

The Benefits of Electronic Data Interchange

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For Workers Compensation Insurance Carriers, and Transportation and Translation Providers (T&T), Electronic Data Interchange (EDI) has a number of profound benefits. These benefits extend through a broad range of processes for both the Carriers and the Providers.

The primary benefits for both parties concerns speed and accuracy, improved service, and reduced labor, material and fuel costs. EDI, depending on the extent to which it is implemented, can dramatically improve all aspects of the entire T&T process from intake through to billing and payment while dramatically decreasing the costs involved.

When fully implemented, new IW's are transmitted to T&T providers electronically and automatically entered in to the provider's database with all of the necessary information to properly service, bill, and receive payment. This eliminates human error versus manually entering all IW information manually during a phone call or from a form. This means that the provider can provide more accurate, timely service to the IW without extensive involvement from the Carrier's Adjusters and Case Managers. This reduces the Carrier's overhead with respect to managing claims.

From a billing a payment perspective, invoices can be produced more quickly and accurately, and are transmitted in electronic form to the Carrier. This too has multiple benefits for both parties. Turn-around time on payment dramatically reduces, improving cash-flow for the provider, again, ensuring better service. The Carrier enjoys a much-reduced labor investment in the bill review processes and helps the Carrier move invoices off their books quicker, making shareholders happier.

There are other benefits as well. The reduced paper consumption is friendlier for the environment as less trees ultimately are used. Snail-Mail is reduced, lowering the demand for fuel. In essence, EDI is very Green Friendly!

So, to summarize, EDI has many benefits...

- Increased Speed
- Increased Accuracy
- Better Service
- Reduced Labor Costs
- Reduced Paper, Envelope, and Stamp Costs
- Reduced Fuel Use
- Improved Cash Flow
- Keeps Financial Accounts Cleaner

As the costs of everything is sky-rocketing, and the ability of clients and providers to absorb those costs becomes more and more limited, a process like EDI should part and parcel in everyone's toolbox.

For more information on EDI see our online Library, or contact edi@blackdiamondonline.us