Objective

The ERA/EFT Reconciliation Working Group was tasked with focusing on two of the seven workflow areas discussed at the 2018 Administrative Efficiencies Summit (AES). These workflows areas are:

1. Getting Paid: Filling in the EFT information flow gaps
   - Current Status: Claim reimbursements from payers are primarily paper checks that are either sent directly to the dental practice, which requires manual deposit, or directly to the dental practice’s financial institution if such an arrangement is in place. Payment receipt is manually entered into the dentist’s practice management system (PMS).
   - When a dentist has implemented electronic funds transfer (EFT), payments are directly deposited into the practice’s financial institution. Direct deposit, however, does not eliminate the same manual activity required for paper checks – posting payments into the dentist’s Practice Management Software (PMS). While there is a HIPAA standard EFT transaction (NACHA CCD+), for payer to bank payments, there is no HIPAA standard transaction that conveys payment information from the bank to a dentist’s PMS.
   - Ideal State: Administrative overhead is reduced through implementation of a standard EDI transaction between the bank and dentist that conveys CCD+ transaction data. This transaction fills the automated information flow gap and enables automated reconciliation with PMS receivables. In addition, PMS vendors write the necessary reconciliation interface software and promote it in a manner that minimizes maintenance costs, while highlighting the benefits (e.g., reduction in staff time and overhead costs). Dentists implement the software upgrade with adequate training. Development and implementation of these software solutions is market, not HIPAA, driven.

2. Reconciling Account Receivables: Electronic Remittance Advice (ERA) vs. Paper-based Explanation of Benefits (EOB)
   - Current Status: Manual reconciliation of payments and receivables by dental practice staff is the norm. This reconciliation process occurs no matter how the reimbursement is received, by paper check or EFT (and in some cases by Virtual Credit Card [VCC] when agreed to by the dentist). Reconciling account receivables is generally a routine process. However, there are some exceptional situations (e.g., late notification of plan changes) that require additional staff time to resolve.
   - Ideal State: To free dental practice staff from addressing the straightforward reconciliations there is PMS software that provides dentists with the ability to reconcile ERAs, i.e., claim payment information transmitted by the ANSI ASC X12N 835 with monies transmitted via the NACHA CCD+. EFT and other payment information is transmitted from the bank in a standard electronic format (see above). The PMS software also identifies situations that require manual intervention. Exceptional manual reconciliation situations are expected, but are less frequent and therefore require less practice staff time.

Findings

The following table compiles ERA/EFT Reconciliation Working Group participant feedback on major issues (and possible solutions) associated with automated reconciliation of electronic payments (EFT – NACHA CCD+) and explanation of benefits (ERA – X12 835) information sent from a third-party payer to a dental practice. Recommended future actions or solutions needed are in the last column.
Table: Component Issues re: ERA/EFT Automated Reconciliation As identified by the ERA/EFT Reconciliation Working Group (Fall 2018)

