



Division of Workers' Compensation

Electronic Medical Billing / Standardized Paper Medical Billing
Regulation Update

October 21, 2013

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DWC Legal Counsel

Billing Rule Compliance Dates

- ▶ **Medical Billing & Payment Guide**
 - effective Oct. 15, 2011
 - updated Jan. 1, 2013 as part of emergency regulations
- ▶ **Electronic Medical and Billing Payment Companion Guide**
 - effective Oct. 18, 2012
 - updated Jan. 1, 2013 as part of emergency regulations
 - Electronic billing is optional for medical providers
 - Capability to accept electronic bills is mandatory for claims administrators

Information to Assist Implementation

- DWC website posts the ebilling regulation and guides

<http://www.dir.ca.gov/dwc/EBilling/EBilling.html>

- ▶ DWC website posts list of ebilling service providers:

http://www.dir.ca.gov/dwc/EBilling/EBilling_vendors.html

- ▶ DWC participated in 4-part e-billing Webinars
 - Co-sponsored by California Medical Association, California Orthopedic Association, American Medical Association
 - Webinars available for free on CMA website:

<http://www.cmanet.org/resource-library/list?category=on-demand%20webinars> (search for “eBill”)

Compliance Issues

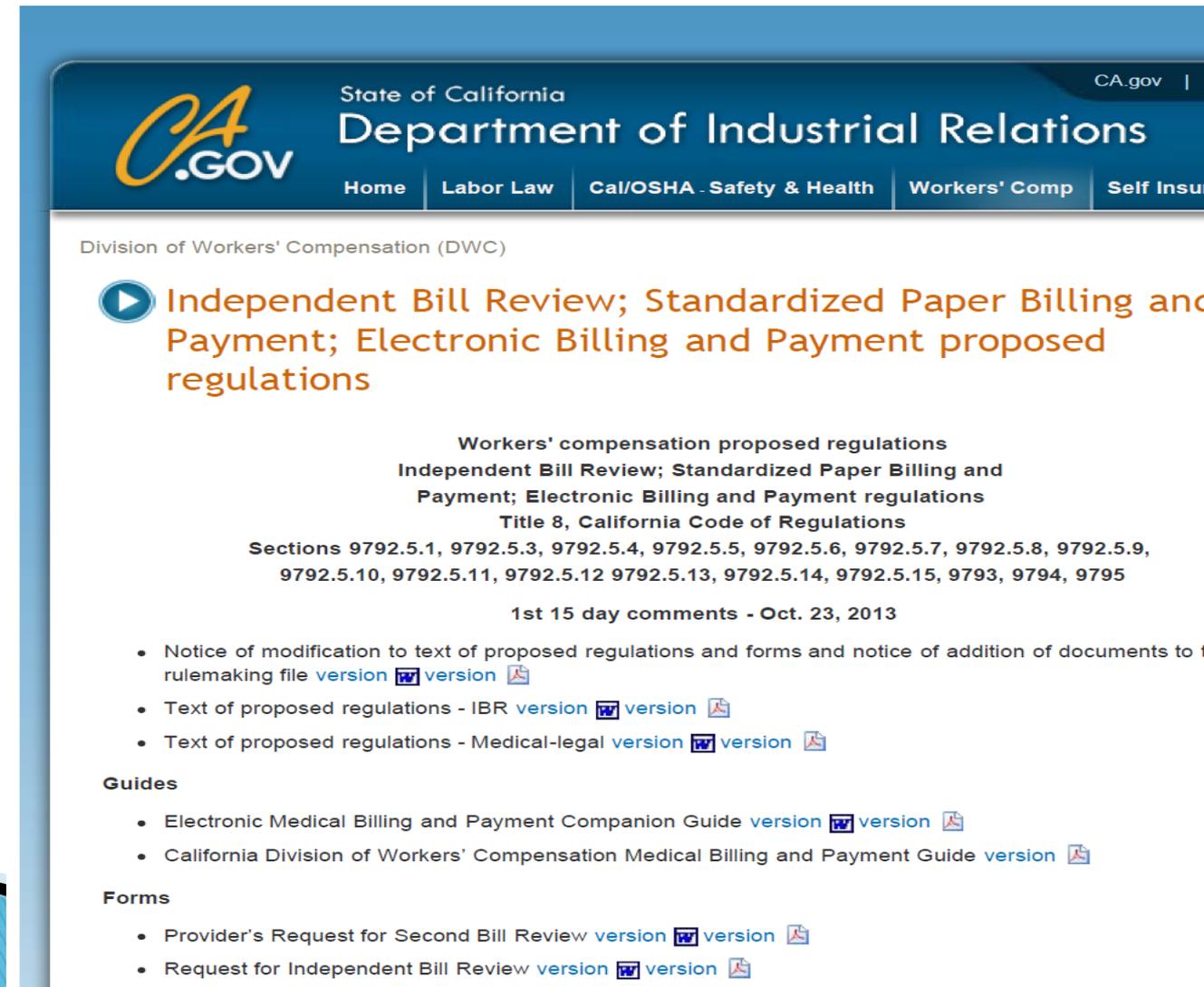
- ▶ Although E-bill regulations effective for over one year, not all claims administrators are compliant
 - Not accepting e-bills at all
 - Accepting e-bills but not sending electronic EOR (ASC X12N 5010X221A Health Care Claim Payment/Advice (835))
- ▶ DWC Audit Unit investigating whether claims administrators are accepting electronic medical bills

