



January 18, 2012

## **Louisiana Adopts Long Awaited Workers' Compensation eBilling Regulations – Stakeholders Await eBilling Companion Guide**

As expected, and pursuant to a 2010 legislative mandate, the Louisiana Office of Workers' Compensation Administration (OWCA) recently adopted finalized electronic billing (eBilling) regulations. These new rules will govern all electronic billing and reimbursement of all workers' compensation medical benefits on or after **July 1, 2013**.

Approval of these rules is a move to control medical and administrative costs for system participants, and hopefully will streamline and relieve administrative burdens for both providers and payors. The new eBilling rules will modernize the billing and reimbursement of workers' compensation medical billing in Louisiana. The adopted rules largely mirror existing IAIABC model e-billing rule(s) – national standards adopted by numerous states including California and Texas – with specific Louisiana customizations.

The recently adopted rules only provide a **framework** by which providers and payors can begin compliance efforts. Further state-specific details (including data element and formatting requirements) on implementation and operational eBilling will be contained in the forthcoming "Electronic Medical Billing and Payment Companion Guide." OWCA is currently developing this guide, which will provide additional clarification, but which will likely not be released by OWCA until late 2012 or early 2013. The rules require the companion guide to be developed by January 1, 2013. In the meantime, PMSI and our clients should take note of the adopted rules and begin necessary efforts to ensure eBilling compliance. The full rule language can be viewed by going to this link (the Louisiana Register), starting on page 150 of the PDF file (page 3542 in the Register): <http://www.doa.louisiana.gov/osr/reg/1112/1112.pdf>.

It is important to note that these adopted rules **do not mandate** eBilling and remittance by providers and payors as Louisiana eBilling will remain provider-driven, similar to California. Finally, these adopted rules **only** govern the processes and procedures for electronic medical billing not paper billing, as these practices are governed by separate existing OWCA rules, of which the pharmacy-related rules are also currently being considered for revision and rule-making.

### **General Electronic Billing Requirements Effective July 1, 2013**

- Unless exempted, all insurance carriers and/or their agents shall be capable of exchanging, accepting, processing and transmitting acknowledgment/remittance advice in compliance with adopted eBilling standards



- eBilling is not mandated and is voluntary for providers. However, if a provider chooses to submit an eBill it must be in accordance with adopted eBilling standards
- Providers and payors shall use the most current ASC X12 5010 (related formats) for eBilling/remittance of professional and institutional/hospital bills and most current NCPDP D.0 (related formats) for eBilling of pharmacy bills
- Utilization of alternatively agreed-upon formats is permitted if format(s) captures all data elements required by adopted eBilling standards
- Nothing prohibits usage of eBilling agents or clearinghouses to facilitate eBilling
- All providers, processors, clearinghouses, agents and carriers which eBill must adhere to all federal and state rules on privacy, confidentiality and security
- eBilling time-frame requirements for acknowledgement, remittance advice and payment:
  - Must acknowledge initial receipt of an eBill within one business day of receipt of electronic submission
  - Must acknowledge functional receipt of an eBill within two business days of receipt of electronic submission
  - Payment of all uncontested portions of a complete medical bill shall be made within 60 calendar days of receipt of the original bill, or receipt of additional information requested by the insurance carrier allowed under law
  - Complete eBills submitted but not paid or objected to within the 60-day time-frame shall be subject to the existing detailed penalties noted in Louisiana Revised Statutes 23:1201(F)
  - Remittance notification must be released within one business day of payment or denial
- Payors are not required to make electronic or EFT payments

## **Technical eBilling Standards and Requirements**

### *Billing*

Professional bills: ASC X12 Standards for Electronic Data Interchange Technical Report Type 3, Health Care Claim: Professional (837), May 2006, ASC X12, 005010X222 and Type 3 Errata to Health Care Claim: Professional (837), June 2010, ASC X12, 005010X222A1

Retail Pharmacy bills: Telecommunication Standard Implementation Guide, Version D, Release 0 (Version D.0), August 2007, National Council for Prescription Drug Programs and the Batch Standard Batch Implementation Guide, Version 1, Release 2 (Version 1.2), January 2006, National Council for Prescription Drug Programs

### *Acknowledgment*

#### Electronic responses to ASC X12N 837 transactions

- ASC X12 Standards for Electronic Data Interchange TA1 Interchange Acknowledgment contained in aforementioned standards adopted under the billing standards section
- ASC X12 Standards for Electronic Data Interchange Technical Report Type 3, Implementation Acknowledgment for Health Care Insurance (999), June 2007, ASC X12N/005010X231



- ASC X12 Standards for Electronic Data Interchange Technical Report Type 3, Health Care Claim Acknowledgment (277CA), January 2007, ASC X12N/005010X214  
Electronic responses to NCPDP transactions: response contained in aforementioned NCPDP standards

*Remittance*

- Proper remittance format and codes (CARC, RARC and NCPDP) are mandated for electronic remittance
- Format: ASC X12 Standards for Electronic Data Interchange Technical Report Type 3, Health Care Claim Payment/Advice (835), April 2006, ASC X12N/005010X221 and Type 3 Errata to Health Care Claim Payment/Advice (835), June 2010, ASC X12, 005010X221A1
- Codes: Electronic remittance notification must contain the appropriate group claim adjustment reason codes, claims adjustment reason codes (CARC) and associated remittance advice remark codes (RARC) as specified by ASC X12 835N implementation guide or for pharmacy charges, the NCPDP reject codes, denoting the reason for payment, adjustment or denial

*Documentation*

- ASC X12N Additional Information to Support a Health Claim or Encounter (275), February 2008, ASC X12, 005010X210

**Recommendations and PMSI Actions**

PMSI's eBilling platform is already among the industry's strongest, and currently handles electronic billing of medical services, durable medical equipment and pharmacy bills for numerous customers and providers. PMSI has already initiated activities to incorporate the Louisiana requirements into our eBilling platform and to ensure full compliance with the newly adopted rule changes. Over the next 12 to 18 months, we will contact our customers and/or their eBilling trading partners to begin conversations on required actions. Some of this compliance activity will remain in a pending status until OWCA fully releases their "Electronic Medical Billing and Payment Companion Guide" in late 2012 or early 2013.

In the meantime, PMSI's Government Affairs Department will continue to monitor rule-making at OWCA and strongly recommends that customers and their eBilling agents take the opportunity to review the newly adopted regulations and begin any necessary programming or system enhancements to ensure compliant connectivity with all impacted stakeholders prior to the July 1, 2013 implementation date.

If you have any questions regarding this alert or any other government-related topic, please contact your dedicated Account Manager. You may also contact our Executive Director of Government Affairs, Kevin Tribout at [Kevin.Tribout@pmsionline.com](mailto:Kevin.Tribout@pmsionline.com) or 813.627.2445.



## *Government Affairs Alert*



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