Electronic Billing, EFT and other EDI Initiatives for Workers' Compensation

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Don St. Jacques, SVP – Business Development and Client Services
Jennifer Nereu, VP – Provider and Remittance Management Technologies
Jopari Solutions, Inc.

- A technology leader in establishing end to end connectivity for the Workers’ Compensation, Auto Medical and Group Health industries, including eBilling, ePayment, and Portal solutions
- Actively involved in standards and regulatory development on a State and Federal level
- Supporting advocacy programs such as today, to assist the overall medical community with education and planning to engage in eBilling and other EDI strategies
- Well-established partnerships with many of the leading Practice and Revenue Cycle Management Systems and Clearinghouses, Portal Systems, as well as most of the major WC payers and Bill Review platforms
Topics

• Why is WC different?
• Where are we today?
• National trends and upcoming developments
• North Carolina eBilling – what are we seeing?
• Preparation for 1/1/2015 - EFT
• Questions and contact information
Why is WC different?

- Terminology
- Who is the insured and the payer?
- State specific requirements
  - Codes, Remittance language
  - Timelines, Forms
- Care is related to an event, and can be lifetime
- Eligibility is not a straightforward determination
- Heavy reliance on documentation
  - Serves two purposes
    - Medical appropriateness,
    - Causation/extent of disability determination
Terminology

• **eBilling** – the process of submitting Workers’ Compensation medical billing and related documentation electronically to payers, as well as receiving acknowledgements and remittance information.

• **EFT (electronic funds transfer)** – the ability of a payer to directly deposit payments for medical bills into a provider’s designated bank account. Requires enrolling with a payer to supply banking information.

• **eBilling agent** – a specialized clearinghouse partner that assists providers and payers with their Workers’ Compensation connectivity, along with providing EFT enrollment capabilities for multiple payers.
Terminology - continued

• “Complete Claim” (Clean Bill)
  – be submitted in the correct billing format, with the correct billing code sets,
  – be transmitted in compliance with all necessary format requirements
  – include in legible text all medical reports and records, including, but not limited to, evaluation reports, narrative reports, assessment reports, progress report/notes, clinical notes, hospital records and diagnostic test results that are necessary for adjudication including any other jurisdictional requirements found in its regulations or North Carolina eBill companion guide

• Payer ID - the routing number that eBill agents use to direct the transaction to the correct payer destination
Terminology - continued

• **Remittance Advice (835)** – an electronic feed of information from the payer to providers to advise whether a bill has been paid or denied, by what method, how much, and reasons on a line-by-line basis for paid/denied. It contains much of what is on a typical Explanation of Reimbursement (EOR), but often not some of the specific messaging. The 835 is designed to allow automatic posting into the PMS/RCS or Clearinghouse, provided it has been enabled with the capabilities to import them.

• **Companion Guide** – the details of how eBilling is to work, including formats; timelines; responsibilities of provider, payers, and agents. The NC Companion Guide is available on the Industrial Commission website at http://www.ic.nc.gov/ncic/pages/EBPCguide.pdf
Terminology - continued

• **Trading Partners** – are entities that have established EDI relationships and that exchange information electronically either in standard or mutually agreed-upon formats. Trading Partners can be both Senders and Receivers, depending on the electronic process involved (i.e. Billing or Acknowledgment).

• **Trading Partner Agreement** – a written agreement that defines the methods, formats, and responsibilities of each party exchanging data, including Claims Submission, Attachment Formats, Acknowledgements, delivery of Electronic Remittance Advices, Payment Methodology, access to Portal Services, Transmission Methods, and Processing rules.
Where are we now? Use of EDI in the P&C industry

- Claims and Medical State Reporting
- PPO “Pend and Transmit” interfaces
- eBilling
- Electronic payment methods (EFT, payment card programs)
Claims and Medical EDI

- State specific requirements for submission of Claims (First Report of Injuries, subsequent updates, reserve and payment information) and Medical data
- Based on X12 or similar transactions, but nuances can and do exist
- As of late, submission of information to CMS regarding Medicare Set-Aside arrangements
eBilling

- Electronic Billing (referred to as eBilling) is the ability of a medical provider to submit billing information \textit{AND} related documentation electronically to Workers’ Compensation and Auto Medical payers, using standard transaction sets similar to Group/Commercial insurance plans.

- eBilling has been evolving since 2000 when the first model was developed. Many Practice / Revenue Cycle Management systems and Clearinghouses are now able to support eBilling.

- Presently there are 7 states that require eBilling, and 10-15 in various stages of progress.

