Property and Casualty Electronic Medical Bill (eBill) Subworkgroup - Bringing Automation into the Property & Casualty Industry: *Overview of eBilling and How it Works*

Thursday, March 28, 2013
2:00 - 3:00 PM ET
Welcome & Introductions

Welcome and Introduction
Devin Jopp, President & CEO,
Workgroup for Electronic Data Interchange (WEDI)

WEDI P&C Co-Chairs & Panel
Tammy Banks, American Medical Association
Tina Greene , Mitchel International
Sherry Wilson, Jopari Solutions
Debbie Meisner, Emdeon & WEDI Board Member

Presenter:
Don St Jacques, Jopari Solutions
Overview of WEDI P&C Subworkgroup

Objectives

The new Property and Casualty Electronic Medical Bill (eBill) Sub-workgroup is dedicated to streamlining workers' compensation and auto medical bill and payment processing by identifying successes, removing barriers to eBilling and accelerating and expanding industry-wide adoption of eBilling and electronic attachments.

Collaborating with payers from the workers' compensation and auto industries, vendors including clearinghouses, practice management systems and billing services, providers and industry representatives including International Association of Industrial Accidents, Boards and Commissions (IAIABC) and jurisdictional workers’ compensation regulators this work group will review and propose implementation strategies and solutions to reach the goal of a national eBilling implementation that will provide a seamless, end-to-end automated workflow for all lines of business and all payers.

How can I contribute to the streamlining of P&C medical bill and payment processing

1) sign up to participate in the WEDI P&C subworkgroup at www.wedi.org
2) Next WEDI P&C subworkgroup meeting is April 4, 2013, 2:00 – 3:00 Eastern
Agenda

• An overview of the business efficiencies and regulatory policies that are driving the Property and Casualty Industry’s shift to eBilling

• A state-by-state overview of current and pending regulations to advance eBilling and facilitate electronic attachments

• Return on investment (ROI) metrics revealing why payers and providers have voluntarily adopted eBill and attachment processing nationally

• An action plan for providers, payers and technology vendors to implement eBill and support electronic attachments
What is eBilling?

• **eBill** - The term “eBill” is used in workers' compensation and auto to refer to an electronic medical bill (claim) utilizing the same HIPAA X12 transactions sets that are used group health and government claims processing (ASCX12N 837s, Acknowledgements, 835 Remittance Advice and EFT)

• **Industry Regulated by Each State:** Specific statute requirements. The workers’ compensation and auto industry is a legal system not a healthcare system. Heavily regulated with associated penalties for any non compliance

• **eBill Agent** - An “eBill agent” facilitates the processing of the workers’ compensation and auto eBills between health care providers and payers, much the same way a group health clearinghouse facilitates commercial claims. It can also establish electronic connectivity between the various parties to the transaction.

• **eBill Attachments** - In workers' compensation and auto the majority of eBills require additional information, or attachments, before the payer can adjudicate. An electronic tracking number (attachment control number) provides the link between the eBill and the attachment.
Intent of eBilling

- Promote a seamless, efficient electronic medical billing and payment system and establish comprehensive, level ground rules for providers, payers and clearinghouses across all lines of business
- Realize system-wide savings by reducing administrative costs for all stakeholders
- Enhance state data collection efforts
- Utilize the same technology platform 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 and Auto transactions
  
  **ASCX12 N 837 Health Care Claim: (Professional, Institutional and Dental)**
  **ASCX12 N Acknowledgments (999, TA1, 277CA)**
  **ASC X12 N 835 Remittance Advice**
  **NCPDP D.0 and EFT**
- Clean data on the front end results in “straight through” processing on the back end
eBilling History

- Providers and payers have been exchanging WC and auto bills and attachments *voluntarily* since 2000
- Early eBill regulations included a variety of models
  - Texas (2008), Minnesota (2009), Georgia (2011) and California (2012)
- Early States created “standards” that did not align with the national EDI standards, resulting in minimal stakeholder adoption.
- Participation by providers was being hindered since technology solution vendors (PMS, Clearinghouses, Billing Services) were not interested in supporting 50 different state regulations, but also needed attachment solutions
- With feedback by providers and payers, the industry understood that change was needed
Increase in eBill Adoption: Why is this happening now?

