BACK TO THE FUTURE – ERA EFT
FUTURE AUTOMATION, REALIZED TODAY!

THE HEALTHCARE ADMINISTRATIVE TECHNOLOGY ASSOCIATION (HATA),

THE NATIONAL ASSOCIATION OF PRACTICE MANAGEMENT SYSTEMS AND RELATED TECHNOLOGY COMPANIES

APRIL 8, 2015
BACK TO THE FUTURE – ERA EFT FUTURE AUTOMATION, REALIZED TODAY!

**Presenters**

Ana Croxton, NextGen

Chris Weber, NextGen

Tammy Banks, Optum
ATTENDEES WILL LEARN MORE ABOUT:

- HATA ERA EFT Survey results
- How PMSs can deliver enhanced capabilities to streamline the provider revenue cycle.
- HATA Industry Call to Action

Providers need a process that is as fully automated as possible to ensure adoption.
HATA PMS CAPABILITY SURVEY

- From September 8, 2014 to October 31, 2014 HATA conducted an online survey of 30 PMS vendors
  - Understand automation capabilities currently available to providers to receive ERA
  - Barriers to provider adoption of ERA/EFT, and
  - Potential solutions to these barriers in providing complete ERA/EFT automation.

The results led HATA to issue an .......... INDUSTRY CALL FOR ACTION
HATA CALL TO ACTION
COMMIT TO 100% ERA EFT ADOPTION

- Raise 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.

- **Administrative simplification is a team sport.**

HATA will be working toward the creation of a joint nationwide public education campaign 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).

- Visit [www.hata-assn.org](http://www.hata-assn.org) for more information
Approximately 54% of payers provide the required information in the HIPAA TCS and CAQH CORE compliant ERA standard transaction over 80% of the time, which leaves 46% that comply less than 80% of the time.

Noncompliant transactions require PMS vendors to:

- Focus resources on creating payer-specific customizations
- Distract PMS vendors from streamlining and upgrading current user experience
- Provide incomplete information to the provider
ERA AUTOMATED RECONCILIATION

PMS and Payer/Clearinghouse opportunity

- 89% of survey respondents display a proprietary readable format of the 835.
  - 84% of these formats comply with the CORE Operating Rules by displaying the CARC/RARC descriptions and CORE business scenarios.
- Approximately 6% provide the ERA EDI Format and 6% do not provide a readable format.
- The majority of survey respondents (75%) indicated they have the ability to receive ERA files in an automated fashion from a Clearinghouse/Payer into PMS.
- The remaining 25% either manually download the ERA and then import into the PMS or utilize a third party relationship to deliver this retrieval and matching capability.
PMS and Bank Opportunity

- Of the survey respondents 45% have ERA/EFT reconciliation capability and of the 45%:
  - Approximately 42% of the EFT files are received in an automated fashion from the provider’s bank into the PMS for re-association with ERA.
  - 25% of the EFT files are manually downloaded from bank then imported into PMS by user and
  - 33% use a third party partner relationship that performs the EFT file retrieval and matching capability within Provider’s PMS.
PAYER & PROVIDER EDUCATION

PMS opportunity

62% of the survey respondents either apply commercial, proprietary or a combination of front end edits to ensure the ERA standard transactions being sent from their system is both HIPAA and CAQH CORE operating rule compliant.

Less than half of the survey respondents engage in messaging to their clients to encourage them to sign up for EDI standard transactions, including ERAs and EFTs. Those who provide routine messaging to their clients, typically provide it weekly.
SINGLE AUTOMATED WORKFLOW

- There appears to be a significant manual workflow process still being deployed as part of the ERA EFT reconciliation.

- All stakeholders, including PMS and other technology vendors, payers and providers must join forces to ensure an automated end to end revenue cycle can be delivered to providers. This can occur by ensuring standard transactions pass on the information needed to meet the business needs, which allows for process automation.

- *In turn, PMS can deliver the automated workflow that can increase adoption!!*
PROMOTING ADMINISTRATIVE SIMPLIFICATION THROUGH ERA AND EFT ADOPTION: AN INDUSTRY CALL TO ACTION

- HATA First Industry White Paper
  - HATA Survey Results
  - Automation capabilities currently available to providers to receive ERA
  - Barriers to provider adoption of ERA/EFT
  - Potential solutions to these barriers in providing complete ERA/EFT automation and
  - Industry Call to Action

- Access the HATA white paper at: www.hata-assn.org for more survey results
RECONCILIATION IN THE PAST
Reconciliation in the Past

