Electronic Health Networks

Overview

An electronic health network (EHN or clearinghouse) is an entity that functions as an intermediary in the exchange of electronic health care transactions[1] between a payor, health care provider (provider), and covered entities.[2] By processing claims electronically, EHNs reduce administrative costs, errors associated with paper claims[3], and improve efficiency through optimizing the claims process and the revenue cycle continuum. Provider services offered by EHNs include: verifying the accuracy of claims submitted to payors, identifying errors (claims scrubbing) and reducing the number of rejected claims, verifying compatibility with payor software, submitting batch claims to payors, and formatting health care transactions to align with national standards.[4] Payors that accept electronic health care transactions originating in Maryland are required to accept transactions only from EHNs certified by the Maryland Health Care Commission (MHCC).[5]

Transaction Types and Standards

Administrative health care transactions were mostly paper based prior to the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HIPAA established national standards for electronic health care transactions, among other things.[6] The following electronic health care transactions have a HIPAA mandated standard format:[7]

- Claims and encounter information
- Enrollment and disenrollment
- Payment and remittance advice
- Referrals and authorizations

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[1] Health care transactions involve the electronic exchange of information between two parties to carry out financial or administrative activities. More information is available at: www.cms.gov/files/document/health-care-transactions-basics.pdf.

[2] Covered entities are health plans, health care clearinghouses, and health care providers. More information is available at: www.hhs.gov/hipaa/for-professionals/faq/covered-entities/index.html.

[3] The average error rate for paper claims is 28 percent, EHNs can reduce claims error rates to two to three percent. More information is available at: coa.org/docs/WhitePapers/Clearinghouses.pdf.

[4] California Orthopaedic Association, The Official Guide to Clearinghouses; User Ratings and Reviews. More information is available at: coa.org/docs/WhitePapers/Clearinghouses.pdf.

[5] EHN certification is required under COMAR 10.25.07.01, *Certification of Electronic Health Networks and Medical Care Electronic Claims Clearinghouses*. More information is available at: mhcc.maryland.gov/mhcc/pages/hit/hit_ehn/hit_ehn.aspx.

[6] Health Insurance Portability and Accountability Act of 1996. More information is available at: www.govinfo.gov/content/pkg/PLAW-104publ191/pdf/PLAW-104publ191.pdf.
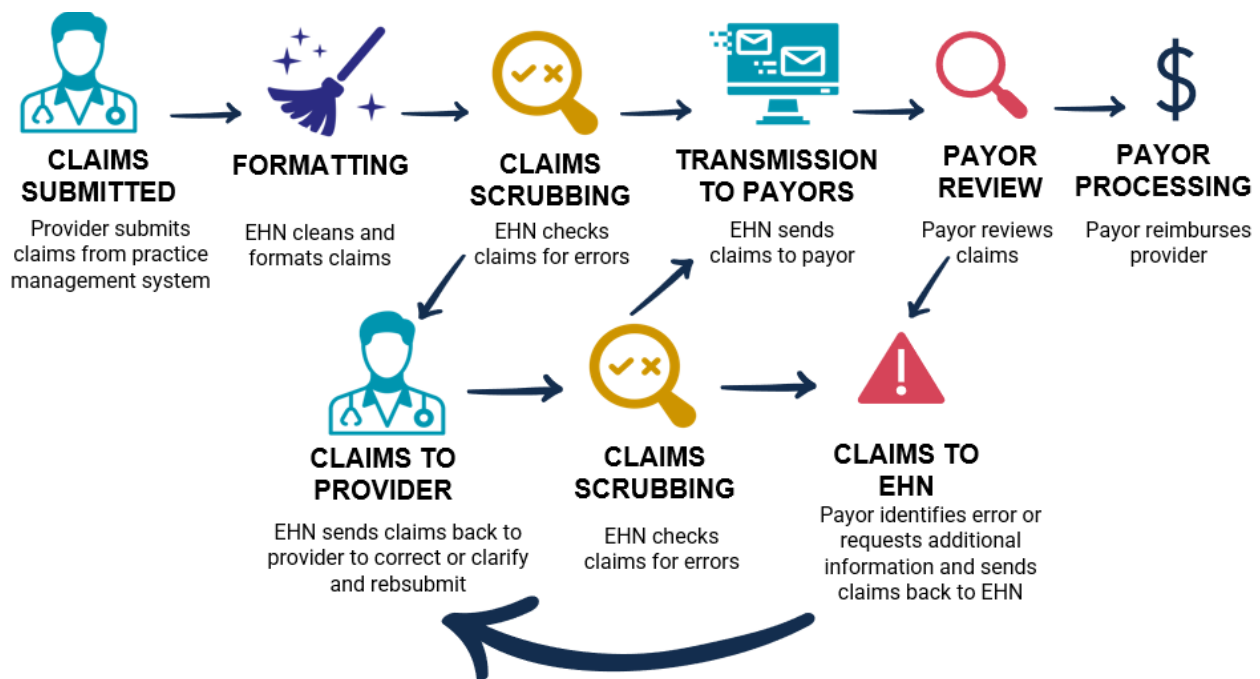
[7] Centers for Medicare & Medicaid Services, Health Care Transactions Basics. More information is available at: www.cms.gov/files/document/health-care-transactions-basics.pdf.