- Providers and payers in every state are utilizing eBilling, regardless of jurisdictional mandate.
Intent of eBilling Initiatives

• Utilize the same technology platform and workflows that a provider uses today to process all other lines of insurance
• Utilize the same transaction sets as group/commercial claims to enable connectivity solutions to move WC transactions:
  - ASC X12 Standards for Electronic Data Interchange Technical Report Type3, Health Care Claim (837 - Professional, Institutional and Dental)
  - ASCX12 Acknowledgments (999, TA1, 277CA)
  - ASC X12 Standards for Electronic Data Interchange Technical Report Type 3, Health Care Claim Payment/Advice (835), ASCX12N Health Care Claim Remittance Advice (835)
  - NCPDP D.0
• Establish consistent, clear ground rules for providers and payers
• Overall, streamline the process and eliminate unnecessary steps and paper
• Clean data on the front end results in “straight through” processing on the back end
Step 1. Provider utilizes their existing Practice Management Systems, Billing Services or Clearinghouses to electronically submit claim data (837) and attachment.

Step 2. Claim (837) is validated and edited. Claim and attachment forwarded to payer, Acknowledgments sent back.

Step 3. Payer processes and adjudicates the claim.

Step 4. Payer sends, 835/ERA, Check/ and/or EFT.

The End Goal: Administrative Simplification Model – One Flow
Overall national trends

- eBilling is being utilized for about 15% of Workers’ Compensation and Auto Medical transactions (other than RX) and growing quickly
- Use by state varies, with some as high as 30+%, all states are using the IAIABC Model rules
- Overall, delivery to return of remit is averaging 14 days
- New components are being added like EFT by payers
- Other payment methods are also being deployed, such as payment card programs
- Group Health attachments rules paralleling WC
2014 eBill / eRemit / EFT Compliance Activities

The map illustrates the status of EFT Compliance Activities across various states in the United States. Each state is color-coded to indicate the level of activity:

- **Legislation**: States where EFT legislation is being considered.
- **EFT Required**: States where EFT is mandatory.
- **Pending**: States where activities are currently in progress.
- **Activity**: States where EFT activities are being actively performed.

The map highlights different regions with varying colors to represent these statuses, providing a visual snapshot of the EFT Compliance landscape for the year 2014.
North Carolina EDI Initiatives

- Comprehensive set of regulations incorporating eBilling and EFT
- Collaborative group of regulators, medical community and payers developed the strategy
- Based on the IAIABC Model Rules and Companion Guide
- Implementation dates
  - July 1, 2014 – eBill
  - January 1, 2015 - EFT
Announcement Regarding Electronic Medical Billing and Payment

Pursuant to N.C. Gen. Stat. §97-26(g1), the Industrial Commission was directed to adopt rules requiring electronic medical billing and payment processes. The Industrial Commission subsequently adopted Electronic Billing Rules 101-109 in 2012. These rules were then held in abeyance in conjunction with other rule making efforts and to allow the Commission to develop an implementation guide. The Electronic Billing and Payment Companion Guide is now in final form and ready for publication. Click here for access to the guide. This guide can also be accessed on the Commission’s webpages for Carriers and for Medical Providers..

The date for implementation of electronic medical billing in the adopted rules referenced above is March 1, 2014. The Commission received and considered feedback and multiple requests for extensions of the March 1, 2014 deadline from employers, carriers, third-party administrators, and medical billing companies. In order to allow these stakeholders additional time for preparation, the Commission will not require compliance with the Electronic Billing Rules until July 1, 2014, with regard to electronic medical billing processes. The rules and portions of the companion guide that govern and require electronic medical payment processes will not be mandatory until January 1, 2015. No additional extensions will be granted.

http://www.ic.nc.gov/medproviders.html
North Carolina regulations

- North Carolina is the latest state to join a growing number of jurisdictions that requires Workers’ compensation providers and payers to exchange medical billing/payment information electronically.
- The North Carolina rules are based on a nationally adopted framework using standard transactions created by the IAIABC, which is the trade association of Workers’ Compensation jurisdictional authorities. (In NC, this is the Industrial Commission)
- The rules were prepared by a consensus group with input from the medical and payer communities.
- The rules layout both the formats, responsibilities of each party, as well as operating timelines.
North Carolina regulations – con’t.

