

Eli's Rehab Report

Paper or Electronic Claims Processing?

If you have the choice, you may want to tech it up

Most providers these days are required to submit their claims electronically, but some small practices can still legally squeak by the old-fashioned way. The question is, is it worth it?

Who they are: Healthcare providers and suppliers that have fewer than 25 full-time equivalent employees (FTEs) and are required to bill a Medicare intermediary are exempt from filing electronic claims, as well as physicians and suppliers with fewer than 10 FTEs that are required to bill a Medicare carrier or DMERC, according to the Administrative Simplification Compliance Act of 2003. Other cases are exempt as well, such as providers that submit fewer than 10 claims per month on average, or claims submitted by Medicare beneficiaries or Medicare Managed Care Plans.

Of course, these providers have the choice of billing electronic claims, and many experts recommend that they do for the following reasons:

- Faster payment. CMS must pay a clean electronic claim within 14 days but has 28 days to reimburse a clean paper claim, says **Jim Hall, CPA**, with Rehab Management Services, a rehab billing company in Cedar Rapids, Iowa. And faster payment makes your accounts receivable go down, says **Denese Estep, OTR**, with DE Consulting LLC in Atlanta.
- Quick, easy mistake fixes. "You have a better chance of catching a mistake and fixing it immediately on an electronic claim, whereas with paper, you mail it out, and you might not realize the mistake until it comes back three weeks later," says **Rick Gawenda, PT**, director of physical medicine and rehabilitation for Detroit Receiving Hospital, and owner of Gawenda Seminars.
- It's cheaper (in the long-run). True, you must buy software when you begin filing electronically, but in the long-run, you end up paying less in terms of your workforce and resources, whether you're saving money in paper costs or manual labor in filing, re-filing, and faxing, etc., Gawenda says.
- Medicare makes it easy. First, some Medicare contractors will offer you the software you need for free, and often those that charge have a nominal fee. Second, you have no explaining to do, as opposed to filing paper claims, where you must write CMS a letter explaining why you qualify for paper, Hall says. If you don't submit your reasoning within 90 days, CMS will assume you don't qualify for paper.

Don't miss: In many states, you must submit paper claims for automobile and workers' comp coverage, Gawenda says. But other than that, you're in the clear to go electronic.

Note: See the next issue of Physical Medicine & Rehab Coding Alert for info on electronic documentation tools.