Industry Collaboration
Why is this happening now?

- Impact of “Healthcare Reform” and the infusion of stimulus money has expanding IT offerings in the healthcare arena – the overall need for “Administrative Simplification”

- Continued pressures on the P&C insurance markets to reduce operating costs and improve margins

- Workers’ Compensation and auto reform initiatives embracing Administration Simplification

- National Standard Approach – Technology Vendor Engagement
What Has Changed

- Emphasis on Administrative Simplification
- Health Care Providers are demanding a *Single Work Flow* process for all lines of business
- Innovative attachment solutions have been delivered by technology vendors
- IAIABC National Workers Compensation Electronic eBill Model Rule Template (including Attachments)
- IAIABC National Workers’ Compensation Electronic Medical Billing and Payment Guide based on ASCX12 N 5010 TR3s and NCPDP D.0
- Resulting in more States are now beginning to legislation eBill requirements, using the consensus rules/standards
• North Carolina, Oregon, Louisiana, Illinois, and New Mexico now also have eBilling regulations

• 15 other states in various stages of development or deployment, many in 2013

• Many payers and providers have adopted eBilling as a standard operating method, regardless of state legislation to take advantage of administrative simplification

• Different eBill participation and incentive models
## eBill Participation & Incentive Models

<table>
<thead>
<tr>
<th>States</th>
<th>Applies To</th>
<th>Waivers</th>
<th>Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas 2008</td>
<td>Yes Payers &amp; Providers</td>
<td>Yes Providers/Payers</td>
<td>No</td>
</tr>
<tr>
<td>Minnesota 2009</td>
<td>Yes Payers &amp; Providers Includes <strong>Auto</strong></td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Georgia 2011</td>
<td>No-Voluntary Participation</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>California 2012</td>
<td>Yes Payers Only</td>
<td>No</td>
<td>Yes Prompt Pay 15 days</td>
</tr>
<tr>
<td>Louisiana 2013</td>
<td>Yes Payers Only Excludes Self Insured</td>
<td>Yes Payers exempt less 1200 bills annually</td>
<td>30 Day Pay</td>
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<tr>
<td>Jurisdictions</td>
<td>Adopted IAIABC Guidelines</td>
<td>Workers compensation &amp; Auto e-bill legislation</td>
<td>Workers compensation and Auto e-bill activity/discussions</td>
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<tr>
<td>Illinois</td>
<td>X</td>
<td>Effective Date 6/30/2012-Pushed Back 7/1/2013</td>
<td></td>
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<tr>
<td>Louisiana</td>
<td>X</td>
<td>Effective Date 7/1/2013</td>
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<tr>
<td>North Carolina</td>
<td>X</td>
<td>Effective Date 3/1/14</td>
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<tr>
<td>Oregon</td>
<td>X</td>
<td>(projected late 2013)</td>
<td>X</td>
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<tr>
<td>California</td>
<td>X</td>
<td>Effective Date 10/18/2012</td>
<td></td>
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<tr>
<td>Texas</td>
<td>X- Revised 2011</td>
<td>Effective Date 1/1/2008</td>
<td></td>
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<tr>
<td>Minnesota</td>
<td></td>
<td>Effective Date 7/1/2009</td>
<td>Includes all lines</td>
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<tr>
<td>Georgia</td>
<td>X</td>
<td>Effective Date 7/1/2011</td>
<td></td>
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<tr>
<td>South Carolina</td>
<td></td>
<td></td>
<td>X</td>
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<td>Tennessee</td>
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<td>X</td>
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<tr>
<td>Florida</td>
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<tr>
<td>New Mexico</td>
<td>TBD</td>
<td>Effective Date 1/1. 2014</td>
<td>Includes EFT mandates</td>
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<tr>
<td>New Jersey</td>
<td></td>
<td>X- P&amp;C-auto</td>
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<td>Connecticut</td>
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<td>New Hampshire</td>
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<td>Utah</td>
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<td>Colorado</td>
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<td>Delaware</td>
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<td>Kentucky</td>
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<td>Maine</td>
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<td>X</td>
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<tr>
<td>Nebraska</td>
<td></td>
<td>X-HIE effort to include WC</td>
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Additional States that are engaged in HIE activity are looking at initiatives to include WC - will follow up with information.

