Using HIPAA electronic standard transactions to automate overpayment recovery

Technical reports for the Health Insurance Portability and Accountability Act (HIPAA) electronic standard transactions can often be just that—too technical! They are designed to be read by business analysts and programmers. But, they are critical to achieving administrative simplification within physician practices, which includes streamlining overpayment recovery. Therefore, physician practices need support from their vendors to understand:

- “Why” vendors do not offer specific business solutions,
- “What” these solutions should be, and
- “How” these solutions should be used.

Overpayment recovery has created administrative issues for physician practices who intend to use the Accredited Standards Committee (ASC) X12 Health Care Claim Payment/Advice (835) electronic standard transaction. Vendors need to offer automated solutions geared toward handling an automated overpayment recovery process rather than "reporting" information from the ASC X12 835.

In order to assist physicians in maximizing their benefits from the use of the ASC X12 835 and minimizing the administrative burden associated with manual processing, the AMA has created a white paper that explains in detail: how the ASC X12 835 overpayment recovery and balance forward process works; associated accounting processes; and how to use the information in order to automate administrative processes. The white paper specifically addresses the following topics, by providing examples and sample content:

- Accounting principles
- Overpayment recovery and balance forward processing theory
- What health plans are required to send
  - Overpayment recovery
  - Balance forward processing
  - Electronic funds transfer (EFT)
- Vendors or information technology (IT) staff role
- Claim or account number
- Automation approach
- Appeals

What should you do with this white paper?

Physician practices should share the white paper with their technology partners:

- Clearinghouses
- Billing services
- Practice management system vendors
- IT staff

Vendors and others should use the white paper to learn how to automate their overpayment recovery processes, which will in turn reduce the administrative burden for their customers and increase customer satisfaction.

Contact Robert Poiesz, AMA Principal Policy Analyst, via e-mail at Robert.Poiesz@ama-assn.org for a free copy of this white paper.

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