Clearinghouses of the Future

or
"How I Came to Stop Worrying
and Love HIPAA"

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In Chinese, the ideogram for "crisis" is a combination of the symbols for "danger" and "opportunity" . . . so it is with HIPAA.

Clearinghouses will play an integral part in the industry-wide scramble to comply with HIPAA.

The questions are...
- what role will they play and
- what is their future?

HIPAA's Challenges for Clearinghouses

- HIPAA Standards Affecting Clearinghouses

- The Redefined Role of Clearinghouses in the Post-HIPAA Era

- Standardized Technology: Picking Up Where HIPAA Leaves Off

- A Kinder, Gentler Clearinghouse

HIPAA Standards Affecting Clearinghouses

- Transaction Standards

- Standard Code Sets and Identifier

- Security

- Privacy

A Redefined Role for Clearinghouses

The Pre-HIPAA World:
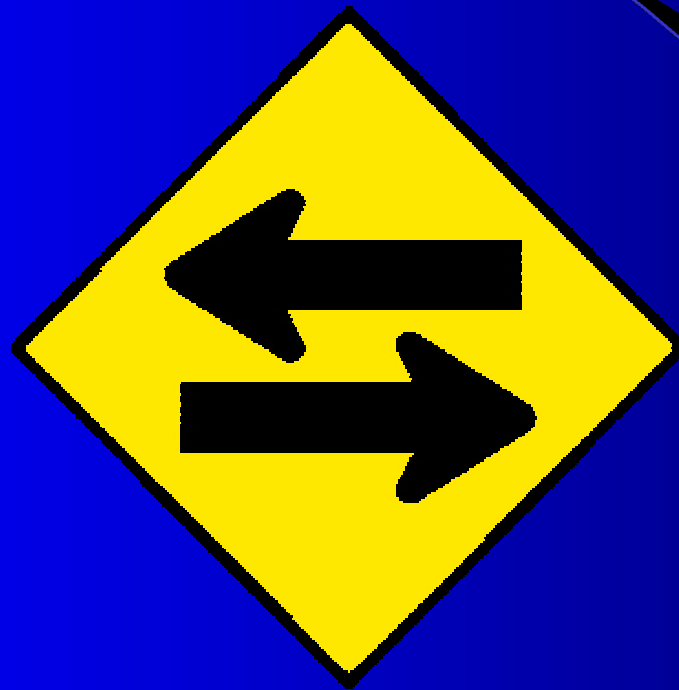
ONE WAY

Provider ➡ Clearinghouse ➡ Payer

A Redefined Role for Clearinghouses

The Pre-HIPAA World (cont'd):

- Focus on Administrative Functionality
  - Distributing Claims to Payers (EDI & Mail)
  - Converting Paper Claims to Electronic Format

- Price & Connectivity are the Distinguishing Factors

A Redefined Role for Clearinghouses

The Post-HIPAA World:

Provider ⬌ Clearinghouse ⬌ Payer

A Redefined Role for Clearinghouses

The Post-HIPAA World (cont'd):

- Intermediary in Provider-Payer Relationship
  - Payer Reports
  - Claim Status
  - Reconciliation Advice/Electronic Funds Transfer
  - Enrollment/Eligibility

A Redefined Role for Clearinghouses

The Post-HIPAA World (cont'd):

- Focus on Providing HIPAA-Related Services
  - Front-End Translation From/To ANSI Formats
  - Secure Data Warehousing

- Services and Value are the Distinguishing Factors
  - Robust Edit Engine Ensuring First Pass Payment
  - Incorporation of CCI and Medical Necessity

Standardizing Technology: Where HIPAA Leaves Off

HIPAA Stipulates "What Has To Be Done," But Leaves Open The Question Of "How To Do It."

As A Result, This Is The Perfect Time For Healthcare Organizations, Especially Clearinghouses, To Migrate Towards New, Standardized Technologies Allowing Them To Experience The True Meaning of "Administrative Simplification."

Standardizing Technology: Where HIPAA Leaves Off

The Pre-HIPAA World:

- EDI (Or Worse, The U.S. Post Office)

- Proprietary Systems for Data Format, Storage and Exchange

Standardizing Technology: Where HIPAA Leaves Off

The Post-HIPAA World:

- Internet
- Industry Accepted Standards for Data Exchange
  - XML (Extensible Markup Language)
  - ANSI ASC X12 N

Standardizing Technology: Where HIPAA Leaves Off

Advantages Of Moving To New, Standardized Technologies:
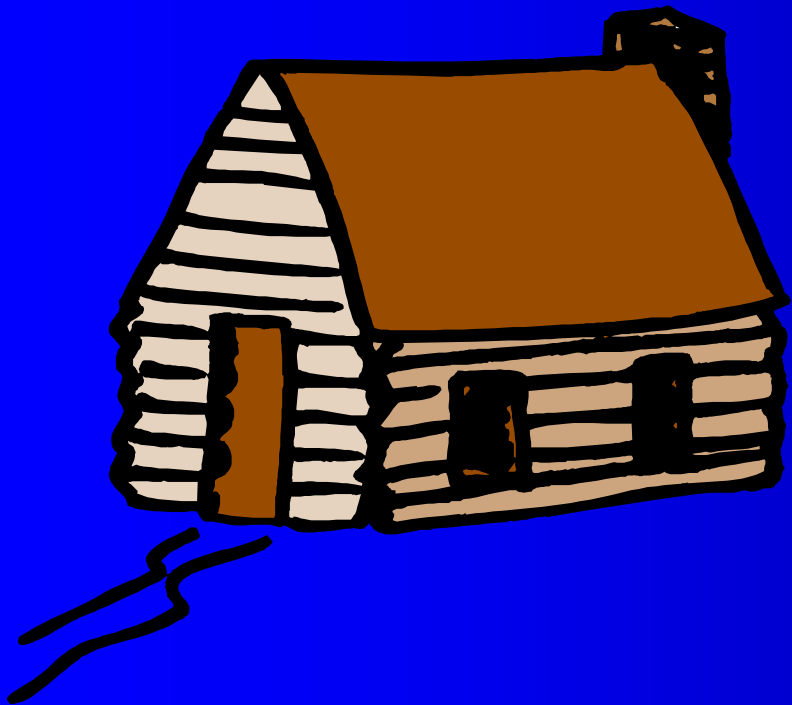
Internet

- ➤ Real-Time Connectivity
- ➤ Breaks the Barrier of Slow Batch Uploads
- ➤ Secure Data Communication

XML

- ➤ Flexible
- ➤ Robust Data Tagging
- ➤ Scalable
- ➤ Modular

A Kinder, Gentler Clearinghouse

The Good, Ol' Clearinghouse . . .

- One-Way, Administrative Functionality
- Proprietary Technology
- No Standardization
- No Value Added

A Kinder, Gentler Clearinghouse

...The New Clearinghouse

- Flexible and Functional in Both Directions

- Internet Technology & Standard Data Formats

- Value-Added Services
  - ➢ HIPAA Services
  - ➢ First Pass Payments