



second quarter
2004

the enterprise

a quarterly newsletter from
Matrix Healthcare Management Solutions

Matrix upgrades to full ANSI compliant transactions

*Claims a priority for
organization*

In February, 2004, Matrix upgraded its NextGen epm product to a version that produces exclusively the HIPAA compliant 837 Health Care Claim. In accord with the 1996 HIPAA Act, physician practices must now transmit health care claims in this new format.

For several years, software vendors, insurance companies and claim clearinghouses have been preparing for this change. Despite this advance warning, a general consensus among medical professionals is that the medical claim industry is in a state of disarray and confusion. "There is no single HIPAA," says Roger Holstein, CEO of WebMD, the nation's largest clearinghouse. He describes how payers are pushing their complexities into HIPAA's framework for standardization. "There are as many flavors of HIPAA as there are payers today. Virtually every payer has adopted a different interpretation, [and] they've published more than 400 unique 'companion guides' for providers."

The American Medical Association agrees. In a letter addressed to the WebMD Corporation, the AMA reports "claims submitted...in a HIPAA compliant format for processing are sometimes never received by health plans, significantly delayed, or transmitted with missing or non-compliant information, often resulting in delayed or denied payments to physicians." The letter continues that "physicians report they have been notified [by the clearinghouse] that they can not receive or fully translate the electronic claims information that the physician practices' claim management systems, billing entities, or contracted clearinghouses have produced for claims submission."

The AMA estimates that these transaction problems have resulted in thousands, and in some cases, hundreds of thousands of dollars in delayed and denied claims payments to physicians by health plans and other third-party payers.

With the medical community in an uproar over delayed claim payment, incorrect payment or lost claims, what is Matrix doing to help our clients? "Our staff is dedicated to successfully transmitting claims for our clients," states Sharon Funk, Director of Client Services at Matrix, "but it's a whole new ball game now. We have had to completely redesign our electronic data interchange process and hire additional staff to deal with the complexities of sending a claim."

Part of the issue is understanding how the claim process functions. It used to be that an individual practice would enter all their charges and send all their claims in one batch to one organization (known as a clearinghouse) and the clearinghouse would send the claims along to the specific payers. While that is still done today, there are many different steps that a claim must pass through in order to be successfully transmitted and received.

"We continue to work on our process each and every day," states Deanna Ward, EDI Coordinator for Matrix. "I'm always willing to work with our clients and help them understand any rejections or issues they don't understand."



exciting information
from our friends at

NextGen

NextGen Wins Awards!!

NextGen Healthcare Information Systems recently announced that the company's NextGen EPM and NextGen EMR applications were awarded top honors in the Administrative/Financial Systems and Ambulatory Care: Fiscal/Patient Information Systems categories of the Microsoft Healthcare Users Group Industry Solution Awards for the 2nd consecutive year. Vendor solutions were scored according to: business benefit to the customer, business agility, ease of adoption, solutions architecture used in developing the solution and technical challenges.

NextGen A Finalist for 2004 TEPR Award

NextGen is pleased to announce that the organization is a finalist for the 2004 TEPR Awards. The TEPR Awards recognize outstanding achievement in the healthcare IT field for organizations that are working "Toward the Electronic Patient Record". This year, both the NextGen EPM and EMR products were selected as finalists for these prestigious awards.

Matrix is pleased to be working with the #1 practice management system!!

client services news & views

Since the beginning of the year, the Client Services department has been busy implementing version 3.0. This has brought with it many challenges, including claim submission. Aside from this, the staff has been busy testing claim transmission to payers like Summa, Medicaid, and Medicare DMERC payers. In addition, the team is now working on receiving ERA files from Aultcare, Summacare and Medicaid.

The staff has recently added a new addition to the team. Ron Beebe has been hired in the IT department to work with Dustin & Mark on various projects.

