

Chapter 4: Electronic Data Interchange

Electronic Billing

NOTE: Electronic claim submission is required under section 3 of the Administrative Simplification Compliance Act (ASCA), PUB.L. 107-105, and the implementing regulation at 42 CFR 424.32.

Medicare claims submitted electronically, via Electronic Data Interchange (EDI), have the benefits of being filed faster, more efficiently, and more cost-effectively than paper claims. Suppliers who do not bill claims electronically should consider the following advantages of EDI:

- 14-day payment floor versus 29-day payment floor for paper claims
- Increased accuracy and minimized rejections - direct processing (processors do not re-key claims)
- Availability of Electronic Remittance Advice (ERA) for faster posting
- Online claim status verification/eligibility
- Electronic Certificates of Medical Necessity (CMNs)
- Ability to submit claims seven days a week, including holidays (excluding system maintenance)
- A contractor dedicated solely for EDI support for faster problem resolution
- Electronic Funds Transfer (EFT)

Electronic billing is available to both participating and non-participating suppliers; also, assigned and non-assigned claims are accepted.

All electronic claims are submitted to the Common Electronic Data Interchange (CEDI) Contractor and then forwarded to the appropriate DME MAC.

Suppliers have several options available to them for electronic billing. Suppliers can request the free Health Insurance Portability and Accountability Act (HIPAA)-compliant software (Express Plus), they may purchase a vendor's software package, or they can have an in-house programmer create software for them. Alternatively, suppliers can use a third party, such as a billing service or clearinghouse, to bill electronically to CEDI.

For additional information on EDI enrollment, visit the EDI enrollment portion of the CEDI Web site at: <http://www.ngscedi.com/forms/formindex.htm>

ViPs Provider Inquiry System

One benefit of electronic billing is online claim status. Online claim status inquiries allow an electronic biller to check on a claim-by-claim basis the status of their assigned claims. To access the ViPs Provider Inquiry System (VPIQ), suppliers must fill out the VPIQ Enrollment form packet. To obtain this packet of forms, or for more information, visit the DME MAC A Web site at <http://www.medicarenhic.com/dme/vpiq.shtml>

Electronic Eligibility

The following are the rules and regulations for using electronic eligibility, per Pub. 100-4, *Medicare Claims Processing Manual*, Chapter 2, Section 30.6 and Chapter 24, Section 20.3 6:

- The claims-to-inquiry ratio must be at least 80 percent (%).
- **If the claims-to-inquiry ratio does not exceed 80% from a given provider, that provider will receive an educational contact from DME MAC A. If there is a problem, or the behavior continues, then the provider loses inquiry access.**
- The eligibility information that the provider receives is only for their use. It is not to be shared with any healthcare providers that are not certified and doing business electronically with the Medicare intermediary or carrier.
- Note that penalties for illegal disclosure of this information are as follows: being found guilty of a misdemeanor and being fined not more than \$5,000.
- Disclosure of Common Working File (CWF) eligibility data is restricted under the provisions of the Privacy Act of 1974, 5 U.S.C. 552A. Under limited circumstances, the Privacy Act permits DME MAC A to disclose information without the consent of the individual; one of these is for “routine uses,” that is, disclosure for purposes that are compatible with the purpose for which DME MAC A collects information. In the case of this provider access, a routine use exists which permits release of data to providers or their authorized billing agents for the purpose of verifying a patient’s eligibility for benefits under the Medicare program. The use of the data by a provider in preparing bills for hospital-based physicians would be an example of unauthorized use, because the physicians are not Medicare providers as defined in the act.
- Access of eligibility data is used only for submitting a complete and accurate claim and is not to be disclosed to anyone that is not responsible for submitting a claim.
- The eligibility data is only good for the time the provider is receiving it. This information could change at any time. If the beneficiary is not on file, the provider must use the usual billing procedures in effect independent of this data access.