* The list is based on state survey information from the IAIABC, AMA as well as from State HealthCare Information Exchanges that have presented at WEDI.
Industry baseline

- Providers, payers and networks countrywide need to be enabled to handle bills and attachments electronically.
- For almost two decades, HIPAA covered entities, such as Commercial and governmental payers and their trading partners have been required to send and receive HIPAA standard transactions, such as claims, claim status, electronic remittance advices. *The highway is built!*
- In 2014 HIPAA covered entities will be required to send and receive EFT transactions. This provides an opportunity for P&C payers who are looking for alternatives to paper checks and paper EOR/EOB’s to move to EFT.
  - New Mexico eBill Rules - 2014 EFT mandate with other states expected to follow
- There are providers and payers in every state exchanging bills and attachments electronically, regardless of state regulations, based on ROI results and the need for administrative simplification
- Handling paper is too expensive, creating timeliness and accuracy issues
Overview of the P&C Workflow Process
The End Goal: Administrative Simplification Model – One Flow

**Step 1.** Provider utilizes their **existing** Practice Management System, Billing Service, Clearinghouse or eBill Agent to electronically process bill data (837) and attachment.

**ASCX12 N 837 Attachments & Acknowledgements**

**Step 2.** Bill (837) is validated and edited by technology vendor. Bill and attachment forwarded to payer, acknowledgments sent back.

**Step 3.** Payer processes and adjudicates the bill. If PPO is involved, data forwarded for review.

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

The End Goal: Administrative Simplification Model – One Flow.
eBill Functional Requirements

Front End Editing and Validation Requirements

• Ability to validate that the ASC X12N 837 is “complete”
• Ability to validate if a bill requires a supporting documentation
• Ability to validate use of the appropriate/state required codes and or modifiers
• Ability to submit in conformance with Privacy/Security rules as specified in the regulations

Practice Workflow Consideration: The same front end editing and validation functionality that apply to commercial and government claims can be applied to eBills
**Attachment or Documentation Management**

- Regulations define attachment requirements to support level of services billed (unsolicited model)
- Ability to indicate in the 837 the report type, method sent and attachment indicator number
- Attachment upfront validations edits applied (pre-adjudication)
- Methods for submission of documentation to support a bill/claim which could be:
  - Secure Fax Server, Web Portal Upload, EDI using ASCX12 N 275, other EDI methods, imaged documents
  - Attachments may include, but not limited to, test results, surgical reports, chart notes and other report types
- Ability to generate the required attachments header or attached cover sheet data elements that allow the payer to match the attachment to the bill
- Ability to submit in conformance with Privacy/Security rules as specified in state and federal regulations
Strategies to support WC and Auto

Solutions include

• Bill submission solutions including
  • Web portal
    ✓ Direct data entry
    ✓ Portal upload of files
  • Practice Management Systems, EDI technology vendor interface solutions

• Attachment solutions including
  ✓ Bar coded coversheets and automated, secure Fax servers
  ✓ Web Portal upload of single or batches PDF or TIF images,
  ✓ EDI using ASCX12 N 275
  ✓ EDI using other methods
Examples of National Vendor Readiness
Including Attachments

- Emdeon
- Availity/RealMed
- ZirMed
- SSI
- Athena Health
- Practice Insight
- Systoc
- Office Ally
- Capario

...many others
Examples of National Payer Readiness Including Attachments

- Liberty Mutual
- Gallagher Bassett
- CNA
- Sedgwick
- ESIS
- Hartford
- Travelers
- Zenith
- ICW

