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Notice of Intended Regulatory Action (NOIRA) Agency Background Document

Agency name	Virginia Workers' Compensation Commission
Virginia Administrative Code (VAC) citation(s)	16 VAC 30-
Regulation title(s)	Workers' Compensation Electronic Medical Billing
Action title	E-billing Regulation
Date this document prepared	February 29, 2016

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Subject matter and intent

Please describe briefly the subject matter, intent, and goals of the planned regulatory action.

The intent of the proposed regulation is to adopt and implement infrastructure under which (i) providers of workers' compensation medical services ("providers") shall submit their billing, claims, case management, health records and all supporting documentation electronically to employers or employers' workers' compensation insurance carriers ("payers") and (ii) payers shall return actual payment, claim status, and remittance information electronically to providers that submit their billing and required supporting documentation electronically. The proposed regulation will establish standards and methods for such electronic submissions and transactions that are consistent with the electronic medical billing and payment guidelines of the International Association of Industrial Accident Boards and Commissions.

Legal basis

Please identify the (1) the agency (includes any type of promulgating entity) and(2) the state and/or federal legal authority for the proposed regulatory action, including the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable. Your citation should include a specific provision, if any, authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency’s overall regulatory authority.

The Virginia Workers’ Compensation Commission is promulgating the regulation in accordance with the provisions of Subsection H of Section 65.2-605.1 of the Code of Virginia; Chapter 621 of the 2015 Acts of Assembly.

Purpose

Please describe the specific reasons why the agency has determined that the proposed regulatory action is essential to protect the health, safety, or welfare of citizens. In addition, please explain any potential issues that may need to be addressed as the regulation is developed.

Promulgated pursuant to the direction of the Virginia General Assembly in Chapter 621 of the 2015 Acts of Assembly, the purpose of the regulation is to provide a legal framework for electronic billing, processing, and payment of medical services and products provided to an injured worker subject to the Virginia Workers’ Compensation Act. The proposed regulation will expedite the submission, processing and payment of bills for medical services rendered to injured workers pursuant to the Virginia Workers’ Compensation Act utilizing nationally recognized standards.

Substance

Please briefly identify and explain the new substantive provisions that are being considered, the substantive changes to existing sections that are being considered, or both.

The regulation will contain provisions addressing (1) formats for electronic medical bill processing; (2) billing code sets; (3) electronic medical billing, reimbursement and documentation; (4) employer, insurance carrier, managed care organization or agents’ receipt of medical bills from health care providers; (5) communication between health care providers and payers; and (6) medical documentation necessary for billing adjudication.

Alternatives

Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulation.

There are no known viable alternatives to accomplish the mandate of Subsection H of Section 65.2-605.1 of the Code of Virginia and Chapter 621 of the 2015 Acts of Assembly.

Public participation

The agency is seeking comments on this regulatory action, including but not limited to: ideas to be considered in the development of this proposal, the costs and benefits of the alternatives stated in this background document or other alternatives, and the potential impacts of the regulation.

Anyone wishing to submit comments may do so via the Regulatory Town Hall website (<http://www.townhall.virginia.gov>), or by mail, email, or fax to James J. Szablewicz, Chief Deputy Commissioner, Virginia Workers' Compensation Commission, 1000 DMV Drive, Richmond, Virginia 23220, phone: (804) 367-8664, fax: (877) 432-5423. Written comments must include the name and address of the commenter. In order to be considered, comments must be received by midnight on the last day of the public comment period.

A public hearing will be held following the publication of the proposed stage of this regulatory action and notice of the hearing will be posted on the Virginia Regulatory Town Hall website (<http://www.townhall.virginia.gov>) and on the Commonwealth Calendar website (<https://www.virginia.gov/connect/commonwealth-calendar>). Both oral and written comments may be submitted at that time.

A panel will not be used. A group of stakeholders has already been convened by the agency and has reviewed and provided comment on the proposed regulation.