Electronic Transactions

Another benefit of electronic billing is the Electronic Remittance Advice (ERA). An ERA is available to the supplier several days sooner than the paper remittances, which arrive in the mail. (Refer to Chapter 7 of this manual for samples of remittance advices.) More importantly, when using vendor-billing software, the remittance information can be interpreted by the supplier's computer system and automatically posted to the patient's account. Several clerical posting steps can be abbreviated or eliminated. To sign up for ERAs, suppliers will need to sign and return an "Submitter Action Request form" to the CEDI Contractor. The form is available via the CEDI Web site at http://www.ngscedi.com/forms/cedi_submitter.htm

For further information on remittance advice refer to the "Understanding the Remittance Advice: *A Guide for Medicare Providers, Physicians, Suppliers, and Billers*" on the Centers for Medicare & Medicaid Services (CMS) Web site at http://www.cms.hhs.gov/MLNProducts/downloads/RA_Guide_Full_03-22-06.pdf

DME MAC A also offers the option of receiving payments electronically. Electronically deposited funds are available in the supplier's account within three days after DME MAC A transmits an Electronic Funds Transfer (EFT) to the bank. This means the DME MAC EFT funds will usually be available to the supplier one week sooner than the DME MAC paper funds. To sign up for EFT, suppliers will need to follow the enrollment procedure on the DME MAC A Web site at <http://www.medicarehnic.com/dme/eft.shtml>

Once suppliers are setup on EFT, they can eliminate receiving standard paper remittance (SPR) notices. If suppliers are receiving ERAs, they will still continue to do so. If suppliers want to receive an ERA, but do not have the software to do so, visit the DME MAC A Web site at http://www.medicarehnic.com/dme/dmedi_mrep.shtml for information about obtaining free Medicare Remit Easy Print (MREP) software.

ERA/EFT Process

- **Payment Floor:** DME MAC A has a mandated payment floor. This means DME MAC A must wait a specific number of days after a claim is received before a payment can be created. Currently, the payment floor for electronically submitted HIPAA-compliant claims is 14 days.
- **ERA Format:** CEDI provides the CMS-specified format for electronic remittance notices. At present, it is the American National Standards Institute (ANSI) 835 X12N version 4010A1 standard, as mandated by HIPAA.

- **EFT Format:** DME MAC A will send the supplier's EFT payment in the Automated Clearing House (ACH) CCD+ format. Most banks belong to the National Automated Clearing House Association (NACHA) and accept this format. The supplier's bank must accept the CCD+ format.
- **Fund Availability:** Generally, DME MAC A will transmit the supplier's EFT payment on the fourteenth day after date of receipt. The supplier's bank will receive the payment the next day, and in most cases, the funds should be available for use on the following business day.

Bulletin Board System

A Bulletin Board System (BBS) is available through the CEDI Contractor. The BBS:

- Allows submitters to submit claims in an electronic format.
- To maintain security, each supplier will receive a submitter number and password to log onto the BBS.
- Submitters receive electronic file rejection reports, 24 to 48 hours after transmitting a file, via the BBS.

For more information on the reports, refer to “*CEDI Front End Reports Reference Guide*” at http://www.ngscedi.com/outreach_materials/outreachindex.htm on the CEDI Web site.

EDI ListServes

There are two EDI related ListServes available via the DME MAC A Web site:

- The “EDI ListServe” is used to notify subscribers of important announcements and messages pertaining to Electronic Funds Transfer, VPIQ, and Administrative Simplification Compliance Act (ASCA) Auditing. If suppliers submit claims electronically, it is strongly recommended that they sign up for the EDI ListServe.
- The MREP software is available for viewing and printing HIPAA-compliant ERAs. In order to effectively utilize this software, sign up for the “MREP ListServe” to receive important information and updates.

To join any of the DME MAC A ListServes, visit <http://www.medicarenhic.com/dme/index.shtml> and click on “ListServe Sign-Up”.

The CEDI Contractor, National Government Services, offers a ListServe to provide information in support of electronic claims submission transactions. To join the CEDI ListServe, visit <http://www.ngscedi.com/listserv/subscribe.htm>

EDI Help Desk

Contact the EDI Help Desk toll-free at **866-563-0049** to obtain additional information on Electronic Funds Transfer (EFT), VPIQ, and Administrative Simplification Compliance Act (ASCA) Auditing. Or, visit the “EDI” section on the DME MAC A Web site at

http://www.medicarenhic.com/dme/dme_edi.shtml

CEDI Help Desk

The Common Electronic Data Interchange (CEDI) provides a single electronic front end solution for all DME MAC suppliers. CEDI works closely with DME MAC software vendors, billing services, clearinghouses, and trading partners (electronic submitters) on all electronic front end needs. All DME MAC electronic claims (ANSI and NCPDP) and 276 transactions are collected by CEDI. CEDI returns all DME MAC electronic front end reports, remittance advices and the 277 response transaction.

Contact the CEDI Help desk at: **866-311-9184** or via email at: ngs.CEDIHelpdesk@wellpoint.com. For further information about CEDI visit the CEDI Web site at <http://www.ngscedi.com/index.htm>