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PUBLIC HEALTH SERVICES D E P A R T M E N T

September 28, 2010

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

PROPOSED REVISIONS TO EMS FUND PROCEDURES TO REQUIRE FILING OF ELECTRONIC CLAIMS (Fiscal Impact: None)

The purpose of this letter is to request your Board's approval of the proposed revisions to the Emergency Medical Services (EMS) Fund claims billing policies and procedures.

The EMS Fund is a program administered by the Department, which provides reimbursements to physicians and hospitals for emergency services provided to the uninsured. Monies for reimbursements come from Court fines on traffic violations; there is no General Fund cost for this program. Physicians file claims with the Department to request reimbursement, much like a health insurance company process. The proposed changes to EMS Fund claims procedures will require that certain physicians file claims electronically in lieu of paper claims. The use of paper claims requires County staff to perform data entry; it is time consuming, inefficient, and creates opportunity for errors.

The changes proposed are detailed in the attached document. Some other changes unrelated to electronic claims filing are being made to reflect past revisions to State law and other non-substantive changes.

The Department processed nearly 42,000 medical claims in Fiscal Year 2009-2010 under the EMS Fund program and paid out approximately \$1.6 million in reimbursements. Of those claims, approximately ninety-six percent (96%) were submitted by high-volume physicians, high volume is considered to be 500 claims or more per year. About seventy-five percent (75%) of claims from the large providers are already voluntarily being submitted electronically. At this time only four high-volume physicians continue to submit paper claims. However, the paper claims from these few providers represents about 10,000 paper claims per year. The proposed change will require that all high-volume physicians file claims to the fund electronically.

Due to the difficult financial times over the past two years, and the inability to increase user fees and charges, the EMS Division lost one of the two clerical positions assigned to the operation beginning FY 2010-11. The loss of the clerical position reduces available time to perform data entry duties for EMS Fund claims. It has become increasingly difficult to manually process the large number of paper medical claims generated by a small number of high-volume providers. Mandating electronic claims filing reduces manual data entry workload without increasing fees to the public.

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The physicians will not suffer any losses because of this proposed change because the high-volume physicians are already creating the claims electronically. It is a simple matter for the high-volume physicians to simply change their internal processes and begin to file the claims electronically. This is evidenced by the number of physicians that are successfully filing electronic claims each month. The electronic billing format used by the Department is consistent with the Medicare X12 format and the requirement for electronic submission of claims from providers submitting ten (10) or more claims per month, is also consistent with Medicare regulations.

A workshop held on August 31, 2010 at the Public Health Services Department, was to explain the proposal to the high-volume physician groups and obtain input and hear concerns. All high-volume physician groups were invited to attend; no one showed up.

In order to better manage work flow, and continue to process claims in a timely manner, your approval is requested to revise EMS Fund procedures to require electronic claims submission from providers submitting ten or more claims per month. It is proposed that the change be effective for claims submitted beginning November 1, 2010.

Therefore, IT IS RECOMMENDED that your Board approve revisions to the EMS Fund Billing Policies to require all claims to be submitted electronically from any provider submitting more than 10 claims per month, effective November 1, 2010.

Respectfully submitted,

Matthew Constantine
Director of Public Health Services

MC: RE

Attachment

cc: Each Supervisor
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