<table>
<thead>
<tr>
<th>Description</th>
<th>Barriers to Implementing</th>
<th>Working Group Conclusions and Actions Taken to Date</th>
<th>Recommended Future Actions or Solution(s) Needed</th>
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<tr>
<td>SEAMLESS ENROLLMENT in EFT / ERA through PMS</td>
<td>PMS vendors are reliant on the Payers collaborating on interoperability, including but not limited to:</td>
<td>PMS vendors, clearinghouses and payers need to share input on design in order to know if/how to support the methods being designed to implement standards in a way that can be supported and consumed in the software.</td>
<td>AES DISCUSSION #1: What do we need to do to overcome this barrier?</td>
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<td>• Allowing dentists to sign up for ERA's and/or EFT's through PMS/clearinghouse without having to contact each individual Payer</td>
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<td>• Ensuring that all participating insurance companies are available from PMS and Clearinghouse for the purposes of Enrolling or Terminate Enrollment</td>
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<tr>
<td></td>
<td>• Allowing dentist to enroll in either or both ERA or EFT independently of each other</td>
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<tr>
<td><strong>PAYER → BANK &amp; PRACTICE</strong></td>
<td><strong>Agreement from Community</strong></td>
<td><strong>Education &amp; Outreach</strong></td>
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| Convergent delivery of complete ERA and EFT transactions within +/- three (3) days of each other (e.g., Payer-Clearinghouse-ACH coordination/delivery to Dentist or PMS) | The working group concluded that efficient, and ultimately automated, reconciliation of claim receivables and reimbursements is enabled by widespread, and collaborative, implementation of existing electronic standard transactions. To promote such adoption, a **Community Statement** that includes the listing of what is absolutely essential to make EFT/ERA reconciliation work has been prepared on ADA letterhead with 13 confirmed signatories to date. The content of the **Community Statement** highlights the following points and there needs to be a continued push to distribute this information across the industry.  
- For every EFT payment an office receives there must be a corresponding ERA/EOB sent to the dental office.  
- The total amount of payment transmitted in the EFT must equal the total amount of payment indicated on an associated ERA/EOB.  
- These two pieces of information must be matchable through a unique EFT reassociation trace number.  
- One ERA may contain information on multiple claims.  
- Dental offices must receive the ERA and EFT within three days (3) of each other.  
- The EFT should clearly display the payee information, effective date of the payment, total amount and payment-related information that allows matching with the ERA.  
- The ERA should display total actual provider payment amount, EFT reassociation trace number and payer identification. | Dentists (independently and via the AES) need education & outreach so they are more empowered to communicate issues to involved parties (e.g., PAYS → BANK & PRACTICE)  
- ERA and EFT flow on different channels creating matching issues at the Provider/PMS level because ERA’s are not received at same time as EFT.  
- Often the required and appropriate data content is not transmitted to allow automated reconciliation (e.g. Not all Payers are including the Reassociation Trace Number in the EFT, as required, or it is included in the wrong location within the transaction. This is needed for dentist/PMS to be able to apply payment to the correct corresponding ERA file.)  
- Agreement from Community  
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  - The ERA should display total actual provider payment amount, EFT reassociation trace number and payer identification.  
  Continued education & outreach moving forward in 2019:  
  - Existing (i.e., recorded) relevant webinars will be compiled and new webinar topics will be identified and |
### Description

### Barriers to Implementing

- Payers, clearinghouses, banks, PMS vendors) as they occur to allow entities to identify and address areas for improvement.

### Working Group Conclusions and Actions Taken to Date

- Various Working Group members have hosted webinars across several different platforms, including:
  - The ADA hosted 2 EFT/ERA "how-to" webinars for dentists in 2018, one of which included speakers from Henry Schein and Patterson.
  - Working Group member Pam Grosze presented “Basics of EFT and ERA Reassociation” at NADP’s September 2018 NADP Converge Conference session on Developing Policies to Address Provider Network Issues.
  - CAQH CORE hosted webinar titled “Go Paperless and Get Paid: Use of the EFT/ERA Transactions with X12 and OhioHealth” on Nov. 14th with Pam Grosze and Robert Bowman co-presenting along with panelists from OhioHealth.

- Additionally, the AES and its work has been mentioned in recent webinars such as the above offered by CAQH, and by others including WEDI. NACHA also featured the Community Statement in their Jan. 2019 membership newsletter article and their online blog.

### Recommended Future Actions or Solution(s) Needed

- Hosted by the ADA to promote education & outreach to dentists.
- An AES specific landing webpage on ADA.org will be created to host links to all information sources.

- Working Group identified key resources (refer to compiled “References” list on page 9).

- The promotion of the Community Statement will be followed by the establishment of an AES goal for EFT adoption, as reflected in the next (2019) CAQH Index Report.

#### AES DISCUSSION #2: Other than promoting the statement is there anything else we can do to achieve the goal we set?
### BANK → PRACTICE

**Accurate recording and transmittal of ACH Trace Number and the ASC X12 EFT Reassociation Trace Number information on EFT deposit notifications from Bank to Dentist (e.g., Bank-Dentist coordination)**

Dentists, working with their banks, individually determine how the practice will receive EFT deposit notification. There are options that vary by bank – some of which are classified as “push notification” (e.g., email; facsimile) and others as “pull notification” (e.g., online account access via Internet).

