HIMSS 16

Conference & Exhibition

FEB 29 – MAR 4, 2016 | LAS VEGAS

TRANSFORMING HEALTH THROUGH IT

BREAKING DOWN THE BARRIERS TO EFT/ERA
March 1, 2016

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HATA
HEALTHCARE ADMINISTRATIVE TECHNOLOGY ASSOCIATION

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www.himssconference.org

Agenda

1. Value Proposition for Providers of Automation of ERA & EFT
2. ERA & EFA Basics
3. Implementation Steps
4. HATA Call to Action: COMMIT to 100% ERA & EFT Adoption
5. The HATA ERA & EFT Resource Library
   - HATA
   - AMA
   - CAQH
   - CMS
   - NACHA
   - OPTUM
   - WEDI
6. Final Thoughts

Learning Objectives

1. Be able to identify resources to help you with your EFT/ERA questions
2. Understand the steps for implementing EFT/ERA
3. Articulate the value of EFT/ERA

ERA & EFT Basics

Electronic Remittance Advice (ERA)

- An ERA is a standardized electronic version of a paper explanation of benefits (EOB). Like a paper EOB, an ERA provides details about the amount billed, the amount being paid by the health plan, and an explanation of any discrepancies between the billed and paid amounts.

- Health plans are required to use standardized codes in ERAs to explain payment reductions and denials.

- Advantages to adopting ERA in the physician practice include:

    - Potential for faster payment,

    - Automated payment posting and reconciliation,

    - Reduced manual tasks, and

    - Improved and standardized denial management.

ERA & EFT Basics

Electronic Funds Transfer (EFT)

- EFT is a general term that refers to any transfer of funds that uses an electronic process instead of paper checks.

- While there are various methods to electronically move funds in health care, EFT via the Automated Clearing House (ACH) is the only electronic standard under the Health Insurance Portability and Accountability Act (HIPAA).

- Similar to direct deposit of employee paychecks, ACH EFT moves funds electronically between the financial institutions of health plans and physicians.

- Like ERA, EFT via ACH offers numerous benefits for physicians, such as:

  - Quicker payment,

  - Improved practice efficiency,

  - Avoidance of fees associated with other payment methods,

  - Reduced risk of fraud, and

  - Easy reconciliation.

Value Proposition for Providers of Automation of EFT & ERA

- The 2014 CAQH Index indicates that a provider will save an estimated $3.04 per payment received by EFT via ACH over check payments. Combining EFT & ERA with auto posting can save a provider an estimated $7.21 per payment. http://www.caqh.org/explorations/2014-caqh-index-report

- Reducing administrative work and days in accounts receivable (Case study went from 25 days to 13 days in A/R with EFT via ACH and ERA)

- Reduce account receivable processing costs by moving from paper checks to EFT via ACH and ERA (Case study – hospital reduced A/R costs by 70%)

- Auto Reconciliation reduces posting errors (Case Study has a 76% match on day received and 98% by day 2)

- Receive health plan payments weeks faster to bill and collect remaining patient payment responsibility sooner

ADDITIONAL ADVANTAGES OF ERA ADOPTION

- The ERA's standard messages related to denials and other reductions in payment enable automation and simplify staff interpretation of ERA reason codes across health plans.

- The ERA eliminates the need to handle paper, open mail and file papers, as well as the risk of misplaced explanation of benefits (EOBs).

- Automation of posting and reconciliation with payments allow staff to focus on denial management and other tasks that require a personal touch.

- Coordination of benefits processing is simplified, as secondary claim submission can be automated using the ERA.

Implementation Steps

1. Determine how you are getting paid from each payer
    - ID your high volume payers
    - Those sending VCCs, refuse to process and request EFT
    - Those sending paper, request EFT
    - Review your CAQH EnrollHub options
2. Evaluate your current RC workflow. How can you automate your manual processes?
3. ID required process changes
4. Talk to your vendors (PMS, CH). Do they support EFT/ERA? ID new vendors if they don't support EFT/ERA
    - Review the newly revised AMA/MGMA "Selecting a Practice Management System Toolkit."
    - Ensure that your PMS vendor is EHNAC accredited (www.ehnac.org) – Discount for HATA Members
    - Ask about CORE Certification

Implementation Steps

5. Review the resources available through the HATA Resource Library

6. Reach out to your colleagues and discuss EFT/ERA and VCC issues

7. Test your 835 process. Practices can request both paper and ERA from a payer during initial implementation testing of the 835. Payers are required to offer dual delivery for up to three payment cycles or 31 days, whichever is longer

8. Decide if you want to start with EFT then move to ERA and other transactions or adopt them all at once

9. Develop a budget and transition plan

10. Go live!

COMING SOON!

