HIPAA Transaction Implementation
Eligibility Case Study

270/271 004010X092A1

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Allina Hospitals and Clinics

Agenda

- **Who we are**

- **Project goals and objectives**

- **Steps we took with our vendors and trading partners**

- **Challenges we encountered**

- **Results on our accounts receivable.**

Allina Hospitals & Clinics:

- 14 owned and managed hospitals
- 42 medical clinics - 600 providers
- 2.9 million outpatient visits
- Medical transportation serving 70 communities

Eligibility Project Goals

- Reduce the number of claims rejected for incorrect insurance information

- Reduce the phone calls to the patient

- Reduce phone calls to the health plans/payers

- Prepares Allina for HIPAA 270-271 transactions

- Faster payment turnaround from payers

- Increase productivity for registration staff

The Revenue Cycle

Collections & Follow Up
Access
Claim Submission
Technology and Training
Documentation & Charging
Health Information Management

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Eligibility Project Objective

- **Automate current manual insurance verification process.**
  - Provide an interface between the registration system and a third party clearinghouse (or direct to a health plan) using the HIPAA compliant 270/271.

Eligibility Project Objective

- **Perform eligibility checks on 100% patients**
- **Users must like the system**
- **Electronic transaction data at least matches data obtained manually from existing payer methods (DDE or Web)**

Eligibility Project Metrics

- **Measure # of claim denials/rejections due to ins-related info**
  - Wrong member number
  - Wrong name
  - Member not eligible
  - Rejected other insurance
- **Measure time to complete insurance verification**

Eligibility Project Metrics

- **Technology Performance**
  - Down time
  - Response times
- **Vendor Customer Support**
  - Response times
  - Quality

Eligibility Project Plan

- **Use the 270/271 transaction in fast batch (real-time) to determine eligibility on each patient at our hospitals**

- **Allina would create a 270 transaction from data that is in the registration/scheduling application.**

- **The 270 would be sent to Clearinghouse**

- **Clearinghouse reformats the data according to the health plan's requirements**

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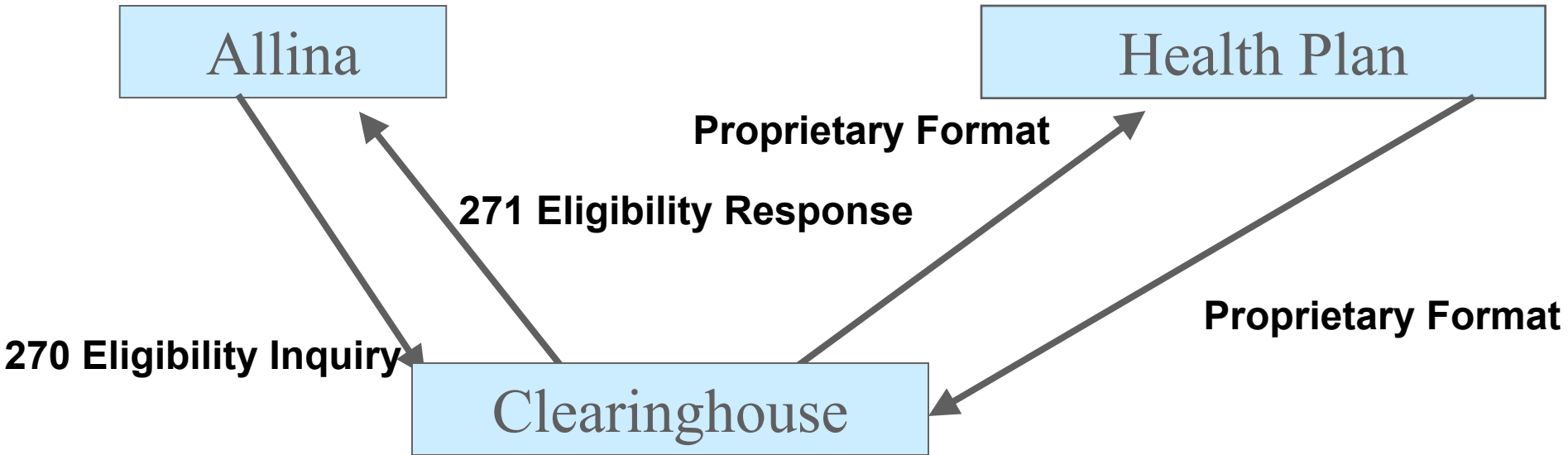
Health Information Management

Eligibility Project Plan

- Clearinghouse sends the request to the health plan.
- The health plan returns a response to Clearinghouse
- Clearinghouse reformats the response into the 271
- Allina takes the data it wants from the 271 and fills in the appropriate fields in the application