Reconciliation with EFT and Posting

- Practices balanced bank deposits to multiple reports- Clearinghouse, Practice Management, third-party
- Internal tracking of multiple reports and 835s required for multiple payers
- EFT’s and ERA’s reassociated within 2 weeks delaying automated posting in PMS’s
- Payer’s not returning an 835 required manual posting via Paper EOB
- No coordination between Financial Services and Healthcare
CAQH CORE OPERATING RULE 370 EFT – ERA REASSOCIATION

- CAQH CORE Operating Rule 370 - EFT-ERA Reassociation
  - Went into effect Jan. 1, 2014
  - Requires Payers to provide matching EFT and ERA files within 3 business days
  - EFT increased automation opportunity with CCD+ Addenda Record with segments from the 835:
    - Check Number
    - Check Date
    - Check Amount
CORE OPERATING RULE 370

- 835 Segments were not consistently contained in the EFT
- Segments are now required for reassociation

**EFT CCD+**

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- BPR*I*130*C*CHK************20091102
- TRN*I*2009000248*1391268299

- BPR Financial Information
- BPR16-373 EFT Effective Date
- TRN Reassociation Trace Number Segment
- TRN02-127 Reference Identification (EFT Trace Number)
- TRN03-508 Originating Company Identifier (Payer Identifier)
RECONCILIATION BACK TO THE FUTURE

Pain points addressed with CORE Operating Rule 372!

- 3 Day Rule= Standardize Payers
- Providers paid faster
- **EnrollHub™** streamlined enrollment
- **Electronic Payments & Statements (EPS)** ©

Denials posted quicker reducing risk of timely filing claim denials

Required TRN between Payers/Banks= Accurate tracking method for Providers
WHAT THE FUTURE HOLDS...
RECONCILIATION STRATEGIC VISIONING
BACK TO THE FUTURE

“Old” Traditional Product Road Maps by Healthcare Technology Solution Providers
• Creation of stand alone products that don’t truly integrate into the customer’s workflow..... productivity returns are very similar with little variation

“Back to the Future”
• Explore partnerships with other vendors
• Provide integrated workflow process efficiencies/results
• Customer guided solutions
• Agnostic solutions with ease of implementation
Hospital acquisition of providers/practices

ACO’s and bundled payments

Outsourced billing and billing service growth
COMPLEXITIES LEAD TO INEFFICIENCIES

- Multiple practices credentialed under hospital Tax ID
- Split billing between inpatient & outpatient
- Multiple practice management systems
- Comingled payments
- Multiple bank relationships
- High transaction volumes

- Comingled payments between multiple specialties, hospital, and physicians
- Decentralized billing
- Multiple practice management systems
- Multiple bank accounts
- High transaction volumes
- Challenges to data management

- Reconciling to bank information is a significant challenge
- No access or limited access to bank information
- Managing a very large number of clients
- Clients that split billing with other parties
- Managing expenses and labor costs are challenges to growth

Hospitals
ACO’s
Billing Process
WORKFLOW AUTOMATION OPPORTUNITIES

- Accessing healthcare billing data and bank data through multiple systems
- Matching claim/ERA data to bank deposits (eliminate spreadsheets, checklists, etc.)
- Researching multiple platforms for exception handling
- Split ERA’s into multiple files, as needed
- Convert paper EOB’s into automatic files to post in multiple practice management systems
CAPABILITIES TO PUT IN PLACE TODAY FOR THE FUTURE

✓ Dashboard that measures client match rates, exception percentages, and historical averages
✓ Administrative functions that allow productivity measuring of billing staff
✓ Administrators can assign exceptions to the billing staff and reallocate exceptions if necessary
✓ All claims, ERA’s, and bank deposit information is accessible within reporting system, even if client uses multiple CH’s, PM systems, or banks
✓ Paper-to-EDI service can handle paper EOB’s with the same matching process
✓ Can be integrated into PMS/CH platform and white labeled
✓ No enrollment is needed as an agnostic solution
✓ Ongoing support provided by dedicated team
Historically:
- Large National Provider organization with 1800 providers, 100 banks accounts, 4 multiple PM platforms, 12 clearinghouses/direct payer connections, significant paper transactions. 800 individuals to manage the payment reconciliation process.

Solution:
- Connect multiple vendors through a single platform
- Automatic matching of data through a single platform
- Automatic exception handling workbench for unmatched items

Back to the Future:
- ROI was 25% through reallocation of FTEs to more urgent tasks like patient care.
- Improved accuracy and timing.
Historically:
- 300 providers sharing a tax ID with 8 billing databases and 3 different practice management systems. Splitting ERA’s for posting into multiple practice management systems is an intense manual process.

Solution:
- Connect multiple databases and vendors through a single platform
- Apply pre-determined logic to split remittance advice automatically for posting into each billing database.

