



2018 CAQH Index[®]

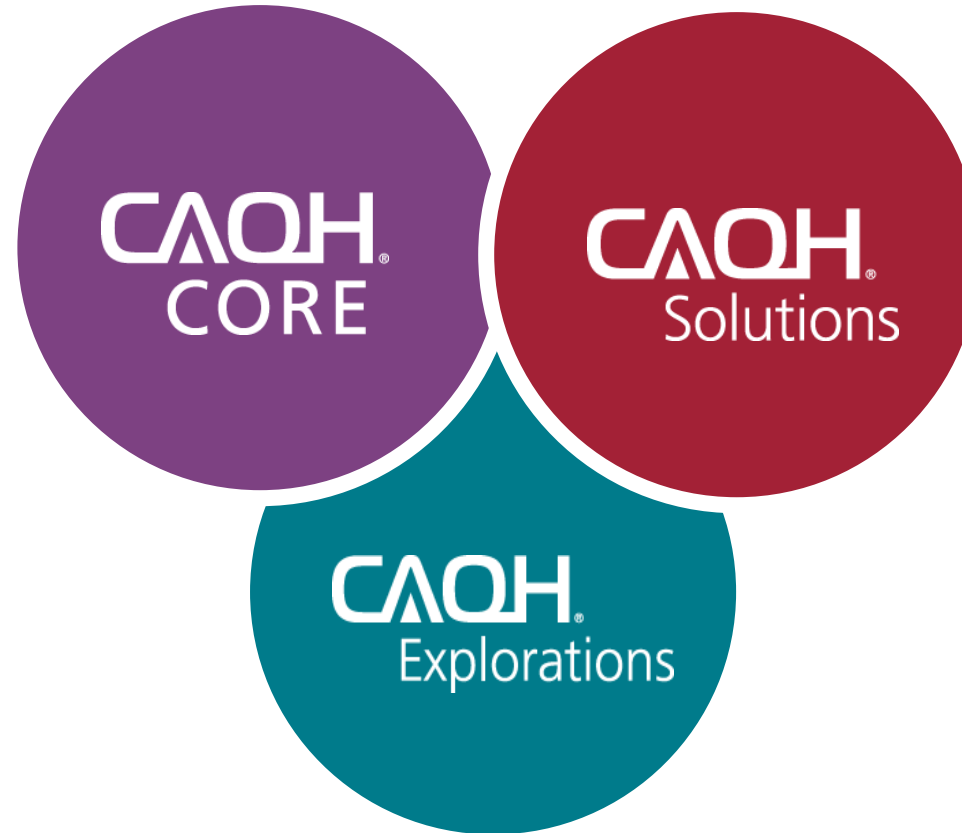
Healthcare Industry
Adoption of
Electronic Business
Transactions and
Cost Savings

Prior Authorization Highlights

CAQH Initiatives Simplify Healthcare Business Processes

National operating rule author to support interoperability. Currently working on operating rules for:

- prior authorization
- attachments/additional clinical information
- value-based payment



Shared utilities to collect and manage provider and member data.

Research and collaborative endeavors as a catalyst for industry progress. Produces the Index.

What Is the CAQH Index?

A national benchmarking survey.

- Measures adoption of fully electronic administrative transactions.
- Estimates cost and time savings opportunities.
- Sixth annual report.

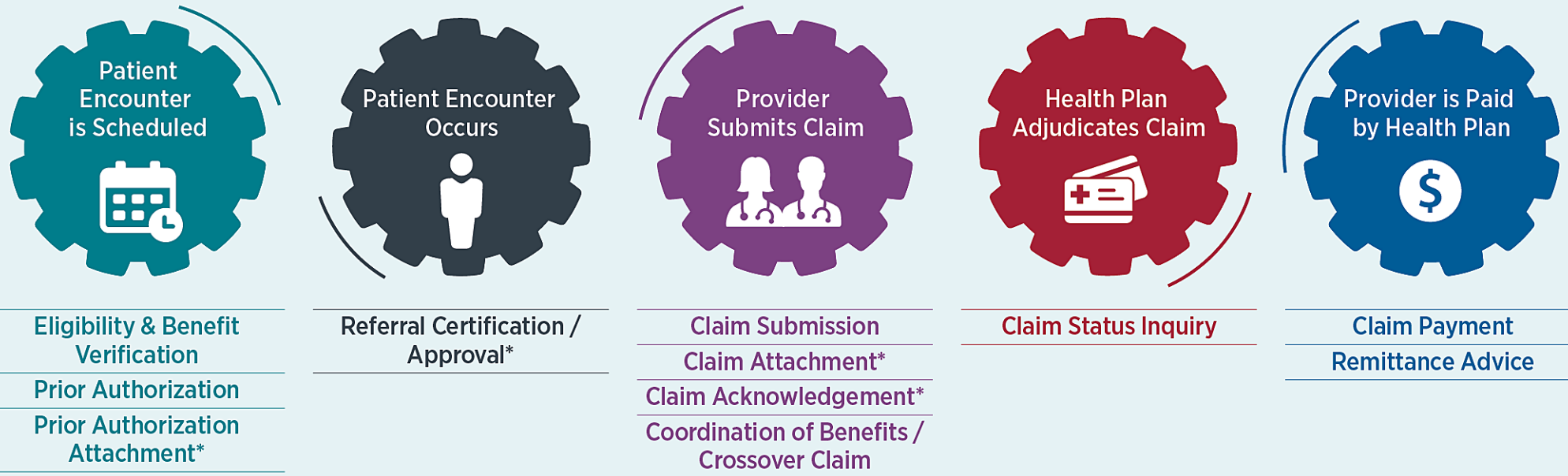
Tool to track and monitor industry progress.

