



Self-Insured Plans

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New Rules Regarding How Claim Payments Are Transmitted

Effective January 1, 2014, the Affordable Care Act (“ACA”) requires that a health plan that makes payments to providers via electronic funds transfers (“EFT”) use new standards. A health plan must have the ability to remit provider payments via EFT.

EFT is an electronic funds transfer. For this purpose, an EFT is the electronic transmission of any of the following from a health plan to a health care provider:

- payment;
- information about the transfer of funds;
- payment-processing information;
- explanation of benefits; or
- remittance advice.

■ What is required?

As of January 1, 2014, a health plan must have the ability to conduct EFT upon provider request. HIPAA covered entities such as group health plans are not required to use the Automated Clearing House Network (the “ACH Network”) to transmit and receive health care claim payments by EFT.

As of January 1, 2014, health plans and providers are not prohibited from using other networks such as Fedwire, card payment networks, etc. For example, the new rules do not apply to health plan debit card transactions. However, if a provider requests that a health plan conduct EFT using the ACH Network, the health plan is required to do so. Regardless of the network used, every effort should be made by the health plan to ensure that re-association between the payment and the remittance advice can be automated by providers.

Unlike HIPAA’s Privacy and Security rules, these standards apply to a covered transaction even if the transaction does not involve any protected health information. For example, an EFT transmission can be just a payment, without any individually identifiable information.

Providers are not required to accept health care payments via EFT.

For insured plans, the insurance carriers are responsible for compliance; for self-insured plans, the employers are responsible.

■ Standards when a Health Plan Conducts EFT Using the ACH Network

HHS adopted a single set of operating rules for each covered transaction with the goal of creating as much uniformity in the implementation of the electronic standards as possible—building on the transaction standards already issued under HIPAA. Operating rules are “the necessary business rules and guidelines for the electronic exchange of information that are not defined by a standard or its implementation specifications,” as adopted by HHS. Information about the operating rules and their implementation can be found on the CAQH website at: http://www.caqh.org/ORMandate_EFT.php

■ Employer Action

No action is required of employers of insured plans, as the carrier should have this responsibility.

Employers of self-funded plans should coordinate with their third-party administrators (“TPAs”) and respond to any requests to provide certain information such as confirming that the bank does not have a block on debit transactions, and confirming the routing number to be used for EFT transactions.

