Tennessee Workers' Compensation E-Billing

Starting July 1, 2018, Tennessee Workers' Compensation E-Billing program goes into effect. The program was created with legislation (T.C.A. § 50-6-202) and Tennessee Rule 0800-2-26. The purpose is to benefit both medical providers and bill payers. For insurance carriers and their agents, e-billing is designed to decrease the administrative costs of processing a claim and reduce the likelihood of complaints, reconsiderations, appeals, and lost or mishandled claims. Providers should realize a faster revenue cycle and a decrease in overhead costs associated with misidentification, duplications, postage, and the manual processing of records and bills. A clear electronic audit trail will benefit both payers and providers.

Unless a provider is exempt, they are to begin submitting medical bills for workers' compensation treatment and services electronically. Additionally, insurance carriers, or their agents, or TPAs for self-insured employers, are to begin processing medical bills electronically.

Exemptions to this requirement are made automatically for **healthcare providers** that employee 10 or fewer employees or that have submitted fewer than 120 bills for Tennessee workers' compensation treatment or services in the previous calendar year.

Exemptions are made for **insurance carriers** if they processed fewer than 250 bills for Tennessee workers' compensation treatment or services in the previous calendar year.

If either a health care **provider** or insurance **carrier** considers that compliance will result in an unreasonable financial burden, it may apply to the Bureau to be exempted from the mandate. To qualify for an exemption based on unreasonable financial burden, the organization's authorized representative must submit its rationale, Tax ID, and supporting documentation to WC.eBill@tn.gov. The correspondence should be on the organization's own letterhead and addressed to Bureau Administrator, Abbie Hudgens.

Medical bill processing for workers' compensation treatment and services is inherently different from commercial medical billing because workers' compensation medical bills normally must be accompanied by medical records that are necessary to authorize payment.

Medical providers should start by assessing the capabilities of their current medical records and billing systems. Providers that already have practice management/electronic medical records software systems in place should contact their software vendors to determine the system's current workers' compensation capabilities.

When assessing the appropriateness of practice management software for workers' compensation billing, consideration should be given to systems that are able to create HIPPA compliant electronic medical bills (ANSI-X12 EDI 837 file). Secondly, consideration should be

given to software that can electronically export select medical records in standardized formats. (Some systems do not have this capability and rely on an operator to manually extract the record and then convert it to a digital file.) Software must be able electronically to attach selected medical records to their respective medical bills and export them as one file to the payer.

While some practice management/EMR systems can readily generate a standardized electronic medical bill, many of these systems are not able to electronically export medical records without manual intervention, nor are they able to attach supporting electronic medical records to their respective electronic medical bills and export them as one file to the payer. If the practice management and electronic medical record software can do all three of these tasks (select, attach and transmit), then the provider is ready to contact the payer to establish a communications interface that will allow the provider's practice management/EMR system to communicate with the payer's software system directly or through the payer's designated electronic billing clearinghouse vendor. Once this interface is established, the provider should be able to electronically send medical bills and their supporting documents as one file, and the payer able to receive them. The payer will close the loop by submitting an electronic explanation of review (EOR) or an Electronic Remittance Advice (ERA and X12 835) and a payment. The final step may be an electronic funds transfer (EFT) that can accommodate auto-reconciliation if the claim is accepted and payment is due. Providers may want to contact their largest insurers to work through these steps.

Providers may find it easier and more cost-effective to use a clearinghouse that specializes in workers' compensation bill processing. Not only have these clearinghouses already established communication interfaces with thousands of payers, they also have the technical ability to compensate for practice management software systems that cannot electronically match up and transmit the electronic medical bill with its supporting medical records. Some clearinghouses have the ability to accept paper bills and medical records and then convert them to standardized electronic formats for matching and submission.

Clearinghouses that specialize in workers' compensation include WorkCompEDI, Jopari Solutions, Inc., StoneRiver P2P Link, and DaisyBill. These clearinghouses may also have trading partner relationships with each other and commercial insurance billing clearinghouses to provide a more seamless service and take advantage of the full array of established communication interfaces. When choosing a workers' compensation clearinghouse, it is important that it can communicate (either directly or through a partner) with the insurance carriers and third-party administrators that the provider routinely bills. The clearinghouse properly formats their electronic communications per Accredited Standards

Committee(ASC)X12. Electronic Funds Transfers (EFT), EOR, and reconciliation activities are dependent on other capabilities of the practices, clearinghouses and payers.

The workers' compensation clearinghouse will assess the capabilities of the provider's current medical record and billing system and customize a solution that is right for the practice. If it is not able to meet the provider's needs given its present system capabilities, it may be necessary to contact another clearinghouse that can. Cost comparison may be needed.

The Tennessee Bureau of Workers' Compensation is aware that achieving compliance with electronic billing may be a difficult process. However, this innovation is a step that can benefit medical providers and payers. Additional information may be found here.

Information resources can also be found at our e-billing webpage. If you have questions, please contact Jay Blaisdell at 615-253-5616 or WC.eBill@tn.gov. The Bureau will do whatever it can to help facilitate your practice's transition.