17.5 Explanation of Payment (EOP)/Electronic Funds Transfer (EFT)/Electronic Remittance Advice (ERA)

The EOP describes how claims for services rendered to Healthfirst members were reviewed. It details the adjudication of claims, describing the amounts paid or denied and indicating the determinations made on each claim. There are separate EOPs for inpatient facility services and for outpatient services. The outpatient services EOP includes outpatient facility services, provider services, and ancillary services such as DME (see Appendix XIV-C). The EOP shall include the following elements:

- Name and Address of Payor
- Toll-free Number of Payor
- Subscriber's Name and Address
- Subscriber's Identification (ID) Number
- Member's Name
- Provider's Name
- Provider Tax Identification Number (TIN)
- Claim Date of Service
- Type of Service
- Total Billed Charges
- Allowed Amount
- Discount Amount
- Excluded Charges
- Explanation of Excluded Charges (Denial Codes)
- Amount Applied to Deductible
- Copayment/Coinsurance Amount
- Total Member Responsibility Amount
- Total Payment Made and to Whom

The EOP is arranged numerically by member account number. Inpatient facility claims are sorted separately from all other claims. Each claim represented on an EOP may comprise multiple rows of text. The line number indicated below the date of service identifies the beginning and end of a particular claim. Key fields that will indicate payment amounts and denials are as follows:

- **Paid Claim Lines**: If the Paid Amount field reads greater than zero (0), the claim was paid in the amount indicated.
- **Denied Claim Lines**: If the Not Covered field is greater than zero (0) and equal to the allowed amount, the service was denied.
- **Claim Processed as a Capitated Service**: **I**f the amount in the Prepaid Amount field is greater than zero (0), the service was processed as a capitated service.
- **End of Claim**: Each claim is summarized by a claim total. If there are multiple claims for a single member, the EOP also summarizes the total amount paid for that member.

Providers may request a copy of an EOP on our website at www.healthfirst.org or by calling **1-888-801-1660.**

Electronic Funds Transfer/Electronic Remittance Advice (EFT/ERA)

Healthfirst's Electronic Funds Transfer (EFT)/Electronic Remittance Advice (ERA) program is a convenient service for the automatic reimbursement of Healthfirst claims.

EFT is the direct electronic deposit of claim reimbursements into your bank account, and **ERA** is the statement that allows you to reconcile these reimbursements to your member accounts. Advantages of these programs include:

- Prompt payment – no waiting for checks to clear.
- Reduced paperwork.
- No lost checks or mail delay.
- Savings of administrative and overhead costs.
- Simplified and organized recordkeeping.
- Improved cash flow.

You **must** be able to submit claims electronically to use EFT/ERA. When claims are submitted for payment, the payment is deposited electronically into your bank account. Capitation checks can also be deposited directly into your account. When you enroll in EFT/ERA, you will continue to receive an Explanation of Payment (EOP) for a sixty (60) day grace period. The EOP shows the member's name, dates of service, services rendered, and amounts of Healthfirst payments. After the grace period, you will receive only the ERA. Bank statements will continue to reflect deposited amounts and dates of deposit. Your clearinghouse/software vendor **must** be able to accept the ERA file which is in the 835 HIPAA standard format.

Please refer to our website at www.healthfirst.org for information on how to enroll in EFT/ERA. You can also call Provider Services at **1-888-801-1660.**