- Webinar under development to share the available file format, how to reassociate the EFT and ERA and bring in a PMS vendor to discuss a case study.

- Healthpac and InMediata agreed to perform a case study with a provider client.

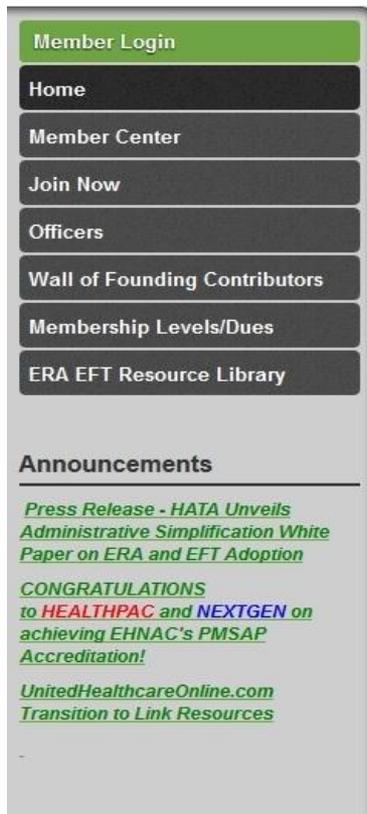- Will be a step-by-step guide on EFT ERA implementation

HATA CALL TO ACTION:
COMMIT to 100% ERA & EFT Adoption

- Raised industry awareness of the increased efficiencies available with complete adoption of and automation of the ERA/EFT transactions by all stakeholders to achieve automated end to end workflow processing.

- HATA deployed a joint nationwide public education campaign in 2015 to:

  - Raise provider awareness of the benefits of ERA and EFT;

  - Increase awareness of and remove the barriers to provider adoption; and,

  - Increase provider adoption of electronic remittance advice (ERA) and Electronic Funds Transfer (EFT).

HATA Call to action

- Performed industry-wide PMS ERA EFT readiness survey results that informed a white paper and were widely distributed.

- HATA white paper, "Promoting Administrative Simplification through ERA and EFT Adoption: An Industry Call to Action" released.

- HATA Back to the Future – ERA/EFT Future Automation, Realized Today! Promoted widely, 38 vendors attended the webinar

- Industry ERA/EFT Summit held in Chicago. 25 key thought leaders attended, representing all healthcare revenue cycle stakeholder groups resulting in 4 active workgroups.

  - ERA EFT Banking Addendum Workgroup
  - ERA EFT Integrated benchmarks process for workflow automation
  - **ERA EFT Provider Education Workgroup**
  - ERA EFT Single Source Enrollment Enrollment Workgroup

HATA ERA & EFT Resource library

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ERA EFT Resource Library

Speakers' Bureau

Announcements

Press Release - HATA Unveils Administrative Simplification White Paper on ERA and EFT Adoption

CONGRATULATIONS to HEALTHPAC and NEXTGEN on achieving EHNAC's PMSAP Accreditation!

UnitedHealthcareOnline.com

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CLICK HERE FOR RESOURCE GUIDE

ERA AND EFT BASICS

Physician practices can save both time and money by transitioning from manual to automated processes in revenue cycle management. This is particularly true for remittance advice and claim payment processing: think of all the hours that a practice spends on handling and filing paper explanations of benefits (EOBs), opening mail, delivering paper checks to the bank, and manually reconciling payments. The 2014 Council for Affordable Quality Healthcare (CAQH) Index reports that practices save an average of $7.21 per payment by switching from manual to automated remittance and payment processing. Moreover, standard electronic transactions offer the opportunity to free up much of this time for what matters most—patient care.

Electronic Remittance Advice (ERA):

An ERA is a standardized electronic version of a paper explanation of benefits (EOB). Like a paper EOB, an ERA provides details about the amount billed, the amount being paid by the health plan, and an explanation of any discrepancies between the billed and paid amounts.

Healthcare Payments Resources

Announcements

Press Release - HATA Unveils Administrative Simplification White Paper on ERA and EFT Adoption

CONGRATULATIONS to HEALTHPAC and NEXTGEN on achieving EHNAC's PMSAP Accreditation!

Healthcare Administrative Technology Association (HATA) hata-assn.org

- ERA EFT Fact Sheet/Talking Points
- "Promoting administrative simplification through ERA/EFT Adoption" White Paper
- "Back to the Future–ERA EFT Future Automation, Realized Today!" Webinar

American Medical Association (AMA) – ama-assn.org

(Note: Users must establish a **free** account to access AMA resources. By creating an account, you **are not** becoming an AMA member.)