The bank controls the format and content of both “push” and “pull” notifications. To ensure accurate Reassociation Trace Number information the bank must:

1. Receive the information on a correctly prepared EFT; and
2. Correctly place and clearly identify this information on the proprietary mechanism that conveys deposit information.

### Receiving information from the Bank automatically when EFT deposit occurs

Implementing eStandard [FedPayments Reporter Service] for EFT information transfer from dentist’s Bank to PMS (e.g., Bank-PMS Vendor coordination). Dentist can ask the financial institution to enroll it in the FedPayments Reporter Service; this is an optional service (“opt-in”).

The [Federal Reserve’s FedPayments Reporter service](https://www.federalreserve.gov/policy tools/paymentsreporting/) is provided to banks and credit unions that process their ACH payments through the Fed. With this service the bank/credit union can sign up itself or its business account holders for various types of transaction information reports.

One of the reports is specific to the Healthcare EFT transaction that provides the Reassociation Trace Number, which is a key to reconciling payments and receivables. A sample report was provided as a PDF and will be available on the AES webpage currently in development. The Fed also says that the “same report can be generated in a machine-readable file format to facilitate straight through processing for those customers with EDI-compatible accounts receivable systems.” [Note: FedPayments Reporter Service would be duplicative if the Financial Institution provides the information directly or via online banking automatically.]

### Receiving complete information

All Payers need to adhere to [CORE Rule 370 - CORE Required Minimum CCD+ data elements](https://www.ada.org/en) for successful reassociation. Proper use and conveyance of the required ERA/EFT data elements will assure reconciliation can be successfully completed.

**ADA to develop method(s) for educating dentists about what the FedPayments Reporter Service is, what its role is in automated reconciliation, and how to ensure their practice(s) is benefiting from this service through their banking institution.**

**AES DISCUSSION #3: What can we do to overcome this barrier?**
<table>
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| AUTO-RECONCILIATION | PMS vendors need the necessary info, from the bank/institution as well as the payer in a timely fashion in order to develop software that can reconcile the EFT with the ERA. | Same as above [Receiving complete information from payers on ERA and from payer through bank on EFT] Additionally, real-world automatic reconciliation will require:  
- The carriers’ ability to address legacy claim processing systems’ inability to deliver fully compliant electronic transactions.  
- PMS vendors being able implement solutions with information received on compliant electronic transactions. | PMS vendors can then:  
- update their practice management software and will then need to work into a future release for deployment  
- establish timely and realistic software implementation and deployment schedules  
AES DISCUSSION #4: What can we need to do to overcome this barrier? How can we enable collaboration between software vendors and payers? |
| | Payers often do not follow the standard CARC/RARC combination list.  
In some instances, payers don’t include a remark code on ERA files, or the remark code given on the ERA does not match the reason provided on the paper EOB for the same payment. This creates a burden on dentist to determine if patient can be balance billed or if | The Working Group reviewed the ADA initiated maintenance CARC and RARC submissions (previously drafted) that were intended to fill gaps in the current code sets, focused on dental claim adjudication feedback for reconciliation.  
The Working Group’s discussion revealed several logic flaws, leading the ADA to withdraw the proposed maintenance proposals from consideration at the January 2019 X12 meeting. After additional development the ADA will resubmit its CARC and RARC maintenance requests to the appropriate maintenance committees later in 2019. | Automation/straight through processing is the desired end-state. This will be achieved by:  
(1) Addressing the current problems with CARC and RARCs including:  
   a. That fact that the RARC does not have enough specificity, and  
The CARC-RARC CORE-required Code Combinations for CORE-defined Business Scenarios presented in CORE Rule 360 - Uniform Use of CARCs and RARCs (835) aren’t sufficiently
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<tr>
<td>AUTO-RECONCILIATION</td>
<td>additional write offs need to be applied.</td>
<td></td>
<td>detailed to match current EOB language in dentistry.</td>
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</table>

**AUTO-RECONCILIATION**

PMS software modifications to enable bulk payment reconciliation

Office managers find it difficult to identify individual claims/claim amounts within bulk ERA/EFT payments sent to dentists.

