



# **“Magical” Processes that Improve Efficiency & Decrease Overhead**

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**COA 2011**

# THE PAPER TRAIL MESS



# THE ELECTRONIC TRAIL



# EDI / 837 TRANSMISSIONS



## ELECTRONIC DATA INTERCHANGE

- **Claim Filing via Insurance Carriers/Clearing Houses**
  - Submit claims to insurance carriers
  - Notification of claim rejection
  - Ability to make corrections
  - Resubmission of clean claim to carrier

# BENEFITS OF EDI

## SAVINGS:

- Reduction in Staff (No more folding & stuffing envelopes)
- Error notification 2 minutes vs 30 days
- Verification that claims received & accepted
- Online Work Comp claim number, date-of-injury verification & Electronic PR2, PR4s, etc.
- Decreased postage, Ink, Paper, wear & tear of equipment.

# ERA / 835 TRANSMISSIONS



## ELECTRONIC REMITTANCE ADVICE

AKA: Explanation of benefits (EOB)

- via Clearinghouse/Insurance Carrier

## BENEFITS - ELIMINATES:

- Snail mail deliveries, opening of mail, handling & storing of paper.



# EFT



## ELECTRONIC FUND TRANSFER into checking/savings accounts

- **BENEFITS – ELIMINATES**
  - Delays with snail mail, opening mail, stamping checks & deposit slips
  - Transport of deposits to banks
  - Increase receipt of \$, 7-14 days vs 30-45 days

# ePOSTING



## **ELECTRONIC POSTING OF RECEIPTS to individual patient accounts**

### **BENEFITS - ELIMINATE:**

- **Manual data entry errors**
- **Wrong account errors**
- **Posting process takes less than one minutes vs. up to 2-3 hours for multiple patient payment EOBs.**



# WHO DO WE BILL VIA EDI?

- Aetna
- Blue Cross
- Blue Shield
- Delta Health Systems
- Health Net
- Hill Physicians
- MediCal
- Medicare ( & Railroad Medicare)
- Noridian
- Operating Engineers Pension Health & Welfare
- Secure Horizons
- Sutter Health
- U.S. Department of Labor
- United Healthcare
- And others

# EDI Worker's Comp Carriers:

- ADP
- AIG
- Benchmark Insurance
- C.N.A
- Department of Energy
- Department of Labor
- ESIS
- First Comp
- Gallagher Bassett Services
- P.G.&E.
- Preferred Medical
- Sedgwick
- State Compensation Insurance Fund
- Zenith
- and others

# WHO PROVIDES US WITH ERAs?

- Aetna
- Blue Cross
- Blue Shield
- Delta Health Systems
- Health Net
- Hill Physicians
- MediCal
- Medicare
- Noridian
- Operating Engineers
- Pension Health & Welfare
- Secure Horizons
- Sutter Select
- U. S. Department of Labor
- United Health Care

# ERAs for Worker's Comp Carriers:

- C.N.A
- ESIS
- First Comp
- Gallagher Bassett Services
- Sedgwick
- Zenith

# WHO PROVIDES US WITH EFTs?

- Aetna
- Blue Cross
- Blue Shield
- Delta Health Systems
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- Hill Physicians
- MediCal
- Operating Engineers
- Medicare (& Railroad Medicare)
- Noridian
- Pension Health & Welfare
- Sutter Select
- U.S. Department of Labor
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## Worker's Comp Carriers:

- Sedgwick

# WHICH CARRIERS DO WE ePOST Receipts?

- Aetna
- Blue Cross
- Blue Shield
- Health Net
- Hill Physicians
- MediCal
- Medicare
- Noridian
- Secure Horizons
- United Healthcare.

**Worker's Comp Carriers: NONE!!!**

# \$ SAVINGS



## ■ BILLING STAFF

- April 1998, 8 physicians / 7 FTE

Ratio: .88 FTE / physician

- April 2011, 11 physicians / 7 FTE

Ratio: .64 FTE / physician

27% decrease in staffing needs /  
2.68 FTE Yearly wage / benefits =  
approx \$111,500.00

# \$ SAVINGS

**1<sup>st</sup> CLASS POSTAGE RATES HAVE INCREASED BY 51% FROM 1998 @ 29 cents to 44 cents**

- **POSTAGE EXPENSE**

- 1998 = \$19,400.00

- vs 2010 = \$20,040.00

- 3% increase / \$640.00

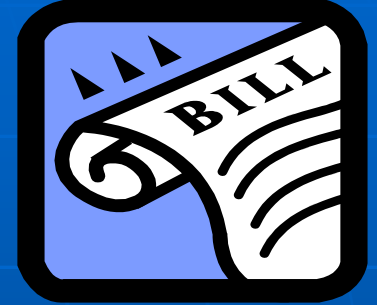
- 51% increase + 57% increase in Drs =  
or \$28,600.00

- 1998 Postage cost usage proportioned to the # of doctors in 2010 would cost \$ 48,000.00 in 2010 or 147% increase.





# COST OF IMPLEMENTATION



## ■ EDI

-Software \$5K

- Clearinghouse/Carrier usage  
Non-Work Comp Claims \$0

-Clearinghouse usage

Worker's Comp Claims \$0 to  
\$1.00 per claim

-Staff Training \$1K

- **ERA**

- Clearinghouse/Insurance  
Carrier/Worker's Comp  
Claims = \$0**

- Staff Training = \$1K**

## ■ EFT

- Banking Fee = \$0
- Staff setup cost = \$1K
- Bank to PM System balancing  
= \$ 200.00 per month.

- **ePOSTING of Receipts:**
  - Practice Management Software  
= \$2,500.00 - \$5,000.00
  - Staff Training = \$1K





# Cost

- EDI – Setup & Training \$6K
- ERA - Setup & Training \$1K
- EFT - Setup & Training \$1K
- ePOST– Setup & Training \$6K

**FIRST YEAR COST \$14,000.00**

# Savings

- Postage Savings \$ 48,000.00
- Staff Savings \$111,500.00
- Less Miscellaneous Savings of Costs of wear & tear to copiers, ink, paper supplies of \$8,500.00 per year

**TOTAL YEARLY SAVINGS**  
**\$168,000.00**

# Q & A



- See Anne McCune, Administrator @ Lunch
- Email Anne @ [anneaomg@aol.com](mailto:anneaomg@aol.com)
- Call Anne @ 209-946-7139

