

U.S. House and Senate Notification  
Thursday, June 30, 2011

To: Congressional Health Staff

From: Amy Hall  
Director, Office of Legislation  
Centers for Medicare & Medicaid Services

Re: CMS Issues Interim Final Rule with Comment Period for Operating Rules for Two Electronic Health Care Transactions

The Centers for Medicare & Medicaid Services (CMS) today issued an interim final rule with comment period to implement part of Section 1104 of the Affordable Care Act regarding administrative simplification. The rule addresses operating rules for two electronic health care transactions — when providers request from health plans the “eligibility for a health plan” for patients and “health care claim status.” Operating rules are guidelines that enhance existing standards to provide greater uniformity of information and transmission formats. Standards for these transactions were set by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). These operating rules may result in savings to physicians, other health providers, and insurance companies from lower transaction costs in the form of fewer phone calls between physicians and health plans, lower postage and paperwork costs, fewer denied claims for physicians, and a greater ability to automate health care administrative processes.

CMS’ announcement today also demonstrates the effectiveness of public/private cooperation for the benefit of government, health care organizations, and patients. The rule largely adopts operating rules developed by the Council for Affordable and Quality Healthcare’s Committee on Operating Rules for Information Exchange (CAQH CORE), an industry coalition that focuses on ways to simplify health care administration for plans and providers. The rule determines that CAQH CORE meets “authoring entity” requirements under the Affordable Care Act for eligibility operating rules with the exception of retail pharmacy operating rules.

The rule announced today is the first in a series of regulations required over the next five years under Section 1104 of the Affordable Care Act.

The interim final rule with comment is on display at:  
<http://ofr.gov/inspection.aspx?AspxAutoDetectCookieSupport=1>

The press release regarding the interim final rule with comment period is attached for your convenience. If you have questions about this notification, please contact the CMS Office of Legislation at 202-690-8220. Thank you.