- Tracks industry progress in the ongoing transition from manual to electronic administrative transactions.
- Monitoring progress makes it possible to identify successes and to make course corrections when necessary.

A collaborative initiative.

- The CAQH Index Advisory Council.
- Experts in administrative transactions, data analysis and healthcare management.
- Represents providers, health plans, vendors and other industry partners.

Figure 6: The Administrative Workflow



Note: This diagram illustrates the administrative workflow in its simplest form. In practice, some transactions may occur multiple times or in multiple steps and be triggered by other events.

*Due to a low volume of data collected, the 2018 CAQH Index was unable to calculate benchmarks.

Index Definitions

- **Transaction Costs**
 - Cost and saving estimates only account for labor time required to conduct the transaction. Systems costs as well as pre-work and follow-up work are not included.
- **Electronic Transaction**
 - Automated transaction conducted using a HIPAA standard.
- **Manual Transaction**
 - Transaction requiring end-to-end human interaction, such as telephone, fax, and/or mail.
- **Partially Electronic Transaction**
 - Includes web portals and interactive voice response (IVR) systems.

Who Participated?

Large, representative sample.

Health plans:

- Medical health plans covering nearly half (49%) of U.S. covered lives.
- Dental plans covering nearly half (44%) of the covered dental population.

Healthcare providers:

- Represent a range of specialties.
- Data collection facilitated by NORC at University of Chicago.

Table 4: Basic Characteristics of CAQH Index Data Contributors, 2014-2018 CAQH Index

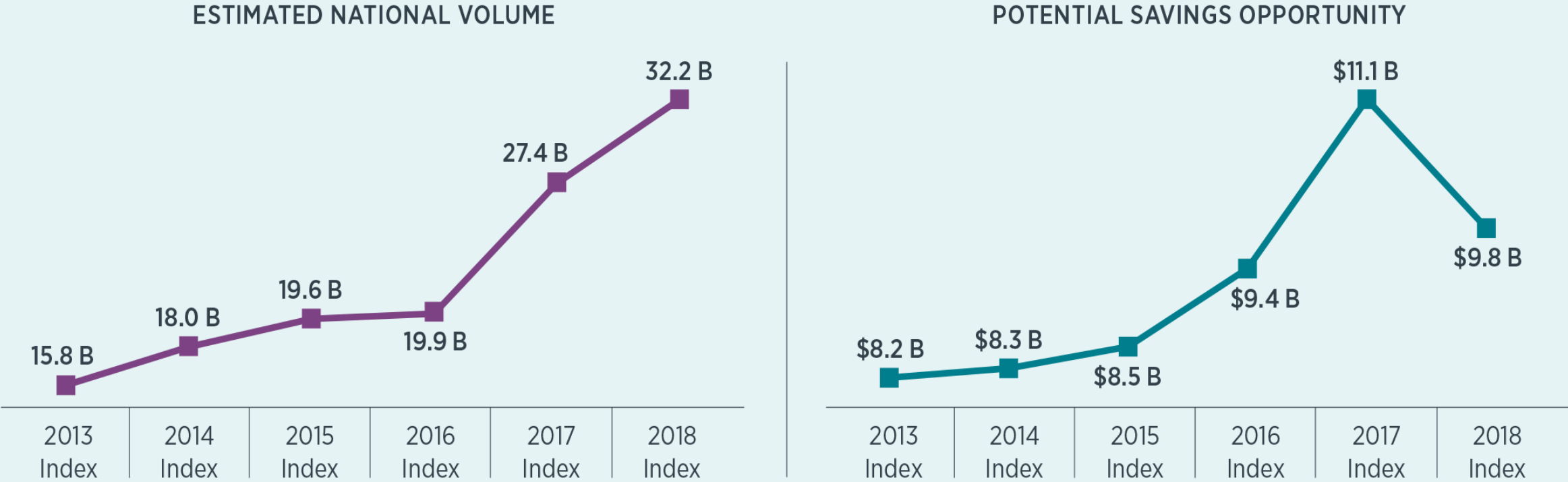
	2014 Index	2015 Index	2016 Index	2017 Index	2018 Index
Medical					
Health Plan Members (total in millions)	112	118	140	155	160
Proportion of Total Enrollment (%)	42	45	46	51	49
Dental					
Health Plan Members (total in millions)	N/A	93	112	117	106
Proportion of Total Enrollment (%)	N/A	44	46	48	44