Medical Billing and Payment Guide and Ebilling Companion Guide Update

- ▶ Jan. 1, 2013 – Emergency Regulations
 - Changes pursuant to SB 863
 - adopted “second bill review” and language notifying provider of time limits to request second review or IBR
 - Prohibited submission of duplicate bill after EOR provided; no response to duplicate required once EOR issued
 - Supporting documentation expanded to reflect SB 863 language on evidence of authorization ; and px or referral from PTP if the services performed by other than PTP
 - Other changes
 - Clarify language re: timeframes for contesting/paying bills
 - Corrected reference to NCPDP paper form version

Rulemaking underway for permanent adoption of emergency regulations / further refinements

http://www.dir.ca.gov/DWC/DWCPPropRegs/IBR/IBR_Regs.htm



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Division of Workers' Compensation (DWC)

▶ Independent Bill Review; Standardized Paper Billing and Payment; Electronic Billing and Payment proposed regulations

Workers' compensation proposed regulations
Independent Bill Review; Standardized Paper Billing and Payment; Electronic Billing and Payment regulations
Title 8, California Code of Regulations
Sections 9792.5.1, 9792.5.3, 9792.5.4, 9792.5.5, 9792.5.6, 9792.5.7, 9792.5.8, 9792.5.9, 9792.5.10, 9792.5.11, 9792.5.12 9792.5.13, 9792.5.14, 9792.5.15, 9793, 9794, 9795

1st 15 day comments - Oct. 23, 2013

- Notice of modification to text of proposed regulations and forms and notice of addition of documents to the rulemaking file [version](#)  [version](#) 
- Text of proposed regulations - IBR [version](#)  [version](#) 
- Text of proposed regulations - Medical-legal [version](#)  [version](#) 

Guides

- Electronic Medical Billing and Payment Companion Guide [version](#)  [version](#) 
- California Division of Workers' Compensation Medical Billing and Payment Guide [version](#) 

Forms

- Provider's Request for Second Bill Review [version](#)  [version](#) 
- Request for Independent Bill Review [version](#)  [version](#) 

Proposed Modifications to the Emergency Regulations (45 & 15 day comment periods)

- ▶ Clarify and simplify identification of supporting documentation attachments to electronic bills
- ▶ Reorganize paper bill requirements by date of bill submission; clarify which types of providers use each paper bill format; adopt new CMS 1500 Form, new ADA Dental Claim Form/codes; adopt updated manuals
- ▶ Adopt revised “date of injury or occupational disease” language to conform to Labor Code §5412
- ▶ “Clean-up” of the Cal. DWC Bill Adjustment Reason Code/CARC/RARC Matrix Crosswalk

Proposed Modifications to the Emergency Regulations – Cont’d.