- **July 1, 2014** – eBill – providers and payers are to begin to exchange billing and attachment information electronically. (There are many providers and payers in NC that already are eBilling prior to the deadline, some for many years.)
- **January 1, 2015** – payers must offer the ability of paying a provider by EFT if requested by the provider. The provider will have to enroll with the payer.
- **This is mandatory for all providers and payers** – currently no provisions for waivers
- **Currently no specific penalties for Non-Compliance**, but the NC Industrial Commission may in the future pursue payers and providers who aren’t meeting the requirements.
Timelines

• Provider Statute Time To Submit a Bill – 90 days from date of service

• Payer eBill Payment Timeline – 30 days from receipt of clean bill

• Remittance Advice Timeline – 30 days from receipt of clean bill

• Incomplete File Rejection Timeline (999) – 1 business day

• Incomplete Bill Rejection Timeline (277CA) – 2 business days
Timelines

• Complete Bill Missing Claim Number Pending Timeline Rules – 5 days

• Complete Bill Missing Attachment Pending Timeline Rules – 5 days

• Duplicate Bill Submission Timeline from date of ERA notification - 60 days

• Reconsideration/Appeal Timeline date of ERA/Payer final decision – 30 days
EFT – coming 1/1/2015

• Traditionally, payments for medically-related services by WC payers is to issue paper checks and Explanations of Reimbursement (EOR) via the USPS. Providers often manually post the information in their systems.

• As of 1-1-2014, the Centers for Medicare/Medicaid Services (CMS) required Group/Commercial payers must offer providers the ability to enroll for and be paid via EFT. A set of Operating Rules for EFT and ERA have been issued by CAQH/CORE which further define how providers and payers interact.

• The Workers’ Compensation industry is also now adopting the use of EFT.
EFT – coming 1/1/2015

• What to expect?
  – Just like in the Group market, each payer will have an enrollment process
  – There will be some eBill solutions that will offer EFT enrollment across multiple payers
What are we seeing in North Carolina?

- Since April Jopari has handled over **45,000** North Carolina bills from providers to payers, with an average delivery to remittance response of **10** days.
- Active feeds to 70 payers (Carriers, employers, TPA’s)
- Nearly 350 distinct provider TINs
- Practices are seeing much higher first time acceptance rates, fewer overall rejections, and reduced calls to payers to ensure delivery
- Most national payers have been accepting NC eBills for years
Why other initiatives have not achieved compliance?

- **Availability of solutions** – PMS, Clearinghouses, Billing Services, EHR/EMR/Document Management
- **Need for** **ONGOING** **marketing and education**
- **Lack of measuring impacts and sharing results**
Most common methods available to utilize eBilling

• **Direct eBill Portal** – an option for providers that may not readily have access to be able to generate or send transactions via their system, or are low volume WC. Allows for entry of billing data and use of an upload of PDF or TIF images or fax server for attachments. These Portals allow for online correction, viewing error messages or rejects from payers, and viewing of Remittance Advice (835) information.

• **Online Portal Uploads** – allows practices that can create billing files on their system to upload 837 or other formats to a portal when they cannot establish a link to a payer or eBill agent. Attachments can also be uploaded, either individually or in batches, or also use a fax server. Portal is used for viewing errors and retrieving Remittance Advice (835) information.
Most common methods available to utilize eBilling

- **EDI interfaces** - billing and attachment files are sent securely between the PMS/RCS or Clearinghouse and the payer or eBill agent. Acknowledgments, error messages, and Remittance Advice (835) information is exchanged electronically. This method requires some effort to get set-up and test, but for volume users this is the most efficient model. (Similar to the process for Group and Commercial payers.)

- **Attachment Solutions** – Flexibility for Trading Partner Agreements to include such methods as secure electronic fax, secure encrypted email, or electronic transmission using the prescribed format ASC X12N/005010X210 *Additional Information to Support Health Care Claim (275)*, using mutually agreed upon formats such as PDFs, TIFFs, C-CDA, or Objects to accommodate PMS, EMR or other administrative systems.
What we need from you?

• Assess your organization’s need for a Workers’ Compensation solution – buy, build, partner
• Create a plan to help implement a solution
Where is all this heading?

- Additional transaction sets being considered for WC
  - Pre-authorization
  - “Eligibility”
- Group Health attachments
- National conversation including P&C at the Federal level
  - NCVHS
  - WEDI, X12, other National Standards Organizations
- Expanded payment models
  - Payment Cards
  - Next big thing – “Apple Pay”
References


- North Carolina Medical Society  http://www.ncmedsoc.org

- American Medical Association – Property & Casualty Toolkit


- Jopari Solutions, Inc.  www.jopari.com
Questions

For more information please contact:

Don St. Jacques – don_stjacques@jopari.com  630-235-9282
Jennifer Nereu  jennifer_nereu@jopari.com  925-429-4822