On-Demand Technology: Just What the Doctor Ordered

As medical payments processing becomes more fragmented, payers, providers and lockbox processors are finding that on-demand image and data archival, management and delivery technology can accelerate the claim-to-cash process.

By Gary Provo

Accelerating the claim-to-cash process remains at the top of the healthcare industry’s agenda. It can reduce day’s sales outstanding (DSO), simplify the re-bill process, make staff more efficient, reduce exceptions handling time and costs, and improve customer responsiveness.

As you improve the claim-to-cash process, you squeeze losses out of the system. But traditional in-house systems for medical payments processing offer limited help in this effort.

In healthcare, where the financial supply chain is so complicated and fragmented, the number of partial payments is enormous; according to MedSynergies, the industry averages a 30 percent first-pass denial-rate per CPT code. Moreover, numerous processors, providers and external processes are involved. Payments data is received in a variety of forms and formats. And the operational expense of payments processing is the same whether a procedure costs $2,000 or $20.

This leads to delays in processing, costly exceptions, cumbersome re-submission and re-bill processes, onerous filing and storage issues, and complicated regulatory compliance and control.

In an ideal world, medical payments processors should be able to receive any electronic and paper claims forms submitted by providers, and normalize them (convert them into readable files) for payers. The payments information must be available anytime, anywhere, to promote collaboration and drive customer service. And the solution must bridge the gaps across internal and external processes, while integrating easily into legacy systems and workflows.

eGistics believes the best way to do all of this is with tailored, on-demand technology and services. Best of all, such capabilities are available today.

Here’s how it works: the on-demand technology combines image management, workflow processing, rules-based decisioning and image and data archival to convert and index explanation of benefits (EOB) data into readable images or files that can be posted by providers. All converted EOB information is consolidated into a single, indexed transaction that may include links to images of correspondence, checks and coupons. The technology employs logical forms recognition to drive document classification and reduce or eliminate manual intervention.

Providers automatically are notified that data is available online for download, posting, viewing or problem resolution. The images and data then can then be used whenever and however the payer needs; the information also can be integrated into existing practices and systems.

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On-demand technology makes productivity sense whenever payers and lockbox providers handle a variety of data formats and forms and time-critical data. And the use of on-demand technology can relieve employee constraints; it even facilitates staff workload balancing. What’s more, with eGistics there’s no software or hardware capital investment. Users only pay for items that are successfully converted and loaded on their behalf, only when they are loaded.

The on-demand model is still new to many healthcare companies, but the technology already supports mission-critical needs at several prominent organizations, with more continuing to look for the best ways to deploy the technology and integrate it into their overall operations structure. The reason for adoption is clear: companies are looking for better ways to focus on business goals while avoiding the high cost and resource requirements of owning hardware- and software-based solutions. Prescription drug firms and workers compensation management companies may be early adopters, but the issues they face and benefits they achieve apply across the industry.

The on-demand approach will give healthcare companies a better chance at accelerating the claim-to-cash process. And companies that have faster claim-to-cash cycles will have lower DSO, increased working capital, and improved customer responsiveness. Where in the past access to medical payments information was limited – creating so-called information float – on-demand technology turns the tables, providing real-time image and data access to any authorized individual. This promotes collaboration, speeds exceptions resolution, and solves burdensome and filing and retrieval issues. It also gives companies better visibility into their receivables – essential not only for cash management, but also for regulatory compliance.

It will take openness to new processing models by both payers and lockbox providers to ensure that on-demand technology delivers on its promise to accelerate the claim-to-cash process in today’s fragmented medical payments chain. But for an industry long-stymied by the complexity of its payments, on-demand technology is just what the doctor ordered.

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