Since January, the following new clients have been added to the Matrix family:

- Knox Surgical Associates
- Northeast Ohio Eye Surgeons
- Cynthia DiLauro, MD
- Milania Valore, MD
- Roseanne DiLauro, MD

Future versions of the epm product are just around the corner....version 3.6 is soon to be released with many of the software changes that you have requested! More information will be coming very soon about this update.

understanding HIPAA transactions

An 837, 997, unsolicited 277...sound confusing to you? You're not alone. Now that the HIPAA transaction and code sets are being utilized more and more, it might be helpful to know the definitions of these transactions. Here is a breakdown of some of them:

837 — The 837 Health Care Claim transaction set is used to submit health care claim billing information, encounter information or both. This replaces the HCFA 1500. Whereas on a HCFA different elements are populated in blocks (i.e. block 19), on an 837, all data is sent in "Loops" and given "Data Elements" and Segment ID numbers. An example of this is on the HCFA 1500 the patient's date of birth is found in block 3. On the 837, the patient's date of birth is found in Loop 2010CA, Segment DMG02, Element 1251.

835 — The 835 Healthcare Claim Payment Advice is used to make a payment, send an Explanation of Benefits (EOB) remittance advice, or make a payment and send an EOB remittance advice. This replaces the ERA.

997 — The 997 is a Functional Acknowledgement. It is used to indicate that a claim file has been received by the payer and is either structurally OK or not. The 997 does not address the contents of the transaction set; it only lets the sender know that the document (s) sent reached the intended destination.

824 — The 824 Application Advice is generated and sent back when an 837 transaction fails pre-processing for adjudication. In other words, something in the claim set is wrong. An example might be an invalid provider ID #. This is not a HIPAA mandated form, which means that health plans are NOT required to return an 824.

Unsolicited 277 — The Unsolicited 277 is generated when an inbound 837 transaction fails processing. It is similar to the 824. This is not a HIPAA mandated form, which means that health plans are NOT required to return a 277.

understanding the matrix claim process

How does Matrix send your electronic claims? What is the daily process and why are there sometimes lost claims? Electronic data interchange (EDI) transactions are truly challenging. Here is the process Matrix uses each day:

- Pending electronic claims are collected from each practice and are built into one of several files to be sent to the appropriate payer.
- Claim files are built for the following different payers: Ohio Medicare, Aultcare and Anthem. All other claims are sent to our national claim clearinghouse, PerSe, who sends the claims on to the specific insurance carriers.
- Before the claim files are sent to the specific payers, Matrix runs each file through a program called Via Track, which reads each line of the claim form and indicates any claim structural errors. One error in a claim file can cause an entire file to reject at the payer. Therefore, it's vital that the claims are checked for accuracy.
- Once the claim files are built and ran through the Via Track software, they are transmitted to the respective carriers via either internet connection or FTP connection.
- In addition to sending claim files, Matrix staff members also daily receive the acknowledgement files from the various carriers and must import those acknowledgements into NextGen.
- To verify claims are actually being processed, our Client Services department each day checks the claim status of one claim from each batch of claims sent to: Medical Mutual, Aetna, Ohio Medicaid, Medicare DMERC Regions and Hometown.

This entire process is repeated each day for each client for each submission.

are you ready
to learn?

Matrix offers new
educational program

“It’s Time To Learn”

Matrix is pleased to introduce our new on-going client education program called “It’s Time to Learn”. This program has been developed to address the needs of our clients as they become more proficient with the NextGen product. But even more than that, these sessions are designed to allow various personnel within the physician’s practice to attend classes that will assist them specifically with their job functions.

“It’s Time to Learn” is a fitting title to this program. It directly addresses the on-going theme of each class, regardless of the topic: *now* is the time to learn more about the product and the powerful tools each client has in their possession — their staff, their time and the NextGen product.

The classes and topics have been developed around the current needs of the client base:

- Front desk education
- Reporting
- A/R Training
- Manager Review

In addition to the classroom training that is planned, Matrix will be offering on-going training via the internet. These monthly sessions will be presented on a variety of topics. The advantage to the internet training is that clients don’t have to leave the comfort of their offices — they can learn right at their desks!

For more information on any of these classes or topics, or to register for any session, please contact Jeremy Jones at (330) 899-1275 extension 228.

