



Texas Department of Insurance

Division of Workers' Compensation

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Electronic Billing and Reimbursement Project: Texas, California, and the International Association of Industrial Accident Boards and Commissions (IAIABC)

California and Texas workers' compensation systems undertook electronic medical billing (eBill) initiatives in the last two years. Legislation and regulations adopted in the two states independently included parallel time frames. Both states have created working groups to obtain feedback from and communicate with affected stakeholders.

Both states have also made significant efforts to align jurisdiction implementation guides with national standard formats and industry practices. The goal of the two initiatives is to leverage existing eBill technology, knowledge, and relationships to facilitate a more efficient transition from paper billing to eBill in workers' compensation.

Understanding the mutual interest, both states have collaborated extensively to develop draft implementation guides for billing formats and electronic formats associated with eBill, such as acknowledgement, claim/coverage verification, and adjudication.

Recognizing the need for national standards, IAIABC has also initiated efforts to study the feasibility of developing national standard electronic billing formats for workers' compensation. The IAIABC EDI Council gave the EDI Medical Committee permission to pursue the issue of development of electronic standard guides for provider to payer electronic billing. A Health Care Provider-to-Payer Subcommittee was established. The mission of the subcommittee is "to simplify, accelerate, and make efficient all provider bills and related transactions necessary between the health care provider and the workers' compensation payer, through the use of a set of electronic data transmission standards and related business procedures."

California and Texas have developed an implementation plan that meets the time line of both states. The plan also includes collaborating with IAIABC EDI Council, the EDI Medical Committee, and the Health Care Provider-to-Payer Subcommittee to offer draft guides, which might serve as the starting point for developing national standards for electronic billing, reimbursement and ancillary workers' compensation processes.

To serve that purpose, both states have made specific efforts to develop guides in a "universal" manner. The goal was to minimize the need for other jurisdictions or the IAIABC to modify the draft guides to meet data requirements not anticipated by the team developing the draft guides.

IAIABC has agreed to coordinate feedback on what is being termed "global" issues. These are questions, feedback, and issues that cross jurisdictions or have the potential to impact other entities considering eBill initiatives. In order to facilitate effective resolution, issues are categorized as business issues or technical issues. Templates have been developed to capture the required information to track and route feedback. IAIABC will coordinate with both jurisdictions to share feedback and information.

Significant time and resources have been dedicated to this effort. IAIABC has agreed to coordinate eBill sessions during the September conference. In addition, both jurisdictions are publishing the draft implementation guides and scheduling stakeholder feedback sessions.

The priority and focus for stakeholder feedback is provided in the table below. The Billing formats are the highest priority due to their complexity and importance as the foundation for eBill processes.

The plan below outlines the immediate and short-term goals and deliverables for the eBill initiatives in both states.

California/Texas/IAIABC Electronic Billing Implementation Plan

Immediate – September 2006

- Publish and distribute draft companion guides and associated documentation to jurisdiction stakeholders and IAIABC Medical Committee eBill Subcommittee
- Schedule jurisdiction stakeholder feedback sessions
- Provide deadline for initial feedback on billing formats

Short Term – September to October 2006

- Consolidate and review initial feedback from stakeholders
- Modify drafts in response to feedback
- Define jurisdiction specific eBill validation edits (date validation, edits, etc.) TX and CA
- Finalize companion guide version 2.x
- Provide to IAIABC Medical Committee and Health Care Provider-to-Payer Subcommittee for consideration
- Present drafts, feedback, and long term plan at IAIABC Conference

Short Term – October to December 2006

- Schedule follow up feedback sessions
- Present draft document to public on web based forum (CA)
- Provide deadline for feedback on final drafts on billing formats
- Finalize jurisdiction specific validation edits (TX and CA)
- Consolidate and review feedback from stakeholders
- Modify drafts in response to feedback
- Publish final drafts of implementation guides
- Proceed to formal rule making and implementation (CA)

Long Term - 2007

- Transition to paper CMS-1500 2007 version
- Transition to paper UB-04
- NCPDP Universal Claim Form/Telecommunication 5.1 updates
- Transition to CMS National Provider Identification Number (NPI)

Electronic Format and Priority

Format	Purpose	Priority
ISA	Interchange Envelope	4
GS	Functional Group Envelope	4
TA1	Interchange Acknowledgment	4
997	Functional Acknowledgment – File Level	4
824	Detail Acknowledgment (Application Advice) – Bill Level	2
270/271	Eligibility and Benefits Request/Response (Coverage/Claim Verification)	3
275	Attachments (Documentation)	3
276/277	Claim Status Request/Response	4
837 P	Professional Billing	1
837 I	Institutional (Hospital) Billing	1
837 D	Dental Billing	1
837 Rx	Pharmacy Alternate Billing Format	1
NCPDP 5.1	Pharmacy Billing	1
835	Reimbursement (Electronic Explanation of Benefits – EOB)	2

*Priority Legend: (1) High (2) Medium High (3) Medium (4) Low

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