

Workers' Compensation eBilling: A rapidly evolving solution to a historic revenue cycle headache

This webinar presented to you as part of the
AMA's Heal The Claims Process™ campaign

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American Medical Association Heal The Claims Process™

Streamlining the claims process through
electronic standard transactions

Workers' Compensation eBilling

A rapidly evolving solution to a historic revenue cycle headache!

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Agenda

- **What is Workers' Compensation?**
- **Evolution of Workers' Compensation
Administrative Simplification**
- **How eBill Works Today**
- **Bridging the Gap to Enable Workflow
Automation**
- **What You Can Do Today—Getting Started**

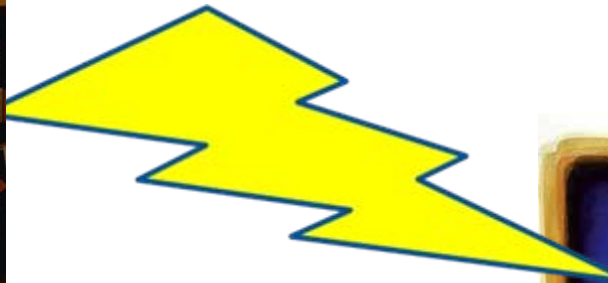
What is Workers' Compensation?

- **Definition:** Workers' compensation is a legal system with a **medical delivery component** to establish wage replacement, medical benefits, or disability / impairment entitlement, based on the determination of relatedness of the injury / illness to the person's job activities

Key Principles:

- No-Fault—Employer (Subscriber) insurance assumes liability for injuries incurred
- Injured worker does not pay medical cost
- Regulated on a state-by-state basis (also federal programs)
- Medical information relates not only to treatment but also disability determination / impairment (Return to Work) coordination
- A business insurance line of Property and Casualty Coverage

eBilling Objective: Transforming Paper to Workflow Automation



How to Speak the Language

Health Care Terms

- **Electronic Transaction**
- **Claim:** represents a request for services rendered (**bill**)
- **EOB** – Explanation of Benefit

Workers' Comp Terms

- **eBill**
- **Bill (including attachments)**
- **Claim**= WC Case File that represents the demand by the injured worker against the employer's Workers' Compensation policy (**not a bill**)
- **EOR** – Explanation of Reimbursement / Review

How to Speak the Language—Cont.

Health Care Terms

➤ **Health Care Identification Number**

- ❑ 837 – claim, Provider assigned Patient Account Number
- ❑ 835 – electronic remittance advice, Payer Assigned Claim Control Number

- These numbers are carried throughout the lifecycle of the claim to ensure each entity can identify the claim or response within its system

Workers' Comp Terms

➤ **WC Claim “Case File” Identification Number**

- ❑ A number assigned by the payer or jurisdiction (state) to identify the work related injury “case file” **referred to as the Claim Number**
- The same claim number follows the claim regardless of how many bills are filed against the claim “case file”

How to Speak the Language—Cont.

Health Care Terms

- **Policy Holder (person) Eligibility Verification**
- Each employee and or associated covered entity is entitled to specified medical benefits per contract agreement
- Deductible and or Coinsurance
- Balance Billing
- Insured has Eligibility Card

Workers' Comp Terms

- **Employer (subscriber) Coverage Verification**
- An employee is automatically entitled to receive certain benefits when he/she suffers a work related injury /illness related to employment
- No Deductible or Coinsurance
- No Balance Billing (jurisdiction exceptions)
- No Eligibility ID Card

How to Speak the Language—Cont.

Health Care Terms

- **Subscriber:** Insured may or may not be the patient.

Medicare/ Medicaid subscriber is the patient

- **State Law or Legislation**

Workers' Comp Terms

- **Subscriber:** Employer is always the insured (subscriber), never a person

- **Jurisdiction = State Jurisdiction Law or Legislation**

How to Speak the Language—Cont.

Health Care Terms

➤ Health Care Coverage

Commercial Coverage, Medicare, Medicaid, others

Workers' Comp Terms

➤ Property and Casualty (P&C) Coverage

Broad insurance coverage for Personal and Commercial lines of business. Commercial P&C coverage includes workers' compensation and auto liability insurance coverage

Evolution of Workers' Compensation Administrative Simplification

Landscape Before 2008

- Several limited Pilots – mainly bills, but there were early adopters that saw promise
- Paper Conversion “Scanning” was the new “new thing” to reduce the paper impact
- Difficult to get Stakeholder Adoption without some sort of mandate

Evolution of Workers' Compensation Administrative Simplification

Pre-2008 Reasons for Minimal Acceptance

- **Lack of WC Standards**

- Jurisdictional Proprietary Forms and Formats
- Market willingness to deal with possibly 50 versions

- **Connectivity**

- Connectivity Gap—Provider Systems to Payer Systems
- Federal and State Privacy & Security Compliance Requirements?

- **Documentation / Attachments**

- Most records maintained on paper by providers
- Jurisdictional and Payer Rules Varied

- **Payer Liability Concerns—Timeline Responses**

- First Notice of Injury
- Compensability/Extent of Injury

Evolution of Workers' Compensation Administrative Simplification—Cont.