N/A=Not Applicable

Medical Industry Savings Opportunity Declined For First Time in CAQH Index History

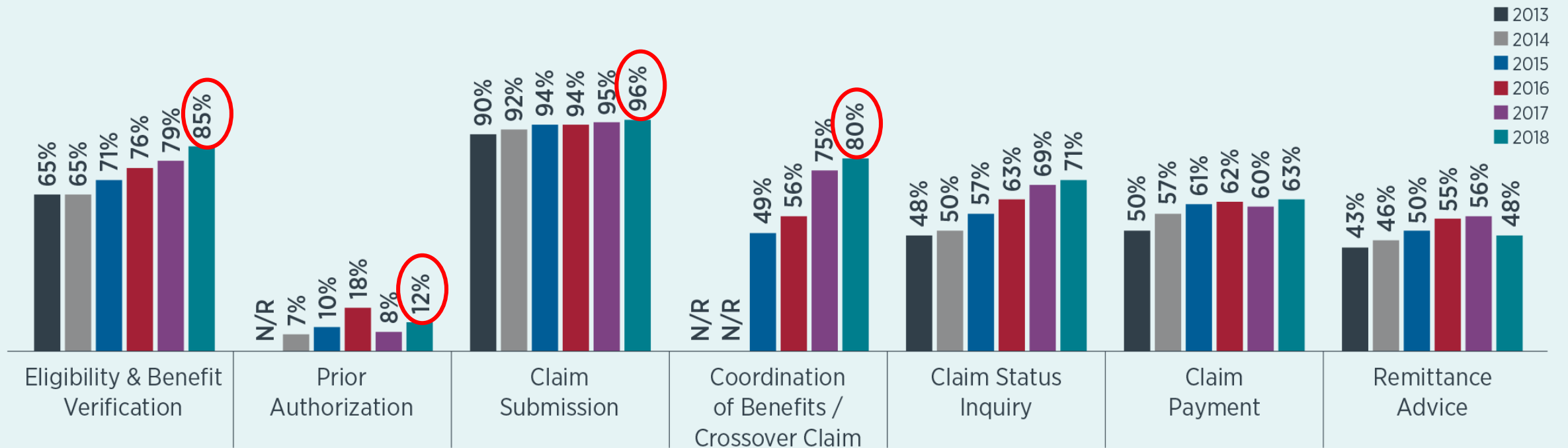
- Despite the continued increase in volume, the potential savings opportunity dropped, suggesting that the industry is becoming more efficient in conducting administrative transactions.

Figure 5: Estimated National Volume and Potential Savings Opportunity, Medical, 2013 – 2018 CAQH Index



Electronic Adoption Improved for Most Transactions in the Medical Industry

Figure 1: Adoption of Electronic Administrative Transactions, Medical, 2013 – 2018 CAQH Index



N/R = Not Reported

Adoption Low as Manual Use Increased for Prior Authorization

- National standard exists yet electronic adoption trails other transactions with standards.
- One of the lower volume transactions, but volume increased by 14% from 2017.
- Multiple reasons for low electronic adoption:
 - Lack of vendor support – only 12% of systems offer services for electronic prior authorization (2017 Index).
 - Lack of federal attachment standard to support transmission of clinical data.
 - State mandates requiring manual processes.

Figure 10: Adoption of Electronic Prior Authorization, Medical, 2016 – 2018 CAQH Index

