

COMPETITIVE EDGE:

A Current Look at Workers' Compensation e-Billing

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Electronic billing has entered the workers' compensation (WC) arena and is gaining legislative momentum, benefiting providers and payers alike. Providers now realize that electronic medical records and electronic billing are not only critical to the viability of their practice, they also improve customer service. Electronic is the new competitive edge!

Legislative Update

State legislatures have taken a key role in the push for electronic workers' compensation billing, with Texas being the first state to mandate provider e-billing. As of January 1, 2008, Texas providers offering workers' compensation care are required to have electronic billing in place, although waivers are available for low-volume providers. California has pending legislation that will require a WC payer to accept and process bills electronically. California providers will receive an incentive to submit bills electronically: payers will be required to process electronic bills in 15 days instead of the 45 that are allowed for paper ones.

Challenges in Workers' Compensation Billing

WC providers face three primary billing challenges: employer compliance, employer communication, and billing accuracy. The first challenge is getting the employer to complete and file a timely First Report of Injury to appropriately establish a claim. A few states allow the initial medical bill to act as the first notice of loss, but most states require the employer to take the first step.

The second challenge is communication with the employers, for everything from WC insurance to the event itself. For example, an employer could have changed WC

carrier since the last time an injured employee came to your facility. If you were not notified, you would bill the wrong carrier. Also, when the patient presents, the date of injury relayed by that injured worker has to match the information in the claim. Unless accurate information is shared by all parties, the WC provider will not be paid without further collection effort.

The third challenge is obtaining complete and accurate information in a timely fashion. WC patients are often seen multiple times for follow-up testing or therapy. When inaccurate or dated information enters the system, the problems can potentially multiply; not only will the first bill filing be denied or delayed, subsequent bills may be affected as well. This progression of delays is what causes WC providers to perform collections primarily in their 60+ and 90+ day Accounts Receivable (A/R) columns. Can you imagine a world where collections are completed in the current A/R column?

Challenges of a WC Paper Billing Process

I refer to the workers' compensation paper billing process as "drop and hope," which is all we can do when billing on paper. We are hampered by the fact that the payer does not provide a status for 30 days. And with all the variables in paper billing, we know that when the collection staff follows up, the typical response is "We didn't receive it, send it again."

It is important to remember that payers are just as inundated as the providers. The paper bills that payers receive must be entered into their payment system manually. This makes electronic billing invaluable to them as well. If billing information can be received electronically, the payer and provider benefit from its efficiency.



Get your data and cash flowing

E-Billing not only provides a more efficient work flow, but also speeds up payment (turnaround can be in as few as 14 days!)



Too much paper overwhelms you and overwhelms the payer

Bills submitted on paper have to wait to be manually entered by the payers' data entry staff

OHR_eBill™
electronic billing

Clinics that use SYSTOC® software can use OHR_eBill and a clearinghouse to process bills electronically

Benefits of Workers' Compensation e-Billing

Providers are finding that electronic billing saves time and money. Direct mail savings is the most obvious benefit when considering electronic billing versus paper. This includes the postage (continually increasing), along with the expense of paper, claim forms, window envelopes, printer cartridges, etc.

Beyond the initial cost savings in reduction/elimination of direct mail expenses, you will also experience a reduction in salary cost related to collection/follow-up tasks. On average, you can see payment turn-around time fall to less than 30 days. This means fewer outstanding bills that require follow-up and a dramatic increase in first-pass bill payment. Providers taking advantage of electronic billing have experienced payment turn-around times of as few as 14 business days from when the bills are exported.

A more efficient billing process and an increase in cash flow are not the only benefits of electronic billing. The collection staff is empowered to begin follow-up the next business day instead of waiting one to two months when a paper bill denial notification is typically received. Because they can access information electronically, staff will quickly know the bill status and can provide any requested additional information.

Challenges of the e-Billing Transition

Just as in group health billing, workers' comp e-billing requires a shift in emphasis to make sure that all infor-

mation is complete and accurate on the first submission to the payer. This generally requires additional check-points prior to transmission. Keep in mind that more effort in advance of billing results in less collection and follow-up effort afterwards.

A very high percentage of WC claims require supporting documentation. Many providers believe that if they have paper chart notes, they can't electronically bill, but that is not the case. Every workers' compensation provider can start billing electronically today and start realizing the positive impact tomorrow.

Still, if you maintain your supporting documentation (such as chart notes or test results) on paper, you may want to consider converting them to electronic format. Whether documentation exists in electronic or paper format, your WC clearinghouse will review the available options and suggest the appropriate attachment processing to fit your situation. Ask for a workflow integration analysis to address this issue.

Conclusion

While there are challenges to electronic billing, the results have clearly been proven worthwhile. Payment processing times are reduced significantly, cash flow improves, and valuable resources are freed to pursue other revenue-generating activities so critical to providers in a competitive environment. Make your next step in workers' compensation a move to e-billing. 🦋