2008

- **Texas becomes first Mandated Workers' Compensation eBill State**
 - Required virtually all physicians and other health care providers and payers to comply
 - Developed some operating rules, but not aligned with National Standards
- **Even with the mandate, adoption was hindered**
 - Technology Partners had little incentive to engage—regardless of mandates
 - However, Stakeholder Benefits were being recognized

Early eBilling Benefits

Providers

- Decreased administration cost compared to paper processing
- Timely acknowledgement of bill status reduces need for rebilling/ phone calls
- Some physicians and other health care providers reporting payment cycle significantly reduced

Payers

- eBills less expensive to process than paper
- “Straight-through Processing” features of eBill enhanced
 - exception processing
 - audit trail documentation
- Timely information benefits:
 - proactive claims management
 - improves management of medical care
- Clean data helps with meeting compliance timelines
- Improves accurate state data filling requirements
- Reduction in status phone calls

Evolution of Workers' Compensation Administrative Simplification—Cont.

2009

Minnesota requires all medical billing, regardless of coverage, to be submitted electronically

- **Adoption still was an issue**
 - Minnesota rules not fully aligned with National Standards
 - Operating ground rules were vague
 - Mandate included Coverage that had never before been included in EDI interfaces

Evolution of Workers' Compensation Administrative Simplification—Cont.

2010

- Even with minimal adoption, there were real results being seen
- More pressure on physicians and other healthcare providers and payers to improve interactions
- More providers and payers wanted to participate, but the prospect of multiple versions was a hindrance
- Call for Action- Industry Collaboration

Bridging the Gap to Facilitate Workflow Automation



Bridging the Gap

WC National Standards—Industry Collaboration

- AMA, IAIABC, eBill Jurisdictions and National Standard Setting Organizations (WEDI, ASCX12, NUCC, NUBC, NCPDP)
- IAIABC and eBill Jurisdictions Adopt HIPAA Standards
- IAIABC National Workers' Compensation Electronic Medical Billing and Payment Companion Guide and Model Rule

Immediate Impact

- Technology Providers could see a Business Opportunity
- Physicians and other healthcare providers should now be able to use their investments in technology to automate all lines of health care business
- Payers could now have a singular approach

Bridging the Gap

Technology Solutions for Physician and other Healthcare Physician and other provider eBill Readiness have been introduced

- Direct Web Data Entry with Attachment tools
- Portal Bill Submission and Attachment Upload
- Physician and other healthcare provider Direct EDI Connection to Payer/Agent
- Web Portal Services for checking status



eBill Workflow

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

Step 3. Payer processes and adjudicates the claim

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



837, Attachments & Acknowledgements



Some examples of Vendor and Payer WC Participation

PMS/ Clearinghouses offering WC Solutions including Attachments

- Availity/ Real Med
- Emdeon
- Zir Med
- SSI
- Athena Health
- Practice Insight
- Many others

Leading National Payers

- Liberty Mutual
- Gallagher Bassett
- CNA
- ESIS
- Hartford
- Travelers
- Zenith
- NYSIF
- Texas Mutual
- and hundreds more

Bridging the Gap

Payer – Physician and other healthcare provider Coordination

- EOR messaging – Tell the Physician and other healthcare providers it is Important
- Making eBilling a Standard Operating Method, Regardless of Jurisdiction
- Ensure a Means to Manage Early First Report of Injury/Loss is in Place
- Joining Stakeholder Participation in National, State or Other Industry Trade Groups

The industry is seeing results

Physician and other healthcare provider Examples

- Days of Sales Outstanding (DSO) reduced by 40%
- A/R >120 days: 30% to 9%
- Payments received – 50% faster
- Average payment – 19 days vs. 50
- Bill payment – 84%

Payer Examples

- 33% reduction in payment cycles
- 40% decrease in status calls
- 43% reduction in disputes
- Bill processing turnaround reduced from 21 days to 11

Bridging the Gap

Achieving broader adoption

- Legislatures and administrators nationwide are wrestling with how to Streamline State Workers' Compensation Systems to rein in Medical Costs and Keep Employer Costs Down

- California: Workers' Compensation Only (April 2011)
- Rules are aligned with HIPAA, clear operating rules CA
- Mandated payer participation, but rewards providers who participate requiring payment of clean eBills in 15 working days

- Numerous other states in scope, discussion or development efforts: North Carolina, Tennessee, Georgia, Louisiana, Utah, Florida, New Jersey, Oregon, Colorado, Nebraska, Illinois, Kentucky, Delaware and many others)

Benefits of Automation



- Improves Administrative Efficiencies
- Improves Data Integrity
- Impacts Revenue Outcomes

Heal The Claims Process™ campaign

- Workers' compensation eBilling
- HIPAA-mandated standard transactions
 - Claims submission and claim status
 - Eligibility request and response
 - Prior authorization
 - Electronic remittance advice/
electronic funds transfer
 - Acknowledgements

Toolkits guide you through each step

- Toolkits for each key transaction
- 30-minute archived webinars hosted by industry experts
- Insurer enrollment forms

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Workers' Compensation eBill Resource Tools

- [Upcoming AMA Workers Compensation, Property and Casualty eBilling Toolkit](#)

This toolkit will contain educational tools and resources to help physicians and their practice staff to successfully get started in automating their workers' compensation and auto claim submission process and provide strategies to help enhance their claim revenue cycle processes.

- [AMA Webinar for Physician Practices](#)

- How to Automate Your Workers' Compensation and Auto Claims Submission Process
- Key Steps for Successful eBill Submission and Payment = \$
- Questions You Need to Ask Your Vendors & Payers to Maximize Your Workflow Automation
- Getting Started Today—5 Easy Steps

Show your support

- Have your name listed as a campaign participant:

www.ama-assn.org/go/healthatclaim

Be part of the solution

To join the AMA IAIABC Workers'
Compensation Workgroup

Contact: Tammy Banks

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QUESTIONS?



THANK YOU

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