AMA's ERA Toolkit (www.ama-assn.org/go/era) provides a wealth of information for physicians in all stages of ERA implementation – from practices just beginning to consider ERA adoption to those who have already adopted ERA and are looking for ways to maximize automation and efficiency. Toolkit sections include:

- Getting started with ERA provides a basic overview of the ERA and its content, describes the advantages of automating remittance processing and offers tips for ERA enrollment. It also describes the standardized code sets used in the ERA by all payers and what they mean to the practice.
- Critical conversations with trading partners about ERA provides questions to ask health plans, clearinghouses and practice management system vendors about their ERA handling and capabilities and describes how other stakeholders impact practices receiving the ERA.

CAQH CORE – caqh.org

Provider Resources

- Sample Health Plan and Sample Financial Institution letters develop understanding of what to ask and why, e.g., credit card vs ACH CCD+.
- Provider EFT & ERA landing page with Implementation Resources at bottom of page
- CAQH CORE Education Events: Audiocast Recording of *Provider Case Studies in EFT/ERA Implementation* (February 26, 2015: CAQH CORE and NACHA Joint Education Session)
- Audiocast Recording of *Streamlining Collections and Reducing Costs using CAQH CORE 360 Rule (Uniform Use of CARCs & RARCs): A Provider's Experience*(January 22, 2015)
- Audiocast Recording of *Provider-focused CAQH CORE EFT& ERA Operating Rule Education Session*(August 12, 2014)
- Audiocast Recording of *Joint National Webinar with CAQH CORE, ASC x12 & NACHA: Using the NACHA CCD+, the v5010 835, and the CAQHCORE Reassociation Rule* (November 10, 2015)

Implementation Resources

- EFT & ERA Implementation Resources page: Includes CAQH CORE resources and links to NACHA and AMA resources
- Analysis & Planning Guide: Outlines key tasks for analysis and planning for adoption of ET & ERA Operating Rules
- CORE Certification: Signifies entity's systems are conformant and ready to conduct EFT & ERA, and that entity is a knowledgeable resource for trading partners on EFT & ERA
- EFT & ERA FAQs: Over 180 EFT/ERA FAQs
- Education Sessions: Include polling on status/challenges

Centers for Medicare & Medicaid Services – CMS.gov

Provider General Info on Operating Rules:

- Three minute introductory video on Operating Rules, including EFT & ERA; targeted to providers.
- Online Guide to Administrative Simplification, including a chapter on Operating Rules and EFT & ERA.
- Webinar (slides only): "Operating Rules: What a Provider Needs to Know"
- Webpage on EFT & ERA Standards and Operating Rule regulations
- 24-minute video: Introduction to Operating Rules

NACHA – healthcare.nacha.org

Healthcare Payments Resources Website

- Provides a repository of information on a wide variety of topics for both financial institutions and the healthcare industry. Includes links to many other resources, as well as customized information to help "translate" concepts from one industry to the other (FAQs, reports, presentations) http://healthcare.nacha.org

Healthcare EFT Standard Information

- Located within the healthcare industry tab of the above website, specific information can be found on the healthcare EFT standard.
- http://healthcare.nacha.org

Healthcare Payments Resource Guide

Optum - Optum.com

Provider general info:

- https://www.optum.com/providers/revenue-cycle-management/claims-connectivity/electronic-payments-and-statements-enrollment.html

Enrollment link:

- https://myservices.optumhealthpaymentservices.com/chooseEnrollmentType.do?EXTRA3=y&EntryType=Reset

Workgroup for Electronic Data Interchange (WEDI) - wedi.org

WEDI EFT Subworkgroup:

- http://www.wedi.org/workgroups/transactions-code-sets/eft/

WEDI 835 Subworkgroup:

- http://www.wedi.org/workgroups/transactions-code-sets/835

WEDI Knowledge Center

- http://www.wedi.org/knowledge-center/white-papers-articles/white-papers

Reassociating Healthcare Payments: White Paper

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Final Thoughts

Your practice can save an average of $7.21 per payment by switching from manual to automated remittance and payment processing.   That translates to over **$37,000** in a year!

($7.21 X 100 pmts wk = $721.00 X 52 weeks = $37,492)

As with any major process change, ERA and EFT adoption can at first seem overwhelming for a physician practice. But remember: knowledge is power, and HATA stands ready to help!

Questions?

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