



Texas Department of Insurance

Division of Workers' Compensation

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MEMORANDUM

DATE: December 3, 2007

TO: Workers' Compensation Insurance Carriers and Health Care Providers

FROM: Albert Betts, Commissioner of Workers' Compensation

RE: Insurance Carrier Expectations for eBilling

House Bill 7 (79th Legislature, Regular Session, 2005) added Texas Labor Code §408.0251, which requires the Commissioner of Workers' Compensation to adopt rules regarding eBilling and mandates that insurance carriers accept electronically submitted medical bills. After receiving public input, the Commissioner adopted 28 Texas Administrative Code (TAC) §§133.500 and 133.501, which requires insurance carriers and health care providers to be able to exchange electronic medical bill transactions on and after January 1, 2008; unless the individual insurance carrier or health care provider is waived from the eBilling requirements. These rules were adopted on July 21, 2006 and published in the Texas Register on August 4, 2006.

The Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) has been soliciting information on eBill implementation status the last several months in order to ensure that stakeholders are prepared for the required electronic data exchanges. In response to these requests, TDI-DWC has received numerous inquiries regarding what actions workers' compensation insurance carriers are required to perform when implementing the eBilling rules.

Insurance carriers are required to perform the following actions to ensure compliance with the regulatory framework.

- **Implement EBill Capabilities:** Unless a waiver has been approved, insurance carriers must be "able" to support each medical billing transaction type listed in TAC §133.500, including the receipt of health claims and the transmission of acknowledgements and payment remittance/advice. These requirements apply to all bill types: professional, institutional, dental and pharmacy. Insurance carriers are encouraged to contact health care clearinghouses to promote integrated solutions for transaction submission and delivery.
- **Process Paper and Electronic Bills:** In addition to processing electronic bills, insurance carriers must maintain the ability to receive and process paper bills. The insurance carrier must pay or deny all complete claims received within 45 days as required by the Texas Labor Code and TAC. Insurance carriers shall not return, reject or deny a paper bill solely on the basis that the bill was not submitted electronically. If an insurance carrier believes that a health care provider does not meet the small practice or waiver requirements of TAC §133.501(a)(5) and should have submitted the bill electronically, the insurance carrier must process the bill and may submit a complaint with TDI-DWC for potential enforcement actions.

- **Notify TDI-DWC About Their eBill Agent(s):** Insurance carriers are required to provide TDI-DWC with information about their eBill agent. Any insurance carrier that has not already provided this information must submit this information to TDI-DWC immediately. This information can be reported on the *Carrier Representative Information Submission Form* (DWC Form-027), which is available for download from the agency website at <http://www.tdi.state.tx.us/forms/form20numberic.html>. In addition, TDI-DWC has received numerous forms that list several eBill agents for one insurance carrier. TDI-DWC recognizes that an insurance carrier may use different eBill agents for different bill types or for different entities within the insurance carrier. In these instances, the insurance carrier should provide TDI-DWC a website address or Uniform Resource Locator (URL) as their “eBilling Contact” on the DWC Form-027. The insurance carrier is responsible for maintaining the webpage associated with the reported URL. This webpage should display and identify the insurance carrier’s eBilling agents and their contact information in a manner which allows health care providers to determine who to contact to enable electronic transmission of their bills.

TDI-DWC continues to work with stakeholders to help ensure the success of eBill implementation and to promote a seamless transition to electronic data interchanges. TDI-DWC and key stakeholders recognize that electronic medical billing is a critical component to not only reducing the administrative burden on the system participants, but also improving the efficiency and accuracy of the medical billing and reimbursement process.

Questions regarding these eBill expectations may be directed to Allen McDonald, Director of Information Management Services, at 512-804-4530 or allen.mcdonald@tdi.state.tx.us.

Your continued cooperation in implementing this important initiative is both appreciated and expected.