



Texas Department of Insurance

Division of Workers' Compensation

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Memorandum

To: Texas Workers' Compensation System Participants

From: Mary Landrum, Director Health Care Business Management

Date: July 31, 2014

Subject: Electronic Billing Requirements

The Division of Workers' Compensation (DWC) reminds workers' compensation system participants that [Texas Labor Code §408.0251](#) and [28 Texas Administrative Code \(TAC\) §133.501](#) (regarding Electronic Medical Bill Processing) require health care providers submit medical bills electronically and insurance carriers accept medical bills submitted electronically in accordance with [28 TAC §133.500](#) (regarding Electronic Formats for Electronic Medical Bill Processing).

- 28 TAC §133.501(a)(2) require insurance carriers accept medical bills submitted electronically by health care providers. 28 TAC §133.501(b) exempts insurance carriers from receiving medical bills electronically if the insurance carrier:
 - is placed in receivership;
 - was issued an initial license to write workers' compensation insurance by the Texas Department of Insurance (TDI) during the current or preceding calendar year;
 - had less than 32 workers' compensation claims for which income or medical benefits were paid during the preceding calendar year;
 - no longer writes workers' compensation insurance in Texas and is only handling runoff claims;
 - was a certified self-insured employer under Texas Labor Code, Chapter 407 or a self-insured group under Texas Labor Code, Chapter 407A, which has withdrawn from the certified self-insurance program or group self-insurance; or
 - submits a request to the division with supporting documentation such as financial statements and other documents which reflect cost of implementation and sufficiently demonstrates that electronic medical bill implementation will create an unreasonable financial hardship and the Commissioner approves the request.
- 28 TAC §133.501(a)(3) requires health care providers submit electronic medical bills to insurance carriers. 28 TAC §133.501(b) exempts health care providers from submitting medical bills electronically if the health care provider:
 - employs fewer than 10 full time employees;
 - provides services to 32 or fewer injured employees during the preceding calendar year; or
 - sufficiently demonstrates that implementing electronic medical billing will create an unreasonable financial hardship.
- 28 TAC §133.501(c) clarifies that insurance carriers and health care providers are responsible for acts or omissions of an entity they contract with to process electronic medical bills.

Failure to comply with provisions in the Texas Labor Code or DWC rules is an administrative violation pursuant to [Texas Labor Code, Chapter 415](#). Anyone may file a complaint. Instructions to file a complaint are on the TDI website at <http://www.tdi.texas.gov/consumer/complfrm.html>.

For additional questions, contact Comp Connection for Health Care Providers at 800-372-7713, option 3 (Austin area 512-804-4000) or e-mail medben@tdi.texas.gov.