

## eBilling and State Reporting

### Are You Prepared?



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*Nudging the workers' compensation marketplace into the twenty-first century, state regulators have moved forward with or are developing mandates for electronic reporting of medical claims data. Given activity in three key states, it appears that eBilling requirements are next on the project list. However, while electronic reporting and eBilling are intended to streamline and update the system, they both present challenges and opportunities. Recent eBilling policy enhancements in Minnesota, Texas, and California offer a glimpse of how workers' compensation eBilling in particular continues to evolve.*

### TEXAS

Since 2008, providers and payers have been required to have the capability to receive medical bills electronically and to remit electronic payment advice. However, to ease initial compliance burdens, providers and payers are currently allowed to secure an eBilling waiver or utilize various eBilling "clearinghouses" or agents. This is about to change. To push enhanced system compliance, the Texas Division of Workers' Compensation (TDWC) recently published proposed changes to existing eBilling rule requirements that:

- Remove "must be capable" (of receiving and remitting) language, replacing it with "shall submit and shall remit" language, making eBilling the exclusive format.
- Update required formats for eBilling, in anticipation of HIPAA-related changes to ANSI/ASC 837 and NCPDP (National Council for Prescription Drug Programs) formats.
- Require providers and payers to show good cause for continual eBilling waivers.
- Prohibit carriers from charging health-care providers to use a carrier-specific "clearinghouse" or proprietary eBilling format, thus addressing concerns of compliant providers.

The proposed changes highlight TDWC's desire to increase stakeholder eBilling compliance and push eBilling as the exclusive method of workers' compensation medical billing. It appears that in Texas, the grace period for eBilling non-compliance may be coming to an end.

### MINNESOTA

In July 2008, Minnesota implemented phased-in eBilling requirements for all health-care providers and payers, including workers' compensation. Driven by legislative order, the Minnesota Department of Health (MNDOH) adopted ANSI/ASC and NCPDP formats for their eBilling guidelines, creating similarities between Minnesota and Texas. Despite the similarities, there are striking differences. First, implementation will happen over two phases (transmittal required July 15, 2009, and remittance required Dec. 15, 2009). Second, Minnesota requires usage of adopted standards. Most importantly, Minnesota is not granting eBilling compliance waivers. Lacking waivers, providers and payers are expected to exhibit day-one "compliance in practice." Initial enforcement efforts and agency audits will be complaint-driven.

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## CALIFORNIA

As successful eBilling implementations take hold in Texas and Minnesota, California's Division of Workers' Compensation (CADWC) edges closer to publication of draft eBilling rules. In discussions with experts from CADWC, it appears the division will institute eBilling guidelines in line with those required by Texas and Minnesota and recommended by entities such as the International Association of Industrial Accident Boards and Commissions (IAIABC). California will likely recommend or require utilization of national standards similar to Minnesota and Texas. Eventually, CADWC's desire is to push eBilling as the exclusive billing format for California workers' compensation system participants. Publication and adoption of final rules are not expected until mid-2010, with an end-of-year or early 2011 implementation date.

## GOING FORWARD

Adoption of eBilling requirements in Texas, Minnesota, and eventually California, is not a random occurrence. Key regulators from these states (Allen McDonald – TDWC; Dave Haugen – MNDOH; Sue Honor – CADWC) are all involved directly with IAIABC in efforts to advocate adoption of eBilling efficiencies for workers' compensation. In fact, both NCPDP and IAIABC have included eBilling as part of their general membership and committee discussions for several years. IAIABC's Medical Pro-Pay and EDI workgroups/committees continue to influence and assist numerous workers' compensation state regulators in implementing eBilling guidelines. Several key IAIABC member states continue to advocate for creation of a model IAIABC eBilling implementation guideline(s) — sort of a playbook for state eBilling implementation. At present, early drafts call for adoption/utilization of national standards such as ANSI/ASC and NCPDP formats.

## HOW SHOULD YOU PREPARE?

As entities such as IAIABC and various state workers' compensation agencies continue to advocate adoption of eBilling standards in the workers' compensation marketplace, it appears that the days of paper billing are numbered. Successful implementation of eBilling requirements in high-profile states such as Texas and California will only augment the desire of other states currently contemplating eBilling. With three key states close to completing eBilling development and at least a dozen or more seriously discussing the issue, it behooves any workers' compensation provider or payer to be prepared for eBilling.

The first preparation step is to realize that eBilling is here to stay.

The second step is to acknowledge that ANSI/ASC and NCPDP file formats are being advocated as the national standards or a national solution for multiple jurisdictions. In doing so, organizations such as NCPDP and IAIABC are providing a simple solution to a complex problem. The final step is to clearly understand how utilization of ANSI/ASC and NCPDP national standards or formats will impact your billing processes, and to move quickly to enhance your processes or engage in relationships with clearinghouses or billing providers.

### ***About the Author***

*Kevin Tribout, Director of Government Affairs for PMSI, is a leading advocate, recognized spokesperson and legislative expert on all workers' compensation issues. Kevin spearheads PMSI's client education, communication and compliance programs on the latest legislative and regulatory initiatives.*