

# NACHA Rule Updates 2014-15

*Important Healthcare reminder - Effective January 1, 2014*

The NACHA Rule changes effective September 20, 2013 were intended to prepare participants in the ACH Network to support Federal Regulations established by the Patient Protection and Affordable Care Act which requires health plans to certify with Health & Human Services (HHS) that they are compliant with the healthcare Electronic Funds Transfer (EFT) standard and the healthcare EFT and ERA Operating Rules no later than January 1, 2014. The Health Care Payments via ACH Rule applies to both government and private claims reimbursement payments that use the ACH Network. Health plans are allowed to use other forms of EFT payments methods (e.g., credit cards and wire transfers) as well as checks to pay health care claims payments. However, if a healthcare provider requests delivery of the claims reimbursement payment using the healthcare EFT standard (CCD+Addenda), the health plan must deliver using the CCD+Addenda through the ACH Network. [45 CFR 162.925 (a) (1)]

## **Upcoming NACHA Rule Changes – 2014 and 2015**

The following changes to the National Automated Clearing House Association (NACHA) Operating Rules ("Rules") are effective in 2014 and 2015.

*Effective March 21, 2014*

### **Person-to-Person (P2P) Payments via ACH**

This Rule amendment defines a P2P payment from a consumer, and allows for the use of the WEB Credit SEC code for use in P2P credit transactions. It establishes formatting requirements that the Company Entry Description in the Company/Batch Header Record contain a value that lets the Receiver know that the entry is a P2P transaction. The amendment clarifies Notification of Change (NOC) Rules pertaining to WEB Credits (as well as CIE Credits). This Rule change also allows for the inclusion of a WEB Credit Addenda Record with 80 characters of free form text containing payment related information.

### **Person-to-Person (P2P) Entries**

This amendment clarifies certain sections of the Rules with respect to their application to P2P WEB credit entries. This Rule clarifies that the WEB Annual Audit applies only to WEB debit Entries and is not a requirement for the newly approved P2P WEB credit Entry (see new Rule described directly above). The location of the sender's name for a P2P WEB credit Entry differs from most other Entries, appearing in the Entry Detail Record instead of the usual location in the Company/Batch Header Recorder. Additionally, a return entry R36 (Return of Improper Credit Entry) may be used for WEB credits.

### **Incomplete Transaction Clarifications**

This Rule amendment clarifies the applicability of the Rules for the following SEC codes when there is an incomplete transaction: ARC, BOC, and POP. These SEC code Entries may be considered as an Incomplete Transaction according to NACHA Rules, regardless of whether the account that is debited is a Consumer Account or a Non-Consumer Account. Additionally, a written statement of unauthorized debit must be accepted for any Incomplete Transaction involving any ARC, BOC, or POP Entry.

*Effective September 10, 2014*

### **Prenotification Entries – Reduction in Waiting Period for Live Entries**

This amendment reduces the current Prenotification waiting period from six to three banking days while not modifying any RDFI requirements or obligations. This amendment will allow Originators to transmit live entries following a Prenote more quickly. If an untimely Notification of Change (NOC) in response to a Prenote is received by the ODFI, the Originator is required to make the requested correction in the NOC within six banking days or prior to initiating a subsequent Entry to the Receivers account, whichever is later.

*Effective March 20, 2015*

### **Dishonored Returns and Contested Dishonored Returns Related to an Unintended Credit to a Receiver**

This Amendment provides the Originator/ODFI with an additional mechanism to resolve, via the automated return process, situations in which use of the reversal process has resulted in, or not resolved, an

unintended credit to a Receiver. This will allow two new Return Reason Codes of R62 (Return of Erroneous or Reversing Debit) and R77 (Non-Acceptance of R62 Dishonored Return) in the case of erroneous Entries to a Receiver's account.

### **Notification of Change (NOC) – Removal of Change Code C04 (Incorrect Individual Name/Receiving Company Name)**

This Amendment eliminates a C04 (Incorrect Individual Name/Receiving Company Name), as there may be compliance and liability challenges for an Originator, ODFI and RDFI, by utilizing with this NOC code.

### **NACHA Rules**

Texas Security Bank recommends that all ACH Originators obtain a copy of the 2014 *NACHA Operating Rules*. The *ACH Rules for Corporate Originators* is published annually and may be ordered at <https://www.NACHA.org>. Alternatively, an electronic version of the ACH Rules may be viewed online by registering at <http://www.achrulesonline.org/>. If you have any questions, please feel free to contact Treasury Management Services Support Team at 469-398-4832.