

Frequently Asked Questions

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What is EDI?

EDI (electronic data interchange) is the direct, application-to-application transmission of business documents between business partners. EDI can significantly reduce the timeline required from initial claim submission to final payment by sending actionable information without the need for rekeying at any step along the way.

Why use EDI?

By using EDI, your company can send business documents directly from your internal computer applications to your trading partner's computer system -- without human intervention. EDI minimizes staff involvement and reduces the delays and errors that accompany the manual processing of business documents. By simplifying and streamlining business procedures, EDI can help your organization control costs, increase efficiency and improve customer service levels.

How does EDI work?

Your company's computer system may already serve as a repository for the health care data needed to support the required EDI transactions. EDI extends the value of the investment you've made in business application software. Creating, sending, receiving and processing EDI business documents can be automated and integrated with your existing internal computer applications.

EDI extracts information from your applications and transmits paperless, computer-readable business documents via telephone lines and other telecommunications devices. At the receiving end, the data can be fed directly into the trading partner's computer system where it can be automatically processed and interfaced with the receiver's internal applications. All of this is accomplished in minutes without the rekeying and paper shuffling of manual document processing.

What are the Benefits of EDI?

The most general benefits of EDI are improved speed, economy and accuracy in handling business documents. More specifically, EDI offers:

- Convenient exchange of business documents during business or non-business hours
- Reduced business transaction costs
- Reduced information float
- Improved customer service
- Quick, accurate and automatic reconciliation of documents
- More efficient data flow at both intra- and inter-company levels
- More productive trading partner relationships

What are EDI Standards?

An EDI standard establishes the guidelines for the series of uniform message formats used to create electronic, computer-readable versions of traditional paper documents. Many of the earliest standard message formats were first created and adopted by specific industries for the exchange of documents within that particular industry or by specific companies for the exchange of documents with their many suppliers. As EDI has evolved, the use of industry-specific or company-specific standards (also known as proprietary standards) has lessened in favor of public standards. ANSI X12 is the standard used for Medicaid processing.

What Computer Hardware Works Best With EDI?

A wide range of mainframe, midrange or microcomputer (PC) systems can be used. Many companies find they are able to exchange

EDI documents using their existing computer hardware. To determine which platform best serves your company's EDI needs, you'll want to consider such things as: the volume of anticipated transactions, the kind of data expected and the number of EDI trading partners.

What is EDI Management Software?

EDI management software extracts outgoing data from and inserts incoming data into your internal computer applications. Translation software enables your computer to "speak the language of EDI." When coupled with the appropriate communications software, EDI translation software allows sending and receiving computers to communicate EDI transactions accurately and efficiently.

The best EDI translation software accommodates many EDI standards and includes features and functions that help manage your company's overall EDI activity. Some companies choose to develop their own EDI translation software, but many find their needs are best met with a software package provided by a company that specializes in EDI.

How Do You Get Started?

To find out how to become a Trading Partner of Ohio MRDD Medicaid Billing System go to the Ohio Department of Mental Retardation and Developmental Disabilities website and click on the Trading Partner Information Guide hyperlink. Here you'll find all of the all the information you'll need to start your EDI program.