



ASC X12 Collaborates with IAIABC to Extend EDI Standards to Comply with Workers' Compensation E-Billing & Payment Mandates

Falls Church, VA and Madison, WI, February 27, 2008 – The Accredited Standards Committee (ASC) X12 continued to cultivate its partnership with the International Association of Industrial Accident Boards & Commissions (IAIABC) via collective work performed at the January/February ASC X12 Meeting in Seattle. Representatives of the two organizations clarified existing EDI standards to address state laws requiring the electronic exchange of medical bill transactions between health care providers and workers' compensation insurance payers. Together, ASC X12 and IAIABC achieved rapid resolution on refining some issues within existing X12 electronic data interchange (EDI) standards and workers' compensation workflows. Their cooperative accomplishments will reduce administrative costs and improve productivity for the entire market.

ASC X12 designs EDI standards and related documents for use in vertical and horizontal markets, and IAIABC is an association of government agencies and organizations that tackle workers' compensation issues.

ASC X12 and IAIABC extended existing X12 EDI standards, such as the 837 Health Care Claim, by leveraging providers' current standard and software investments resulting in minimal, but effective, impact to the workers' compensation community. ASC X12 and IAIABC also ensured that the resulting EDI solution is in line with the X12 implementation guides mandated by the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA) of 1996. While workers' compensation is exempt from HIPAA regulations, the alignment between the X12 standards and workers' compensation requirements will ensure that users only need to support a single standard rather than multiple systems for medical billing and reporting.

It is important to note that state laws may be permissive on which health providers are to use electronic billing, but will require virtually all bill payers (insurers, self insured, or third party administrators) to accept electronic bill submissions. An efficient, universal standard will save payers untold dollars in technology development. At the same time, such systems will speed payment and improve data quality.

Effective January 1, 2008, Texas implemented a new law that streamlines medical billing and payment processes. Workers' compensation insurance carriers and health care providers are now required to exchange medical bill transactions electronically. California is preparing its rules for payers to accept e-billing transactions, giving providers the option to submit their bills electronically, and expects to implement them later this year. Other states are looking to follow suit shortly via pending legislation. While ASC X12 and IAIABC recognize that they made significant progress to establish the initial set of workers' compensation EDI requirements, both organizations understand that creating a national

standard in preparation for forthcoming state mandates will require additional analysis and fine-tuning. The IAIABC Provider-to-Payer workgroup is building on Texas' and California's work, and will continue to collect jurisdictional workers' compensation requirements. ASC X12 will provide the technical expertise to support the IAIABC's workers' compensation business requirements.

"The successful collaborative work of ASC X12 and IAIABC provide an easy to use EDI solution that addresses diverse business requirements and government mandates," said ASC X12 Insurance Subcommittee Chair Alexandra Goss of Payformance Corporation. "We look forward to continuing a productive and fruitful relationship with IAIABC as more states mandate workers compensation e-billing and payment."

"It is exciting to work with ASC X12 to advance the development of a national e-billing standard," remarked Faith Howe, IAIABC EDI Manager. "This is a huge step that will benefit workers' compensation system stakeholders while keeping in tune with the established standards for general health care billing. ASC X12's welcome, cooperation, and support have been great, and we're happy to be working with them."

About ASC X12

The Accredited Standards Committee (ASC) X12, chartered by the American National Standards Institute (ANSI) in 1979, develops electronic data interchange (EDI) standards and related documents for national and global markets. With more than 315 X12 EDI standards and a growing collection of X12 XML schemas, ASC X12 enhances business processes, reduces costs and expands organizational reach. ASC X12's diverse member base includes 3,000+ standards experts representing over 340 companies from multiple business domains. To learn more about ASC X12 and how to participate in its vital standards-setting role for health care, insurance, transportation, finance, government and many other industries, visit <http://www.X12.org> or call 703-970-4480.

About IAIABC

Founded in 1914, the International Association of Industrial Accident Boards & Commissions (IAIABC) is a not-for-profit trade association representing government agencies charged with the administration of workers' compensation systems throughout the United States, Canada, and other nations and territories. Committee work is the heart of the IAIABC. Individuals from a number of jurisdictions and corporations combine their administrative interests to form over 30 committees and subcommittees with projects that provide support for workers' compensation systems and projects, such as self insurance and EDI. To learn more about IAIABC, visit <http://www.iaiaabc.org> or call 608-663-6355.

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