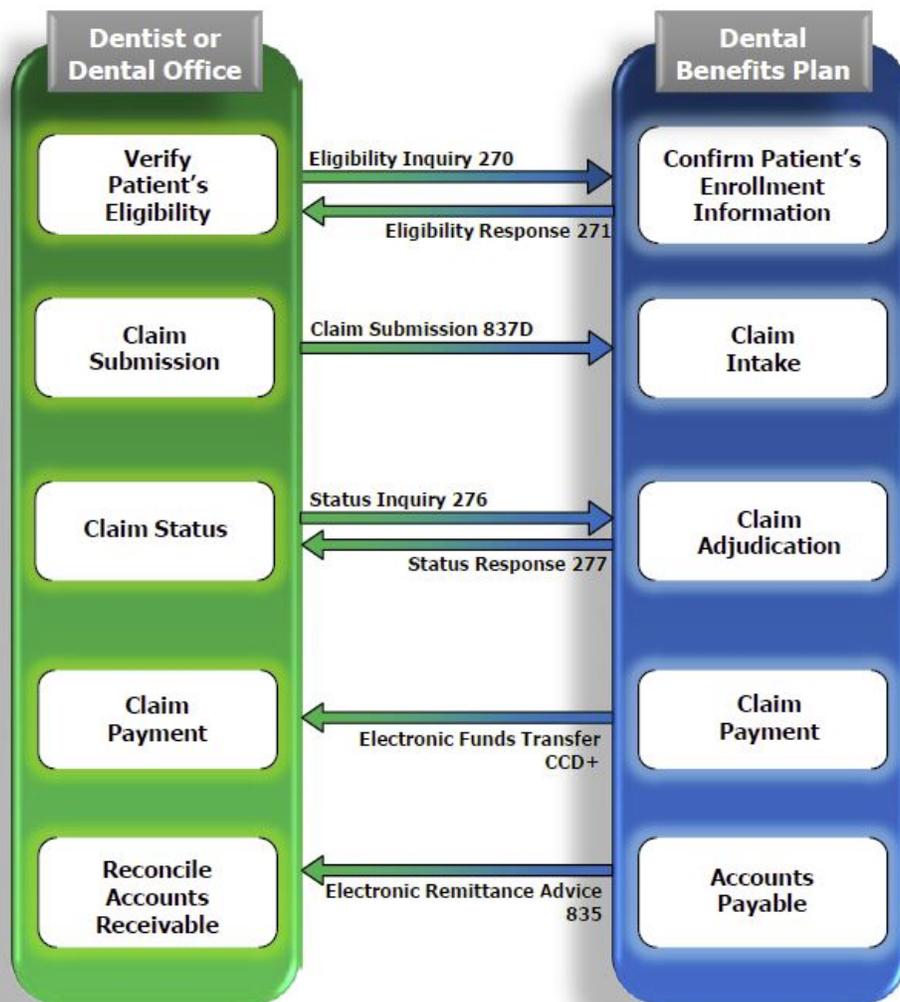


EDI Transactions: What to Know to Make Them Work for Your Dental Practice

Electronic Data Interchange (EDI) offers a proven and secure way to improve your practice's bottom line by eliminating the need for dentists to deal with each dental benefit plans' unique means of conducting business. ADA supports HIPAA-compliant EDI transactions because they are intended to help dentists manage their practices more effectively by mandating the type, breadth and manner in which the electronic information is exchanged between dental offices, dental benefit plans and clearinghouses.

In the vast landscape of healthcare EDI there are several transaction types that are used most frequently in the dental industry. Below we explore these different transactions, the shorthand descriptor used to reference each and how the adoption of electronic processes can help your practice in its day-to-day operations.

Summary of Common HIPAA Standard Electronic Transactions Utilized by Dental Practices



- **Patient Eligibility Benefits Information (270/271)** – Dentists use this transaction set to verify patients' dental coverage, benefits and patient responsibilities, such as deductibles, coinsurance, copays, etc.
 - Enrolling to use the 270/271 eligibility benefit inquiry and response transaction is easy. Simply contact your dental benefit plan or clearinghouse. Inform them you would like to use the HIPAA-compliant 270/271 eligibility benefit inquiry and response transaction.