When a bulk ERA comes into the PMS, user has to view each account prior to assigning payment. This requires a lot of manual intervention to close each claim.

For dentists with network contracts, there is an Approved Amount and an Allowed Amount. However, the Approved Amount is NOT included in the ERA, which only reflects the amount that the patient owes. In a bulk check, this makes it very time consuming requiring manual intervention to ensure proper accounting.

Any solution needs to accommodate:

1. Bulk payments - ensuring the 835 and CCD+ reconciliation are prepared correctly by the payers and there is a match between the TRNs and gross $ amounts so that it goes as far down as the individual service line item level within the claim; and

2. Payment withholds due to incorrect processing on unrelated claims/beneficiaries

Within the software dentists should be able to view the account as each payment/claim is being processed within the PMS.

**AES DISCUSSION #4**: What can we need to do to overcome this barrier?

Should we survey providers as to software capabilities or limitations re: interoperability functionality and use those potential findings to create demand for making a FUNCTIONAL product that will actually save time for dentists?
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| OTHER FUNCTIONALITY ISSUES WITHIN PMS re: RECONCILIATION PMS software functionality issues | Functionality issues within PMS:  
  - In instances where a claim has been closed within the PMS for any reason, cannot attach the ERA when it comes in.  
  - When an ERA is $0 payment, it will not attach to claim unless received in bulk payment.  
  - When a current payment is adjusted to address a prior reimbursement made in error, there needs to be a corrected payment history of the affected claim receivable, and an automated function to initiate the patient balance billing process with a new receivable amount. | It would be helpful if PMS was able to do an open claim search and allowed for the manual attachment of ERA to a new claim | AES DISCUSSION #4: What can we need to do to overcome these barriers? |
References

- **ADA Community Statement, “Promoting Use of HIPAA Standard Transactions for Claim Payment and Explanation of Benefits”**
  - Available at: [https://www.ada.org/~/media/CPS/Files/Open%20Files/Community_Statement_Promoting_EFT_ERA_Jan_2019.pdf?la=en](https://www.ada.org/~/media/CPS/Files/Open%20Files/Community_Statement_Promoting_EFT_ERA_Jan_2019.pdf?la=en)

- **CAQH CORE - Phase III CORE 370 EFT & ERA Reassociation (CCD+/835) Operating Rule**
  - Available at: [https://www.caqh.org/sites/default/files/core/phase-iii/policy-rules/EFTERA_Reassociation_Rule.pdf](https://www.caqh.org/sites/default/files/core/phase-iii/policy-rules/EFTERA_Reassociation_Rule.pdf)

- **CAQH CORE - Template letter for providers (non-dental specific) use to request EFT reassociation data from their financial institution**
  - Available at: [https://www.caqh.org/sites/default/files/core/template/letters/Sample_Provider_EFT_Reassociation_Data_Request_Letter.pdf](https://www.caqh.org/sites/default/files/core/template/letters/Sample_Provider_EFT_Reassociation_Data_Request_Letter.pdf)

  - Available at: [https://www.caqh.org/sites/default/files/core/eft-era-webinar-final_1.pdf?token=21JDIPCu](https://www.caqh.org/sites/default/files/core/eft-era-webinar-final_1.pdf?token=21JDIPCu)

- **CORE Rule 360 – Uniform Use of CARCs and RARCs (835), CORE-required Code Combinations for CORE-defined Business Scenarios**

- **Federal Reserve’s FedPayments Reporter Service website**

- **NACHA – “Electronic claim payments: EFT via ACH or VCCs?” article in Nov. 2018 edition of Dental Economics**

- **WEDI - Barriers to Adoption of the ERA and EFT Transactions**