

Medical Billing Standards and E-Billing

Presented by

Suzanne Honor-Vangerov,
Workers' Compensation Manager
Division of Workers' Compensation Medical Unit

Medical Billing Standards

- ❖ Labor Code §4603.2
 - Required reports
 - Authorizations
 - Properly documented list of services
- ❖ Labor Code § 4603.4
 - Requires standardized forms
- ❖ No current definition of a complete bill for payment.

Standardized Forms

- ❖ CMS 1500 – new version
 - For professional services
- ❖ CMS 1450 a.k.a. UB-04
 - For facility charges
- ❖ NCPDP
 - For pharmacy charges
- ❖ ADA 2004
 - For dental services

Documentation

- ❖ Required Reports
 - > Doctor's First Report of Injury (5021)
 - > PR-2
 - Currently being revised to be more useful for bill review
 - Will document level of E/M service
 - Will have a separate attachment for UR authorization purposes
 - Will have a separate attachment for physical medicine treatment
 - Will provide information about treatment received to date
 - > PR-3/PR-4
 - > Operative Report
 - > Narrative Reports
 - > Reports required by the fee schedule, i.e. "By Report" codes

Code Sets

- ❖ CPT codes
 - > For professional services
- ❖ HCPCS codes
 - > For other services
- ❖ DRG's
 - > For Inpatient Hospital stays
- ❖ ADA Dental Codes
 - > For Dental claims
- ❖ NDC numbers
 - > For pharmaceutical claims
- ❖ ICD-9 codes
 - > For standardized diagnoses

"Complete Bills"

- ❖ DWC defining what makes a complete bill for payment.
 - > Uses correct forms
 - > Fills in all required fields
 - > Attaches required reports or documentation
 - > Uses correct code set to describe services
- ❖ Complete bills should be paid timely provided that:
 - > The charges are reasonable
 - > Liability has been accepted
 - > Covered under \$10,000 of treatment during claims investigation

Electronic Bills

- ❖ Employers required to accept them
 - Eighteen months after the regulations are adopted.
- ❖ Providers not required to submit electronically
 - It's optional on the part of the provider.
 - Quicker payment
 - Less paperwork
 - Quicker acknowledgment
 - Possible electronic payment

Transmission

- ❖ Transmissions per IAIABC standards
 - Data elements meet IAIABC definitions
 - National standard
- ❖ Meets HIPAA requirements
- ❖ Use of Clearing Houses permitted

Standard Notices

- ❖ Electronic acknowledgment of receipt
 - Within 24 hours
- ❖ Detailed acknowledgment
 - Indicates complete or incomplete billing
 - Within 48 hours
- ❖ Remittance
 - Indicates payment or no payment
 - Standard remittance advice codes
 - These Standard Explanations of Review were developed by participants from both the payor and provider sides
 - Made within 15 days of receipt of a complete billing

DWC Regulations and Documents

- ❖ Article 5.5 § 9792.5 – being revised to reflect changes in the statutes and the new regulations.
- ❖ Article 5.5.0 §9792.5.0 - §9792.5.3 – being added to cover new billing standards and electronic billing rules.
- ❖ Medical Billing and Payment Guide – being created to cover rules for both paper and electronic billing. This document is incorporated into the regulations by reference and will be available on the web site for free download once the rulemaking is final.
- ❖ Article 5 §9785 will be revised to reflect new PR-2 format and reporting requirements.

Timeframe

- ❖ Up on the DWC Forum for three weeks of open comments
- ❖ Proceeding to formal rulemaking at the close of the Forum comment period
- ❖ Paper version of the billing standards become effective 90 days after the rule becomes final
- ❖ Electronic transmission and receipt become effective 18 months after the rule becomes final.
- ❖ Parties can agree to start electronic transmission early

For More Information

- ❖ For information on-line go to our web site
 - > <http://www.dir.ca.gov>
 - Click on Workers' Compensation
 - What's New at DWC
 - DWC Newslines
 - DWC/WCAB Forum
 - Proposed Rulemaking
 - > Send me an e-mail at shonor@dir.ca.gov