- **Dental Claim (837D)** – This transactions allows dentists to submit every claim to a dental benefit plan in a matter of minutes. No paper, stamps or rework is necessary.
 - Practice management system vendors, dental benefit plans and clearinghouses offer a variety of EDI services to the dental practice community and charge fees or transaction costs for their services.*
- **Health Care Claim Status Request and Response (276/277)** – Dental offices can learn the status of your filed claims instantly using a secure electronic look-up tool.
 - Enrolling to use 276/277 claim status request and response is simple. Simply contact your billing vendor or clearinghouse. Inform them you would like to begin sending and receiving the HIPAA-compliant 276/277 health care claim status request and response transaction.
- **Electronic Claims Payment (CCD+)** – Enrollment in electronic claims payments enables your practice to receive claims reimbursement via electronic funds transfer (EFT) instead of waiting on paper checks to arrive in the mail.
 - Learn more about the ADA's step-by-step Electronic Fund Transfer Implementation Guide available to help members through this process which can be accessed [here](#).
- **Dental Payment and Remittance Advice (835)** – Learn all about the payments coming to you and easily reconcile your books by receiving explanation of benefits (EOBs) electronically. The 835 transaction is created and sent by dental benefit plans to providers. This transaction is typically used when a provider also uses EFT as a means of payment from the dental benefit plan.
 - The process for enrolling to use the 835 transaction is nearly identical to signing up for EFTs. The ADA Electronic Fund Transfer Implementation Guide described above can also assist dentists with the steps necessary to implement the HIPAA-compliant 835 transaction.

Understand the Savings Potential of EDI

The dental community generally agrees that substantial savings accrue to the professionals that adopt EDI as the backbone of their practice. According to the [2018 CAQH Index](#) produced annually by the Council of Affordable Quality Healthcare — better known by its acronym CAQH — full adoption of electronic processes for the transactions could save the dental industry approximately \$2.6 billion in direct costs, with most of these savings accruing to provider offices. If you want to explore the potential for savings in your practice, CAQH offers a [Potential Savings Calculator](#) tool designed to give you some insight as to what kind of savings you might expect when you implement electronic processes in your practice.

Review your Practice Management System

Dental practice management systems are the window into EDI transactions for most dentists. The systems offered by the various practice management system vendors active in the dental industry are designed to provide integrated patient scheduling, patient records and charting, correct claims formatting and submission, efficient electronic claim filing, reconciliation of account receivables with electronic payments, eligibility and benefit checking and other functions.

To make it easier to manage your claims processing expenses, most practice management systems typically bundle clearinghouse transaction fees with their software fees. Clearinghouses are intermediaries between dental offices and dental benefit plans. Every clearinghouse accepts all electronic transactions and establishes links with all dental benefit plans so that you are not burdened with managing individual connections with every dental benefit plan you work with.

Because every practice management system communicates with one or more clearinghouses, you can discuss clearinghouse issues with the representative of your practice management system. Or you can reach out directly to clearinghouses to review which electronic transactions can interact with your system.

If you have a practice management system, contact your vendor to make sure it is taking full advantage of the EDI transactions available through the dental benefit plans you are contracted with. If you don't have a practice management system, this is a good time to consider some of the many and varied options available to dentists and their practices.

To learn more about the ADA Center for Dental Benefits, Coding and Quality and its efforts to improve business efficiencies for dentists and their practices, visit the ADA Administrative Efficiencies Summit webpage at [ADA.org/AEI](https://ada.org/AEI).

The Council on Dental Benefit Programs encourages members and their office managers to communicate to dentalbenefits@ada.org about the administrative burdens they face in their offices.

**Please note that the ADA does not specifically recommend or endorse any practice management system vendors, clearinghouses or billing services.*