers, should communicate with each other and exchange patient information, with the goal of eliminating connectivity inconsistencies.

What is the process for adopting operating rules?

NCVHS is required by ACA to evaluate non-profit entities and their developed operating rules, and recommend to the Secretary of HHS which operating rules should be adopted. Operating rules and authoring entities are adopted and named through the formal rule making process and published in the Federal Register as applicable.