

Processing Healthcare Claims

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Agenda

- Background
- Current State of Healthcare IT
- Claims Attachment Issue
- eHealthConnect Solution
- What Now?

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The Process

- Patient Receives Service/Treatment
- Event Is Recorded
- Report Prepared
- Report Transmitted
- Report Evaluated
- Result Determined
- Response Prepared

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The Process (Continued)

- Response Transmitted
- (Possibly) Repeat Last Six Steps ...
- Payment Made or Result Recorded

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Evolution

- Paper / Manual Processes
- Electronic Claims Submission
- HIPAA Requirement (Administrative Simplification)
- eHealth (NHIN / RHIO / EMR)

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Administrative Simplification

- ANSI X12N Electronic Data Interchange (EDI)
- Claim/Encounter Transactions (837)
 - ✓ Institutional
 - ✓ Professional
 - ✓ Dental
- Enrollment (834)
- Premium Payment (820)
- Eligibility (270/271)

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Administrative Simplification

- Claim Status (276/277)
- Services Review (278)
- Claim Payment (835)

Current State

- Administrative Functions Cost \$600 Billion **each year**
- **IT and Customer Service** costs grow at 15% annual rate
- 84% of Providers and 73% of Payers are **Fully** HIPAA-compliant
- Claim Attachment Rule pending finalization

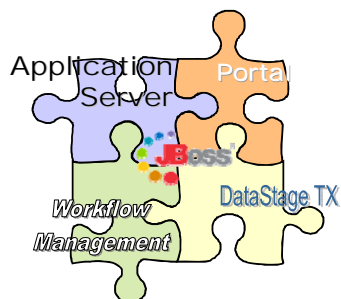
Claim Attachment Issue

- Medical Review Cannot Finalize Adjudication
- Insufficient Information in Original Claim
- Request for Additional Information Sent to Provider
- Additional Information Sent to Payer

Claim Attachment Cost

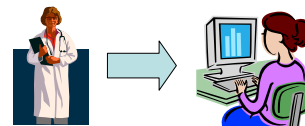
- Approx. **10 Percent of All Claims** Require Additional Information
- At Least **300-400 Million** Attachments Expected Next Year
- **Conservatively**, This Cost Will Amount to **\$400 Million in 2007**
- Some estimates are as high as **\$1 Billion**

The eHealthConnect Solution

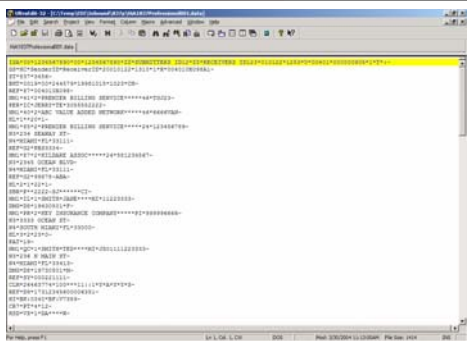


Outside eHealthConnect

- Patient Receives Service/Treatment
- Event Is Recorded
- Report Prepared



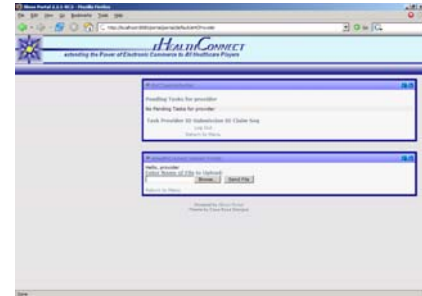
ANSI X12N 837P



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Inside eHealthConnect

- Report Transmitted



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Inside eHealthConnect

- DataStage TX
 - ✓ Validates
 - ✓ Transforms
 - ✓ Reformats
- jBPM is initiated – processBatch
- One instance of processClaim per transaction

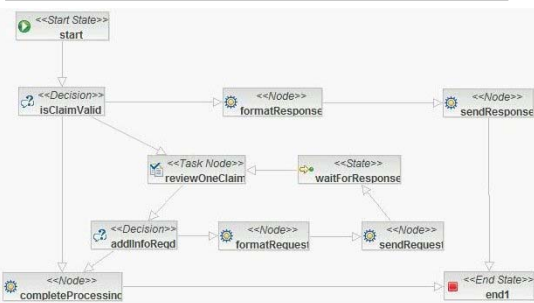
15

processBatch



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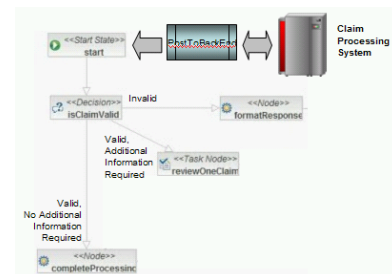
processClaim



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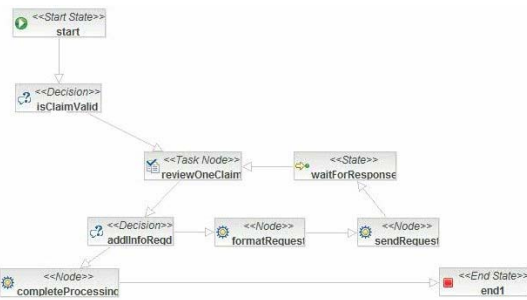
Outside eHealthConnect

- Report Evaluated
- Result Determined



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Additional Information



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Communication Options

- Phone / Mail – MR Manual - Copied
- Fax – MR Manual - Copied
- E-Mail – MR Electronic (Image / Scanned)
- EDI (277 / 275 / HL7/CDA) – EMR (LOINC encoded)

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Claim Attachment - HIPAA

- Request (from Payer) – 277
- Coding – LOINC
- Response (from Provider) – 275
- “Embedded” XML – HL7/CDA
- Coding – LOINC

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What Now?

- Electronic Health Record (EHR)
- National Health Information Network (NHIN)
- Regional Health Information Organizations (RHIOs)

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EHRs / NHIN / RHIOs

- Goals
 - ✓ Reduce medical errors
 - ✓ Improve use of resources
 - ✓ Accelerate dissemination of knowledge
 - ✓ Reduce variability of care
 - ✓ Advance consumer participation
 - ✓ Strengthen privacy and data protection
 - ✓ Promote public health and awareness

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EHRs / NHIN / RHIOs

- Strategies
 - ✓ Inform clinical practice
 - ✓ Interconnect clinicians
 - ✓ Personalize care
 - ✓ Improve population health

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