Back to the Future:
- ROI was a reduction from 200 hours allocated to billing per week to nearly 10 hours per week.
- 5 FTE’s to 1 FTE dedicated to handle the process.
- Improved accuracy and timing.
- Allows for reallocation of staff to more urgent tasks, such as patient care.
REMITTANCE SPLITTING

Advanced Remittance Splitting

Manual Split

Split Logic

Insert pre-edits, pre-logic within workflow
Historically:
- Hospital has split billing between two billing companies under a single tax ID. The ERA’s are returned to one billing company who manually splits the payments and shared in an excel file format to the other billing company. The process delays payment posting by several days and includes multiple errors. Reconciling to the bank deposits to the ERA files is time consuming and inaccurate.

Solution:
- Connect multiple databases and vendors through a single platform
- Pre-determined logic to split remittance advice automatically for posting into each billing database.

Back to the Future:
- Both billing companies provide improve turnaround time, accuracy and auto reconciliation.
HATA CALL TO ACTION

COMMIT TO 100% ERA EFT ADOPTION

- **Partner** with National Automated Clearing House Association (NACHA) to raise awareness of the ways banks and practice management systems can collaborate to increase ERA and EFT matching.

- **Share** industry best practices for increasing ERA and EFT reconciliation and improving the efficiencies of an automated end to end workflow process.

- **Convene** an industry ERA/EFT summit to identify opportunities to communicate to:
  - Providers the benefits of ERA and EFT;
  - Payers the need to send transactions that contain the information necessary to meet the business needs of the provider and automate ERA and EFT posting;
  - Clearinghouses and PMS the need to pass the information within a streamlined workflow, and
  - ALL identify strategies to encourage industry adoption of the ERA and EFT standards and supporting CAQH CORE operating rules.

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HATA ERA/EFT HEALTHCARE SUMMIT

BE A PART OF THE CONVERSATION AND INSTRUMENTAL IN THE SOLUTION!
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THE NATIONAL ASSOCIATION OF PRACTICE MANAGEMENT SYSTEMS AND RELATED TECHNOLOGY COMPANIES

SUNDAY, APRIL 12, 12 P.M. TO 5 P.M.
Silversmith Hotel, 10 South Wabash Avenue, Chicago, Illinois 60603

PROVIDER EDUCATION

Recognizing that smaller practices may not be focused on the nuances of finding areas to reduce cost, such as signing up for ERA/EFT, raises the need for increased education from PMS, as well as the industry at large.

While the industry has promoted ERA and EFT widely, many stakeholders have not been able to keep up with the required changes.

All stakeholders in addition to PMS have a responsibility to their customers to keep them updated on these required changes and encourage ERA/EFT adoption!!!
Electronic Payments & Statements (EPS)
Providers can enroll and manage payments from multiple payers leveraging a single, secure authentication process. Payments sent directly to the provider’s bank account(s). 835 files are available for auto-posting and user-friendly electronic remittance advices (ERA) are online for manual payment posting. Access more information at https://www.optumhealthfinancial.com/physicianshealthcareproviders/electronicpaymentsstatements/

EnrollHub™
EFT and ERA Enrollment Simplified. EnrollHub is a CAQH Solution that simplifies and streamlines the EFT and ERA enrollment processes for providers and payers - helping improve administrative efficiency and save time as it allows providers to enroll for multiple providers. View the CAQH and NACHA Webinar: Accelerating EFT Adoption with Providers. Access http://www.caqh.org/eft_enrollment.php for more information.
PROVIDER EDUCATION

American Medical Association & Medical Group Management Association Resources

AMA & MGMA Selecting a Practice Management System Toolkit
Visit www.ama-assn.org/ama/pub/advocacy/topics/administrative-simplification-initiatives/pms-toolkit.page?

AMA EFT Toolkit Visit http://www.ama-assn.org/go/EFT
AMA ERA Toolkit Visit http://www.ama-assn.org/go/ERA
PMS VENDOR OF THE FUTURE

✓ Strategically aligned and technologically savvy
✓ Provide front end edits, rules, logic to reduce need for manual rework due to multiple claim systems, trading partners etc..
✓ Move toward a streamlined single, automated, integrated administrative and clinical workflow that is role-based and provides the right information in the right place in the workflow to increase customer decision-making.
✓ Demand information required to meet providers business needs is received timely from ALL information sources (payers, banks and other vendor intermediaries) so it can be incorporated within an automated, actionable workflow.
✓ Be the source for provider information on the value of EDI transactions and updates as they occur.
✓ Member of HATA.
MORE INFORMATION ON HATA

www.hata-assn.org

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