Educational Program Schedule

Classroom Sessions

Introduction to Reporting (1/2 day)
July 13—9:00 AM
October 6—1:00 PM

Advanced Reporting (Full day)
July 27—9:00 AM
October 19—1:00 PM

Accounts Receivable Mgmt (Full day)
June 15—9:00 AM
August 27—9:00 AM
November 3—9:00 AM

Worklog (1/2 day)
June 21—1:00 PM
September 10—9:00 AM
November 17—1:00 PM

Manager Review (1/2 day)
September 20—1:00 PM
December 9—9:00 AM

Full day classes cost \$99 to attend and 1/2 day classes cost \$59 to attend.

Internet Sessions

What is Bad Debt and How Does it Work?
June 24 — 1:00 PM

End of Month Reporting
July 22 — 1:00 PM

Internet sessions cost \$59 per attendee.

Matrix announces new document imaging solution

Are you tired of searching for EOBs? Are you paying for unnecessary storage? Matrix has recently joined forces with E-bridge solutions to bring you an *advanced document imaging system* that is interfaced with your Nextgen Practice Management System!!

How does it work?

EOBS, charge records, etc are scanned directly from YOUR office into E-bridge via a secured internet connection – and stored for easy retrieval.

Who Can Retrieve the scanned images?

Anyone (who of course has been given access) – from any desktop!

What are the advantages?

- Decreased physical storage space
- Increased efficiency – takes only a minute to

find an EOB....

- Less copying of EOBs for secondary submission
- Reduce risks caused by disaster to paper files
- Easier access to EOBs for reimbursement reviews
- Direct access to EOBs from the Nextgen visit

Matrix has created an interface from the Patients Chart in Nextgen – in one simple click – the system can present the payment EOB or denial to the end user in a matter of minutes!

E-bridge is efficient AND affordable - If you are interested in seeing this solution – please contact Sharon Funk at 330-899-1275 ext 221.

coding

corner

Grace Period Ends for New Codes

The Centers for Medicare and Medicaid (CMS) has eliminated the grace periods for the next versions of CPT, HCPCS, and ICD-9 codes. The dates for the new codes to become effective are October 1, 2004 for the ICD-9 codes and January 1, 2005 for the CPT/HCPCS codes.

The change has removed the grace period of 90 days afforded physicians before implementing the new codes. What does

this mean to your practice? The reviewing of your fee ticket and the diagnosis and service item libraries in NextGen should be done as soon as you receive your new coding books. Any additions, deletions or description changes that may affect your practice should be reviewed and updated in the system and on your fee ticket.

Another consideration is the publisher you receive your books from. You may want to call and ask when the new books will be published and shipped. The publisher may also request you place your order early to avoid any delays in receiving the new editions.

If you have any questions, please call Dave Soulsby at (330) 899-1275 ext 225.

**we want you to
join us!**

***NextGen to hold annual user's
conference in Orlando, Florida***

Each year, NextGen Healthcare Information Systems holds a User's Conference and invites all their clients to attend. This year's conference will be held at the Disney Coronado Springs Resort in Orlando, FL on November 8—11. Some Matrix staff members will be attending this event, and we would like to invite all our clients to attend with us.

Last year's event drew almost 700 NextGen users from around the country. All medical specialties were present. Participants last year were able to spend time speaking directly with the designers of the NextGen system and were able to receive hands-on training from the experts. This year promises to be even better than previous events.

The cost to attend the meeting this year is \$895 per person. The registration fee includes:

- Continental Breakfast on November 8,9,10
- Lunch on November 8 & 9
- All Break Service Refreshments and Snacks
- Client Dinner Event at the Disney MGM Studios Theme Park



Disney's Coronado Springs
Resort



Hotel Accommodations are the financial responsibility of each participant.

The negotiated room rate with the resort is \$129.00 plus 11.5% FL State Tax. Delta Airlines and USAirways have agreed to extend special pricing to conference attendees.

If you are interested in attending with us, please contact Jeremy Jones at Matrix to register. The deadline for registration is June 30, 2004.



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The Mission of Matrix....

Matrix is committed to innovative management solutions for our physician practices. Using world-class healthcare technology, we implement proven business processes to reduce cost and allow physicians to focus on delivering the highest quality of care to their patients.

At Matrix, it's ***process makes perfect.***