

Health Information Compliance Alert

Electronic Fund Transfer: Look Forward to New EFT Standards, Thanks to Interim Final Rule

Plus, you'll also benefit from claims/payment tracking numbers.

You can look forward to an easier to follow setup for any payers that send you electronic payments.

The interim final rule, which was published in the Federal Register Jan. 10 of this year, requires that payers must use standardized electronic funds transfers (EFT) to send information to their banks to pay claims electronically and also provide remittance advice.

The Department of Health & Human Services (HHS) estimates these new regulations will save billions of dollars over the next 10 years, despite the initial costs to payers due to software and training requirements. "Streamlining electronic funds transfers in health care will bring total savings to more than \$16 billion over 10 years," HHS said in a press release.

According to the HHS press release, "the Adoption of Standards for Health Care Electronic Funds Transfers and Remittance Advice ... adopts streamlined standards for the format and data content of the transmission a health plan sends to its bank when it wants to pay a claim to a provider electronically (through an electronic funds transfer) and to issue a Remittance Advice notice. Remittance Advice is a notice of payment sent to providers that may or may not accompany the payment the provider receives."

Additionally: Thanks to the remittance advice requirement you'll be able to easily determine why the payer is reimbursing you an amount that is different from what you actually billed. Plus, you'll also benefit from tracking numbers that will help you easily match the payments with your claims.

The press release offers the following example of how this new regulation will help your practice: "... currently when a provider submits a claim electronically for payment, a health plan often sends a Remittance Advice separately from the Electronic Funds Transfers payment. The disconnect between the two makes it difficult or sometimes impossible for the provider to match up the bill and the corresponding payment. Today's rule addresses this by requiring the use of a trace number that automatically matches the two. The new tracking system will allow health care providers to eliminate costly manual reconciliation that must currently be done."

The interim rule is open for comments for 60 days from the official publication date. You can review the Jan. 10 Federal Register publication at <http://federalregister.gov/a/2012-132>.