...and many more
Poll Questions

1. Does your organization currently send/transmit/or receive workers’ compensation eBills?
   - Yes
   - Not currently
   - Considering

2. Does your organization currently send/transmit/or receive auto eBills?
   - Yes
   - Not currently
   - Considering
Poll Questions

3. Before today, were you aware that some states had eBill legislation?
   Yes
   No

4. If submitting electronic attachments, what methodology does your organization use?
   Secure Fax Server
   Web portal upload of single or batches PDF or TIF images
   EDI using ASCX12 N 275
   EDI using other methods
The tipping point from manual process to automation
Cost Benefit Metrics

- Manual claims processing costs are 55% higher than electronic claims submission cost
  - cost to submit manual bills (claims): $6.63 \times 6,200 = $41,106^*
  - cost to submit electronic bills (claims): $2.90 \times 6,200 = $17,980^*
  - annual savings per physician from automating bill (claims) submission: $23,126^*

## Provider Reported eBill Metrics

<table>
<thead>
<tr>
<th>Metrics (paper vs. eBill)</th>
<th>National Occ. Health Service</th>
<th>CA-based Ortho Practice</th>
<th>CA-based Billing Service</th>
<th>CA-based Small Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>First time acceptance</td>
<td>70% to 90%</td>
<td>50% to 83%</td>
<td>68% to 88%</td>
<td>40% to 84%</td>
</tr>
<tr>
<td>Resubmission rate</td>
<td>20% to 3%</td>
<td>40% to 8%</td>
<td>25% to 5%</td>
<td>50% to 15%</td>
</tr>
<tr>
<td>Revenue cycle improvements</td>
<td>DAR – 80 to 45, %over 120: 35 to 6</td>
<td>DAR 93 to 42, %over 120: 53 to 15</td>
<td>DAR 73 to 38, %over 120: 57 to 22</td>
<td>DAR 75 to 39, %over 120: 62 to 24</td>
</tr>
<tr>
<td>Payment cycle</td>
<td>45 to 19 days</td>
<td>63 to 22</td>
<td>58 to 23</td>
<td>67 to 20</td>
</tr>
<tr>
<td>Payer status calls on eBills</td>
<td>Reduced by 83%</td>
<td>Over half</td>
<td>30-40%</td>
<td>At least half</td>
</tr>
</tbody>
</table>

**Notes:**
1. These are sample results from several practices that have been engaged in eBilling for 1 to 5+ years, with varying numbers on payers that they are submitting to.
Payers Reported eBill Metrics

• 63% First Time Submission- Complete Bill Rules - Front End Edits
• 70% Reduction in duplicate billing – Front End Edits
  (WC NUBC Condition Code = W2 Duplicate)
• Reduction in requests for Appeals/Reconsiderations – due to use of CARC/RARC vs. proprietary codes
• 64 % Reduction in bill status calls - 277CA
• Acknowledgement process reduces “lost bills”
• Data Quality
  – Up front edits ensure complete and proper data
  – Enables improved auto-adjudication rates – “end to end” processing
  – Information for medical management available more quickly
• Better data = Better Analytics
• Improved Provider Relations through Timely and Accurate Payment
Regulatory Reported Benefits

- Data Collection, Data Collection and Data Collection
  - eBilling improves the integrity and accuracy of data collected by state
  - Critical to Medical Cost Containment Analysis and provides more meaningful basis for state efforts to contain medical costs, which constitutes 60% of claims costs nationwide
  - Supports quality/best practice analysis states are undertaking
  - To facilitate stakeholder adoption – national standardized approach to mitigate potentially 50 different EDI requirements
Industry eBill Resources and Tools
Property and Casualty (workers’ compensation and auto injury) Toolkit

Workers’ Compensation State-Specific Resources

Use the interactive map to learn how to submit a Workers Compensation bill in each state.

“Workers’ compensation eBilling vendor listing”

This resource offers a listing of vendors who provide workers’ compensation eBilling and attachment solutions.