- ▶ Adopt revisions to more closely align with IAIABC model companion guide; and conform with national standards
- ▶ Adopt ASC X12N/005010X212 Health Care Claim Status Request and Response (276/277) for optional use
- ▶ Adopt revisions to “complete bill” rule to specify that a copy of prescription is not required at time of bill submission, may be requested by payer during review of records, and to allow resubmission of bills rejected on/after 1/1/2013 for lack of prescription copy (Senate Bill 146 (Statutes of 2013, Chapter 129))

Proposed Modifications to the Emergency Regulations – Cont’d.

- ▶ Adopt ICD–10–CM diagnosis codes / related documents
 - Services/discharges on or after 10/01/2014
- ▶ Adopt ICD–10–PCS inpatient procedure codes/related documents
 - Discharges on or after 10/01/2014
- ▶ Add requirement to use correct ICD–10 code to “complete bill” criteria
- ▶ Prohibit bills using mixture of ICD–9 & ICD–10

CMS Fact Sheet:

BENEFITS OF ICD-10-CM

ICD-10-CM incorporates much greater clinical detail and specificity than ICD-9-CM. Terminology and disease classification are updated to be consistent with current clinical practice. The modern classification system will provide much better data needed for:

- Measuring the quality, safety, and efficacy of care;
- Reducing the need for attachments to explain the patient's condition;
- Designing payment systems and processing claims for reimbursement;
- Conducting research, epidemiological studies, and clinical trials;
- Setting health policy;
- Operational and strategic planning;
- Designing health care delivery systems;
- Monitoring resource use;
- Improving clinical, financial, and administrative performance;
- Preventing and detecting health care fraud and abuse; and
- Tracking public health and risks.

How Are Non-Covered Entities Affected?

Non-covered entities are not required to transition to Version 5010 and ICD-10. However, for many organizations, the benefits of adoption far outweigh the challenges. ICD-10 coding will benefit non-covered entities in several ways, including:

- Expanded detail in injury codes, which will help automobile insurance and worker's compensation programs.
- ICD-9 codes will no longer be maintained once ICD-10 has been implemented; the ICD-9 codes will become less useful and resources will be continually harder to obtain.
- Use of Version 5010 and ICD-10 facilitates claim filing for coordination of benefits.
- Implementation of Version 5010 and ICD-10 is consistent with industry standards.

Further Development of Billing Rules

- ▶ IAIABC model Electronic Billing and Payment Companion Guide and IAIABC Model Billing Rule have been revised this month
- ▶ DWC is reviewing IAIABC CG / Model Rule for potential changes needed for California
 - ASC X12N/2012-44 Code Value Usage in Health Care Claim Payments and Subsequent Claims Technical Report Type 2, September 2012
 - Operating Rules for HIPAA transactions
 - Electronic Remittance Advice–Electronic Funds Transfer Reassociation Rule
 - EFT Enrollment Data Rule
 - ERA Enrollment Data Rule

The Future

- ▶ DWC will continue to work with the IAIABC on electronic billing issues
 - IAIABC participates with national standard setting organizations such as the ASC X12, WEDI
 - The DWC can channel issues through the IAIABC in order to address workers' compensation needs, e.g. the need for new CARCs to communicate jurisdiction-specific messages
- ▶ DWC will continue to monitor and consider additional ebilling improvements, including the potential adoption of Health Plan Identifier and the Other Entity Identifier
- ▶ DWC welcomes suggestions/comments from ebilling participants