



## **5 Things You Need to Know About NJ Workers' Compensation & Auto E-Billing Laws**

*Background: The N.J. Workers' Compensation EDI Law (Senate P.L. 2016 C64), and No-Fault Auto Law (Senate P.L. 2017 C369) as issued by the State of NJ Department of Labor and Workforce Development and published in the New Jersey Register make it mandatory for all workers' compensation and no-fault auto healthcare practitioners, insurance carriers, TPAs, and medical management companies to and process the bills electronically. This legislation is currently in effect and allows for an adoption period after which it becomes mandatory. Deadlines for mandatory electronic submission are September 1, 2019 for NJ No-Fault Auto and November 1, 2019 for Workers' Compensation.*

There's no reason to wait another day. Payers have been implementing clearinghouse services in anticipation of the enactment dates with most NJ payers ready to accept electronic billing now. Healthcare practitioners can act now and begin enjoying the benefits of electronic bill processing – better known as Electronic Data Interchange (EDI).

What is healthcare EDI? It is more than just a way to communicate; it is a structured opportunity to transmit data between computer systems, governed by industry standards that ensure accurate transmission of medical claims. Over 95% of health insurance bills are transmitted electronically today. However, for workers' compensation and auto fewer than 30% of bills are transmitted electronically. States have strict e-billing rules and responsibilities for providers and claims administrators. Most e-billing is handled by electronic billing clearinghouses who have the technology needed to compliantly process them. The new legislation demonstrates the significance of electronic billing in streamlining processes and reducing costs, which requires advanced tech-enabled capabilities.

New Jersey healthcare providers will benefit from enhanced management of their revenue cycles, with e-billing leading not only to faster payment, but also increased efficiency. Implementation of electronic filing of medical bills leads to an overall reduction in administrative costs and results in a more efficient process.

Thanks to this new legislation, NJ heralds a welcome era of paperless transactions for workers' comp and no-fault auto medical claims, with all data to be transferred electronically rather than manually on paper.

**Here are five key points to understand about the legislation and the benefits to healthcare practitioners:**

1. *Electronic processing* – Under this newly enacted legislation:
  - a. All healthcare practitioners or their billing representative shall submit medical bills and supporting documents electronically in accordance with the established guidelines
  - b. Insurance carriers, medical management companies, or their third-party administrators shall accept all bills electronically and acknowledge receipt of complete electronic medical bills to the submitting parties in compliance with the established guidelines
2. *Compliance* - The legislation requires all healthcare providers and hospitals who submit over twenty-five (25) workers' compensation medical bills per month to now provide electronic bills for payment on standardized forms compliant with guidelines. A complete electronic bill meets the following criteria:
  - a. Treatment information normally submitted on a CMS1500 form is converted to electronic file known as 837 and is sent electronically to the administrator
  - b. The bill includes all medical reports attached electronically providing specific information required under the guidelines established
3. *Acknowledgement*- Insurance carriers, medical management companies or their third-party administrators shall acknowledge receipt of a complete electronic medical bill to the submitting party
4. *HIPPA Compliance*- all parties must ensure electronic medical information exchange is confidential and meets privacy standards
5. *Timelines* – Both laws were approved in 2018 and include adoption periods for implementation, however nothing prevents from earlier adoption of electronic bills transmission. The adoption periods end on the following dates after which submission of electronic medical bills is required:
  - a. No-Fault Auto: September 1, 2019

b. Workers' Compensation: November 1, 2019

While other industries such as banking and travel have utilized EDI for decades, the healthcare industry lagged for many years. Now it's time for workers' comp and no-fault auto providers to follow the path to improved efficiency, reduced administrative costs and faster payments.

**Finding the Right Partner**

To better serve providers of workers' comp and no-fault auto ahead of this recent legislation, Carisk Partners ([www.cariskpartners.com](http://www.cariskpartners.com)) acquired iHCFA, a national clearinghouse technology specializing in workers' comp and no-fault auto for over 17 years. Now called Carisk Intelligent Clearinghouse (CiC), the technology provides for the compliant electronic submission of bills and all supporting documentation. With an error-proof submission interface, 97% first pass clean claim rate and capabilities including real-time benefits and eligibility feed, CiC can connect to any medical billing and revenue cycle management application currently being utilized by healthcare practitioners.

During the legislation adoption period, Carisk is offering free implementation and competitive pricing structure. To ensure compliance with the NJ workers' compensation and no-fault auto laws, contact CiC ([www.cariskic.com](http://www.cariskic.com)) to learn more:

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