

Electronic Claim Payments Make This Dentist's Life Easier— *Especially Compared to the Old Days*

Being a dentist since 1987, Dr. Mark J. MiHalo, DDS, remembers a time well before electronic payments.

He's not nostalgic for it.

"In the old billing system we used what was called a 'pegboard,' because it had pegs on it that would line up what you were doing on what was called a 'superbill.' You would fill out that superbill for each patient on this pegboard. At the end of the day you would mail them in to the different insurance companies. Then you'd wait about a month and hope for your payment," said MiHalo.

"Everything was done by mail."



Around 1994 MiHalo's office first became computerized, and soon thereafter he began doing some things electronically. "It was very, very, very minimal," he said. "It really took off in 2005 for me when we finally went to a clearinghouse and started filing our claims electronically."

But still, something was missing.

"There was no option—at least they weren't offering an option—to get EFT back. So, you would file electronically and usually get paid [by paper check] within two weeks," said MiHalo. That was better than a month's wait, but there was room for improvement.

It finally happened with EFT—electronic funds transfer—for claim payments. And you can see why there's no looking back.

"Now, I can submit a claim today and be paid tomorrow," said MiHalo. "We've seen 24-hour payments."

Today, the majority of the claims submitted by his LaPorte, Indiana, practice are electronic. There are still some union trust funds that insist on having claims mailed in, followed by checks mailed out, but they're the exception. As for claim payments, at least half are received as EFTs.

VCC? NOPE!

Like many dentists, MiHalo has no patience for virtual credit cards—and the fees attached—so his office has a very simple, straightforward policy.

"They are a non-issue because we will not take them," said MiHalo.

"We simply refuse them," he said, adding he knows that's his right. Insurance companies that send VCCs are politely told the office will happily take EFT. And in MiHalo's case, all insurers are "out of network" because he's an old school "fee for service" dentist.

Like many dental practices, MiHalo's is relatively small: It's him, two hygienists, one dental assistant, and the office manager who has been with him more than 27 years. But MiHalo believes office size shouldn't be a barrier to receiving electronic claim payments.

“It’s pretty easy, especially if you work with a clearinghouse that can help sign you up,” he said. His clearinghouse bill is around \$50 a month—about 10-15 cents per transaction. His office submits all claims through the clearinghouse, where they can also log in to see the payments and electronic remittance advice that have arrived. “We do not have to log in to all those individual sites to pull up the ERAs,” he said.

DON'T GO IT ALONE

As a self-described “preacher for EFT,” MiHalo offers this advice to his fellow dentists: “Nobody should be afraid of doing it electronically. It should be getting simpler and simpler as we move forward.”

Nacha can also help with resources for dental practices.

As Brad Smith, Nacha Senior Director, ACH Network Administration and Industry Verticals, noted, “Dental practices are significantly behind medical practices in adopting electronic claim payments. And that’s unfortunate, because real money is at stake.”

Smith noted that the 2019 CAQH Index found that while 70% of medical claims are paid by EFT, for dentists the figure is just 13%. Full adoption of electronic administrative transactions could save the dental industry \$3.4 billion annually—some 85% of which would be with providers—according to CAQH, a non-profit alliance of health plans and related associations.

“At any dental practice, but especially at smaller offices,” said Smith, “every dollar saved is important.”



Learn more about dental EFT payments:
nacha.org/achfordental

Nacha’s Brad Smith can be reached at:
dental@nacha.org

The American Dental Association has more on electronic funds transfers, including an EFT Payments Implementation Checklist:

ada.org/resources/practice/dental-insurance/dental-insurance-resources/optimize-dental-practice-administration-and-efficiencies

The American Medical Association has a free toolkit available to help navigate EFT:
<http://ama-assn.org/media/11081/download>