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- Claim status
- Eligibility
- Coordination of benefits
- Premium payment

Benefits and Claims Processing Workflow

EHNs increase automation of tasks like payment notification, follow-up, reporting, and adjustments to reduce the amount of time and money providers spend on claims processing.[8] The following illustrates the role of EHNs in the claims processing workflow.

CLAIMS SUBMITTED — Provider submits claims from practice management system

FORMATTING — EHN cleans and formats claims

CLAIMS SCRUBBING — EHN checks claims for errors

TRANSMISSION TO PAYORS — EHN sends claims to payor

PAYOR REVIEW — Payor reviews claims

PAYOR PROCESSING — Payor reimburses provider

CLAIMS TO PROVIDER — EHN sends claims back to provider to correct or clarify and rebsubmit

CLAIMS SCRUBBING — EHN checks claims for errors

CLAIMS TO EHN — Payor identifies error or requests additional information and sends claims back to EHN

MHCC Certification

To receive MHCC certification (or recertification), EHNs must be accredited or certified by a national organization, recognized by MHCC, that evaluates EHNs for meeting standards related to privacy and confidentiality, business practices, physical and human resources, technical performance, and security. National organizations currently recognized by MHCC include the Electronic Healthcare Network Accreditation Commission (EHNAC) and the Health Information Trust Alliance (HITRUST).[9] As part of the certification process, MHCC reviews
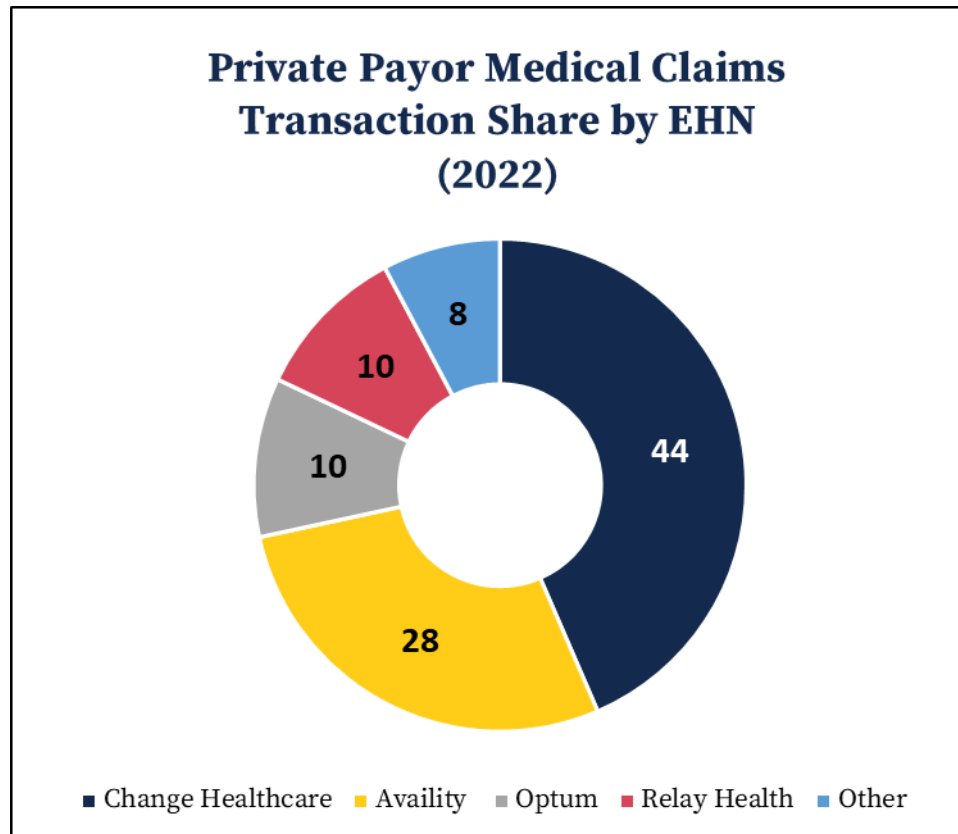
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[8] American Medical Association, The benefits of electronic claims submission— improve practice efficiencies. More information is available at: www.ama-assn.org/media/11106/download.

[9] More information about the MHCC certification process is available at: mhcc.maryland.gov/mhcc/Pages/hit/hit_ehn/hit_ehn.aspx.

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EHNs' EHNAC or HITRUST Common Security Framework assessment reports to verify compliance with HIPAA regulations and make recommendations to mitigate data breach risks in areas such as disaster recovery, business continuity, contingency plans, and intrusion detection and response.

The MHCC certifications are valid for a two-year period. A total of 29 EHNs are certified to operate in the State as of August 2023 (See link to table below).[10] Change Healthcare, Availity LLC, Relay Health, and Optum process approximately 92 percent of electronic health care transactions in Maryland.

Private Payor Medical Claims Transaction Share by EHN (2022)

Share	EHN
44	Change Healthcare
28	Availity
10	Optum
10	Relay Health
8	Other

■ Change Healthcare ■ Availity ■ Optum ■ Relay Health ■ Other

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[10] MHCC Certified Electronic Health Networks. More information is available at: mhcc.maryland.gov/mhcc/Pages/hit/hit_ehn/hit_ehn_certified.aspx.

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