Opportunity for revenue enhancement: How to automate your property and casualty claims submission and attachment processes

Physicians and practice staff who bill services for property and casualty deal with a process which can often be confusing and time consuming. Did you know that there are already hundreds of such payers who accept electronic billing for services? In some states (jurisdictions), it is mandatory to submit electronic health care transactions for workers’ compensation via Electronic Data Interchange (EDI) methods.

The AMA advocates for one workflow for all lines of business. This toolkit helps you incorporate property and casualty (workers’ compensation and auto injury) billing into your existing commercial claim processing workflow.

Electronic billing (eBilling) for property and casualty bills can dramatically cut your practice’s billing and payment cycles, while improving your interaction with payers by:

- replacing paper bills and attachments with electronic health care transactions that, in many cases, can be sent through their existing practice management system, billing service and/or clearinghouse vendors
- minimizing bill rejections by electronically submitting claims and attachments in one electronic submission
- increasing cash flows by eliminating multiple submissions via mail, and freeing up time for revenue-enhancing functions, such as ensuring accurate payment

Practice Management Alerts

Stay current with issues that affect your practice. Register for Practice Management Alerts specific to your location, specialty or payer partners.

Knowledge Center

Get expert advice when you need it. The AMA-PMC team is here to help members and their staff with issues and concerns.

Contact Us

Get expert advice when you need it. The AMA-PMC team is here to help members and their staff with issues and concerns.

LinkedIn Discussion Group

Join discussions in the AMA Practice Efficiency & Management LinkedIn Group.
**eBilling Resources and Tools**

- **Workgroup for Electronic Data Interchange (WEDI)** bring together a consortium of leaders within the healthcare industry to identify practical strategies for reducing administrative costs in healthcare through the implementation of EDI: Sub Committee: Electronic Medical Bill Sub-Workgroup for Workers’ Compensation, Auto and Other Property Casualty. [www.wedi.org](http://www.wedi.org)

- **International Association of Industrial Accident Boards & Commission (IAIABC)** is a not-for-profit trade association representing government agencies charged with the administration of workers' compensation systems throughout the United States, Canada, and other nations and territories. [www.iaiabc.org](http://www.iaiabc.org)

- **Accredited Standards Committee (ASC)** develops electronic data interchange (EDI) standards and related documents for national and global markets. [www.x12.org](http://www.x12.org)

- **eBill State Workers’ Compensation Web sites** as well as the “AMA Workers’ Compensation State-Specific Resources Map” at [www.ama-assn.org/go/eBilling](http://www.ama-assn.org/go/eBilling)
Call to Action - How to Get Engaged

• Join the WEDI subworkgroup to help
  – Identify industry Best Practices
  – Remove barriers to eBilling
  – Develop strategies to accelerate and expand industry-wide adoption of eBilling and electronic attachments

• Encourage stakeholder engagement in jurisdictional eBill efforts to support alignment with the HIPAA administrative simplification

• To join WEDI visit www.wedi.org

• Next WEDI P&C subworkgroup meeting is April 4, 2013, 2:00 -3:00 Eastern
Summary of eBill Benefits

• Utilize the same transaction sets as group/commercial claims to enable connectivity solutions to move WC and Auto transactions
• Cleaner, more timely data can be adjudicated by the payer faster
• Expedited information delivery can enhance creation of claims, initiation of case management, and lower indemnity, as well as medical costs
• Significantly reduces claim status calls while influencing customer and provider satisfaction
• Improved payment cycles can produce happier providers
• True end-to-end workflow automation aids in the streamlining of operational costs, as well as maximizes resource management opportunities for all stakeholders
• EDI standardization facilitates cost effective implementations
• Stakeholders adopting eBilling as a standard operating method, regardless of state legislation
QUESTIONS?
Thank You!

WEDI P&C Subworkgroup
Always Recruiting New Members!

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April 4, 2013, 2:00 – 3:00 PM ET
Contact sholvey@wedi.org for more information

www.wedi.org