

CALIFORNIA WORKERS' COMPENSATION UPDATE TO ELECTRONIC BILLING REQUIREMENTS

As part of a 12-point plan to help control medical costs, the California Division of Workers' Compensation (DWC) introduced standardized guidelines for both paper and electronic billing formats. Effective October 18, 2012 California became one of the first three states in the country to provide for e-billing in workers' compensation. On that date, the California Division of Workers' Compensation (DWC) adopted new regulations for standardized paper billing forms and e-billing standards, which encourage workers' compensation payers and medical providers to transition to e-billing.

Thus, by statute, administrators are now required to accept electronic bills on their client's behalf from those medical providers that wish to submit their billing electronically.

ELECTRONIC BILLING REQUIREMENTS

As outlined in Labor Code §4603.4 (a)(2), Claims Administrators are mandated to be able to accept, process and remit in formats and timeframes required if a provider sends an e-bill, although providers are not mandated to use the electronic option and may still submit billings via mail

Any bill that is submitted electronically and deemed to be a "Complete Bill" must be paid within 15 working days or objected to within 15 working days.

The DWC's Medical Billing and Payment Guide is available at:

http://www.dir.ca.gov/dwc/DWCPropRegs/Ebilling/Guide_CompanionGuide/MedicalBillingPaymentGuide_Final_final.pdf

KEENAN COMPLIANCE

In order to ensure that our clients' WC programs are in full compliance with regulatory requirements, including e-bill and e-pay jurisdictional initiatives, and HIPAA, Keenan engaged the services of Jopari Solutions, Inc. Jopari supplies integrated e-bill compliance and payment solutions to workers' compensation, auto, and health insurance industry providers and payers. In conjunction with these compliance services, Jopari charges approximately \$1.20 per electronic bill.

Consistent with industry standard practices, the fees related to e-billing compliance are charged to the claim file as a "pass through" allocated expense.

Concurrent with the introduction of these regulations, Keenan began the transition of our bill review software. Accordingly, to avoid unnecessary complications or service issues, we decided to absorb these fees during the transition process. With this transition now complete, we will begin passing through these transactional fees to

the respective claim file. This change will go into effect on June 1, 2013 and will only impact those bills submitted electronically to Jopari by the medical provider.

If you have any questions regarding e-billing or EDI compliance, please contact Susie Crane at scrane@keenand.com or by phone at (310) 212-0363, ext. 3900.

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