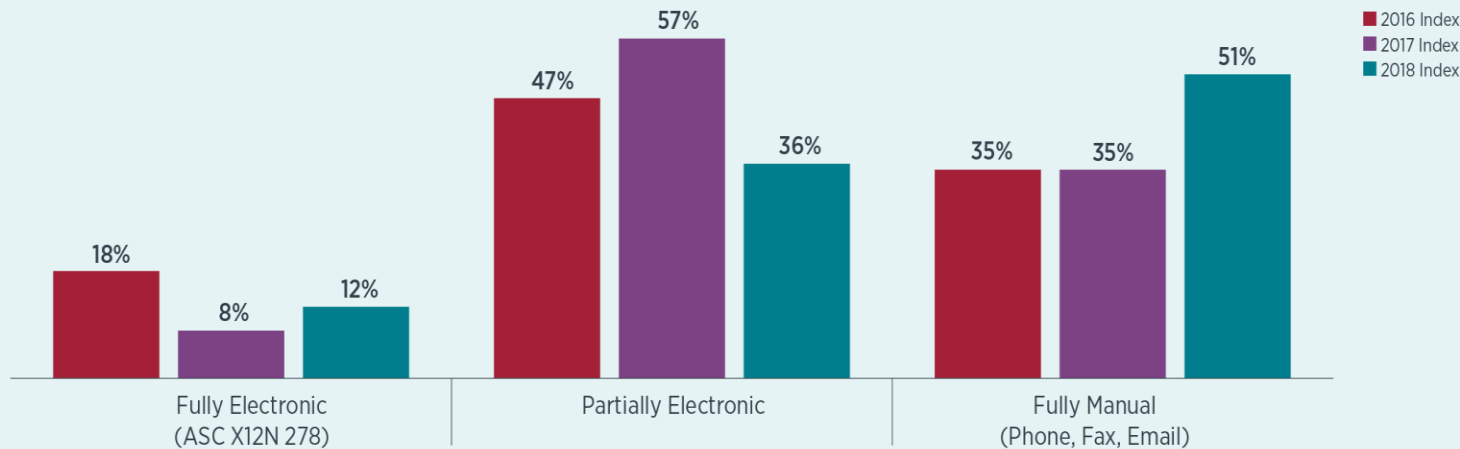
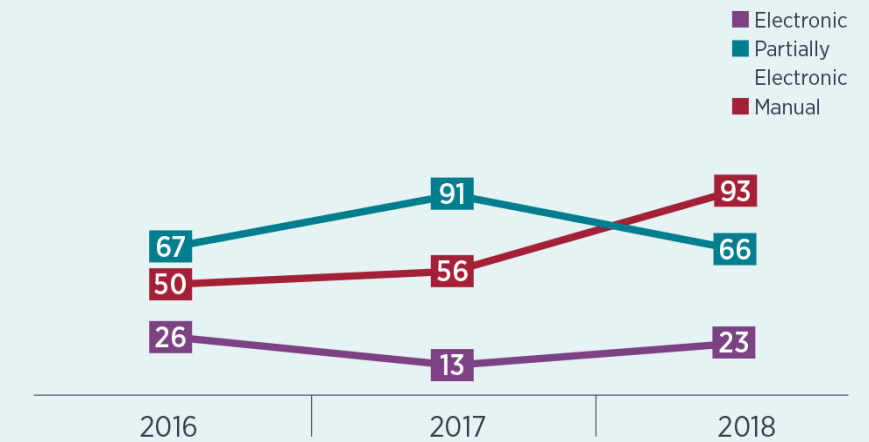


Figure 11: Estimated National Volume of Prior Authorizations, Medical, by Mode, 2016 – 2018 CAQH Index (in millions)



Vendor Offerings

- Vendor support varies by transaction.
- Vendor support appears to impact adoption.
- To automate all transactions, providers may need to purchase solutions from more than one vendor.

Transactions	CAQH Index			
	Industry National Savings Opportunity (in millions)	Percent of Vendors Supporting EDI (2017 CAQH Index)	2018 Index Electronic Adoption Level	Estimated National Volume (in billions)
Eligibility and Benefit Verification	\$4,017	76%	85%	16,915
Claim Status	\$2,640	79%	71%	2,578
Claim Payment	\$97	85%	63%	812
Remittance Advice	\$2,434	74%	48%	5,047
Claim Submission	\$177	91%	96%	6,394
Prior Authorization	\$417	12%	12%	181

Attachments and Prior Authorization

- Electronic attachments ease workflow related to claims and prior authorizations by providing additional clinical information.
- Electronic adoption level for attachments reported at 6% (2017 Index).
- In 2018/2019 CAQH CORE Attachments Environmental Scan, participating health plans reported:
 - 12% exchanged via EDI (primarily pilots)
 - 18% exchanged via web portals
 - 70% of attachments sent via mail and fax
- Most respondents to the 2018/2019 CAQH CORE Attachments Environmental Scan are waiting for a federal attachment standard to transmit clinical information electronically:
 - 44% identified waiting for regulatory direction as the primary reason for delay
 - 23% reported waiting for industry direction as the primary reason for delay
 - 9% listed budget constraints as the primary reason for delay
- The absence of a federal attachment standard is impacting electronic adoption for the exchange of clinical information and prior authorizations.

Questions?