

Synergistic Office Solutions, Inc.



Topic: Custom Electronic Claim Format Implementations
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Custom Electronic Claim Format Implementations

Blue Cross Blue Shield and other carriers often have the capability of receiving insurance claims directly from the provider. In some cases there is no charge by the carrier to submit the claims directly, provided that they are formatted correctly. On first glance, "no cost" claim submission sounds great, but there are hidden costs that you must consider before assuming that direct claims filing (as opposed to using our clearinghouse partner, WebMD) is the best way to go.

HIPAA Compliant, Generic ANSI Software Cost

Each carrier that accepts claims electronically publishes a Companion Guide to the ANSI 4010 A1 (837) format specification that details specific requirements of the payer. SOS' generic ANSI module is EDIFICS certified for levels 1-6. If your payer/receiver requires some other certification (e.g., ClarEDI), you will bear the cost of SOS' acquiring that certification as well. The Generic ANSI Module costs \$550 including one hour of customization. Additional research, testing and programming time will be charged at our usual programming rates, currently \$150 per hour.

Customization of the ANSI Format

In every case we have experienced to date, the implementation of the ANSI is somewhat unique for each payer, and customization of the SOS generic format is required. In many cases the customization is not very extensive, but there is always required contact with the payer, usually custom programming, and most often testing with the payer.

NOTE: Determination of the amount of customization to be done requires a close examination of the carrier's implementation specification. The time it takes to do this examination and possibly resolve ambiguities with the carrier is chargeable at regular programming rates and cannot be predicted in advance. You must pay for this research time even if you decide not to purchase the module.

The customized module pricing includes 90 days of support from the time we deliver the customized module to you.

Ongoing Maintenance

The costs do not end at delivery. While the ANSI format is supposedly standard, we do expect changes in the next couple of years as payers and Medicare have more experience with the format. You will have to pay for your custom program to be modified for every change that is made and for any contact we must have with the payer. After the first 90 days, all support will be

charged at \$2 per minute; modification of the module, or contact with the payer on your behalf will be charged at standard programming rates of \$150 per hour. If your payer changes who administers or receives their claims, you will be required to purchase a new customized ANSI module.

Delays

SOS does not maintain programmers exclusively for custom work. Usually there is more than enough to be done on our commercial products to keep everyone busy. Custom jobs are scheduled on a time-available basis. It is often the case that several weeks go by before the price on a particular job can even be quoted. You may have to wait for maintenance as well as initial programming to be completed. As a result, it is possible that you might have to fall back on paper submission from time to time.

Communications Software

As a rule, creation of a claim format does not include the ability to transmit the resulting claim file to your carrier or capture any responses that the carrier sends back when your claims are received. In most cases you will have to turn to your carrier or to a local computer consultant to provide you with communications software and to write scripts to automate the submission process for you. This is not part of what SOS provides with the ANSI module, though a basic terminal program is included and can be used for manual, interactive file transfers with some payers.

Testing

Once you have your claim formatting software and communications software in hand, you must go through a testing process with your carrier. It is extremely rare to pass through the testing process without having to make some software modifications to the formatting programs, the communications scripts, or both. You will have to pay any programming time beyond the two hours included in the purchase price of the module.

Convenience Issues

Finally, consider whether the day to day complexity of transmitting subsets of claims to different carriers is worth the hassle. A practice dedicated to the concept of electronic filing and also to using direct filing when possible could easily end up splitting the regular insurance run into claim batches for Medicare, Medicaid, BCBS, and other carriers. Each batch would run through a separate process to prepare and transmit: four different batch runs, four different sets of software, and at least four different vendors to deal with when problems arise. It is not all that unusual for practices to give up on direct filing and return to sending all claims through a clearinghouse.

The Bottom Line

Direct claims filing should be considered only when a practice does a high volume of claims to a specific carrier or claims receiver. If the volume would seem to justify further investigation, then obtain the specification from your carrier and contact SOS for more information. Before proceeding, be sure to consider whether you are better off buying our clearinghouse module and paying monthly per claim charges.