Electronic Data Interchange overview

Electronic Data Interchange (EDI) is the automated transfer of data between health care professionals or facilities, sometimes an intermediary clearinghouse, and a payer. These electronic transactions are not specific to UnitedHealthcare. They are standard and routinely used across the health care industry. EDI allows both payers and health care professionals to send and receive information faster, avoiding claim delays and reducing administrative expenses. This overview explains the benefits of EDI and outlines the types of electronic transactions available.

EDI benefits

Send and receive information faster
Turnaround times are typically quicker than using manual processes. For example, a payer can receive a claim the same day the care provider sends it, and an eligibility inquiry can be received and responded to in seconds.

Identify submission errors immediately to help avoid claim processing delays
Electronic claims are automatically checked for HIPAA and payer-specific requirements at the vendor, clearinghouse and payer levels. This process decreases the reasons a claim may be rejected. This same level of automated data verification can't be performed on paper claims.

Lower account receivables
EDI gives you benefit information so you can collect copayments at the time of service instead of sending bills to patients. For example, the eligibility and benefit inquiry provides the patient's current coinsurance, deductible and benefit information.

Reduce administrative expenses
EDI cuts down on purchases of paper, forms, supplies and postage. It also saves time faxing, printing, sorting and stuffing envelopes.

Spend less time on the phone
EDI reduces calls your staff needs to make to UnitedHealthcare to obtain information on our members, claims, payments, authorizations and referrals.

Types of EDI transactions

270/271: Eligibility and benefit inquiry and response

275: Unsolicited claim attachments

276/277: Claim status inquiry and response

278: Authorization and referral request

278I: Prior authorization and notification inquiry

278N: Hospital admission notification

835: Electronic Remittance Advice (ERA)

837D: Dental claim

837I: Institutional claim

837P: Professional claim or vision claim

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EDI benefits (cont.)

Exchange information with multiple payers
EDI lets you complete transactions for multiple payers at the same time. Transactions can be set up to automatically generate in a practice's daily workflow. For example, a practice management system could perform a claim status inquiry at the same time it sends eligibility inquiries to verify a member's benefit coverage and copayment.

Steps of an EDI transaction

1. EDI transactions start with an inquiry from the care provider and conclude with a response from the payer
2. The inquiry is submitted by supplying certain required data fields, such as member ID number, date of birth and Payer ID
3. This inquiry can go directly to the payer, but it often goes through a clearinghouse contracted by the care provider
4. The clearinghouse facilitates the inquiry to the payers
5. Once the payer receives the inquiry, they send the response back to the clearinghouse
6. The clearinghouse then sends the data to the care provider's practice management system
7. If there's an error in the data, the care provider will correct it and resubmit it to the clearinghouse for a response
8. EDI transactions can be completed for 1 or more members

Sample scenario of how EDI works

A medical group is scheduled to see 100 patients from various payers on a Tuesday. They want to verify coverage and know how much to collect before the appointments. Using the 270 transaction for the inquiry for eligibility and benefit information, the payer returns the 271 transaction as the response. For this example, here's what would happen:

- The care provider's practice management system compiles the required information for the patients who have appointments on Tuesday
- The 270 inquiry transaction goes to the clearinghouse, which sends the 270 transaction to each payer
- The payer returns a 271 response transaction with confirmation of coverage/eligibility, copayment, coinsurance and deductible information and other benefit details
- The 271 transaction is returned to the clearinghouse for formatting and transmitted into the care provider's practice management system
- On Tuesday morning, the care provider staff sees confirmation of coverage and the cost-sharing amounts on their computers before the patient arrives

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Sample scenario of how EDI works (cont.)

- If there were errors with any 270 transaction requests, the information can be corrected in the care provider's practice management system and resubmitted for an immediate response

- If the care provider needs more information than the EDI transaction provides, they can use the UnitedHealthcare Provider Portal to get additional information at **UHCprovider.com/portal**. Information can also be provided with an Application Programming Interface (API), set up by your vendor, clearinghouse or IT department. Visit **UHCprovider.com/api** for more information on our API solutions.

Our digital solutions

In addition to EDI, we offer several other digital solutions to help manage your daily workflow and reduce costs. You can choose what's best for your practice and integrate it seamlessly into your current practice management or hospital system.

Find out more about our digital solutions at:

- UnitedHealthcare digital solutions: **UHCprovider.com/digitalsolutions**

- UnitedHealthcare Provider Portal: **UHCprovider.com/portal**

- Electronic Data Interchange (EDI): **UHCprovider.com/edi**

- Application Programming Interface (API): **UHCprovider.com/api**