

NACHA Rules Changes – 2013

The following changes to the National Automated Clearing House Association (NACHA) Operating Rules ("Rules") were effective in 2013.

Effective March 15, 2013

Data Passing

This amendment to the *Rules* prohibits the sharing of certain customer information by Originators, Third Party Service Providers (TPSPs), and Originating Depository Financial Institutions (ODFIs) for the purpose of initiating debit Entries that are not covered by the original authorization.

Incomplete Transactions

This amendment to the *Rules* allows the return of a debit Entry to a Consumer Account within 60 days of the Settlement Date for an "Incomplete Transaction," which is defined as a transaction for which a Third Party Sender debits a consumer's account to collect funds, but does not complete the corresponding payment to the party to which payment is owed.

Effective September 20, 2013

ACH Security Framework

This amendment to the *Rules* requires non-consumer Originators, Participating Depository Financial Institutions (DFIs), Third Party Service Providers and Third Party Senders to establish, implement, and as appropriate, update security policies, procedures, and systems related to the initiation, processing and storage of Entries.

This amendment to the *Rules* requires each Participating Depository Financial Institution (DFI), Third Party Service Provider, and Third Party Sender to verify, as part of its annual ACH *Rules* Compliance Audit, that it has established, implemented, and updated the data security policies, procedures, and systems required by the Rule.

Originator Obligations with respect to NOCs for Single Entries

This amendment to the *Rules* makes the Originator's response to Notifications of Change (NOCs) for Single Entry payments *optional*. The rule would no longer require Originators to make changes requested with NOCs identifiable as Single Entries, although they may choose to do so at their discretion. The Entry types include, but are not limited to, WEB and TEL Entries bearing the Single Entry indicator.

Stop Payments – Effective Period of Stop Payment to Non-Consumer

Account

This amendment to the *Rules* incorporates two additional conditions under which a stop order on an Entry to a Non-Consumer Account would lapse. These include: (1) the withdrawal of a stop payment order by the Receiver or (2) the return of the debit Entry to which the stop payment order relates.

Health Care Payments

The Rule in this section supports the health plans' and health care providers' use of the ACH network for health care claims payments and payment related information. The Rule includes processing enhancements that address specific transaction identification and formatting requirements for health care claim payments in support of The Patient Protection and Affordable Care Act. Taken together, these complementary sets of Rules provide for the efficient and standardized electronic payment of health care claims, and the re-association of the payments with health care remittance information ("re-association"), resulting in administrative simplification by health plans and health care providers. Below are the major components of the Rule.

Unique Identification of Health Care Electronic Funds Transfers (EFTs). The Rule requires Originators of Health Care EFT Transactions to use a specific identifier. The presence or absence of this health care-specific indicator would provide Receiving Depository Financial Institutions (RDFIs) the ability to comply with the Rule and specific processing requests from health care customers. Specifically, this Rule would require Originators of Health Care EFT Transactions to populate the Company Entry Description field of the Cash Concentration and Disbursement (CCD) Entry with the value "HCCLAIMPMT".

Additional Formatting Requirements for Health Care EFT Transactions. For each CCD Entry that contains the health care indicator (described above), the Originator (health plan) is required to ensure that the CCD Entry complies with the following formatting requirements, which are necessary to provide Receivers (health care providers) with clear identification of the source and purpose of the payment.

- Company Name – This Rule requires the Originator of a Health Care EFT Transaction to populate the Company Name field of the CCD Entry with the name of the health plan, or where self insured, the name of the organization's third-party administrator.
- Addenda Record and Payment Related Information Requirements – Originators are required to include an addenda record with each CCD Entry use for a Health Care EFT Transactions and populate the Payment Related Information field of such an

addenda record with the ANCI ASC X12 Version 51010 835 TRN (Re-association Trace Number) data segment. This information is needed by health care providers to re-associate Health Care EFT Entries with the electronic remittance advice (ERA) information that is transmitted separately by the Originator directly to the Receiver.

Delivery of Payment Related Information (Re-association Number). This Rule requires an RDFI to make available, upon the request of a Receiver, all information contained within the Payment Related Information field of an Addenda Record transmitted with a CCD Entry that is a Health Care EFT Transaction. The RDFI is required to make available the Payment Related Information no later than the opening of business on the RDFI's second banking day following the Settlement Date of the Entry. This Payment Related Information must be made available via a secure, electronic means that provides a level of security that, at a minimum, is equivalent to 128-bit RC4 encryption technology. The Rule applies only to Health Care EFTs that are sent to Non-Consumer Accounts of Receivers.

Health Care Terminology within the NACHA Operating Rules. This Rule expands the defined terms within the NACHA Operating Rules to: (1) incorporate three health care-specific concepts within their scope, and (2) defines a Non-Consumer Account to ensure appropriate application of health care-specific *Rules* by ACH participants.

Addition of New EDI Data Segment Terminator. This amendment to the *Rules* allows the use of a second data segment terminator, the tilde (~), to any data segments carried in an Addenda Record of a CCD Entry.