Eligibility Project Reports

- **Registrar Productivity**
  - 97% of Patients are checked

- **Transaction Monitoring**
  - Average normal wait (24 seconds)
    - » Registrar is not waiting for this - they are working on other parts of the registration.
  - Average queued inquiry wait (37 seconds)

Eligibility Project Application Updates

- **System will auto update these fields from the 271**
  - Insured Name
  - Insured Birthdate
  - Insured Gender
  - Policy Number
  - Group Number

  - Effective From Date
  - Effective To Date
  - E/R Copay
  - Office Visit Copay
  - Urgent Care Copay

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Eligibility Project Challenges - Internal

- **Finding the right types of patients for testing scenarios.**
  - Coverage is expired
  - Coverage is active
  - Primary and secondary insurances
  - Dependent of a subscriber
  - Subscriber
- **Can't use dummy patients if health plan won't set them up**

Eligibility Project Challenges - Internal

- **Users on the back-end (Billing office, Customer Service) do not always check eligibility**
  - Number of claim denials not accurate
- **Tracking system not in place for all payers until after implementation**

Eligibility Project Challenges
Health Plans

- **Health plan data is not updated regularly so information is not correct for the date of service**

- **Unique Business Requirements
  (We need standards!)**
  - Example: Back dated or future dated inquiry requirements are all different

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Eligibility Project Challenges Health Plans

■**Health plan data is not always correct**

– Health plan says the patient is dead - The patient was not amused when the registrar pointed this out to him :-)

The Revenue Cycle

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Eligibility Project Challenges Health Plans

- **Some health plans are not returning co-pay or deductible information**
  - – Requires a phone call to the plan which increases administrative cost

Eligibility Project Challenges
Health Plans

■ **Health plan has system down times**

– Registrar has to work these later on a report and thus might require another contact with the patient

– Downtimes are not always announced to us in advance - they just happen

Eligibility Project Challenges Guides

- There is not a standard understanding in the industry on how to interpret structure of the 270 inquiry.

- Each health plan has their own ID numbering system. You have to know of the numbering system assigns unique identifiers to each member.

Eligibility Project Challenges Guides

- Joe Smith is policy holder. Health Plan A assigns him number 555-70-8888
- Jimmy Smith is his son. Health Plan A uses Joe's number for Jimmy 555-70-8888.
- Sue Johnson is policy holder. Health Plan B assigns her number 44444-50-00
- Timmy Johnson is her son. Health Plan B assigns him number 4444-50-01.

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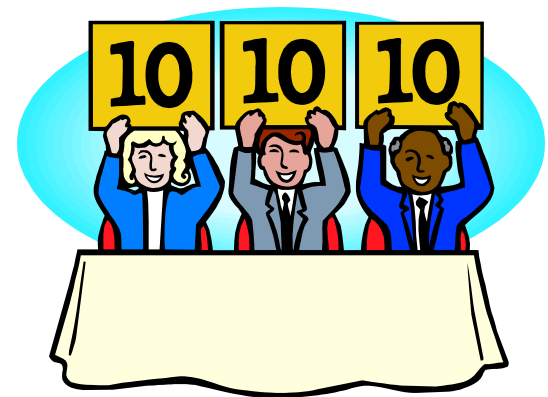Hospitals & Clinics

Eligibility Project Challenges Guides

■ **The provider then determines whether to place patient data into the subscriber or dependent section of the transaction.**

   – How many Health plan member ID systems would providers have to know???
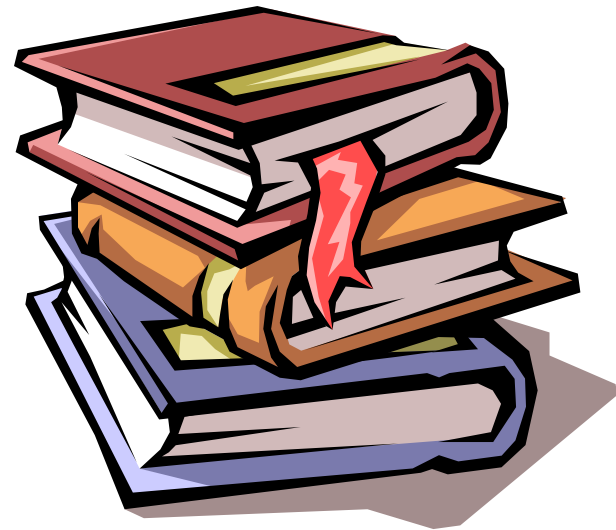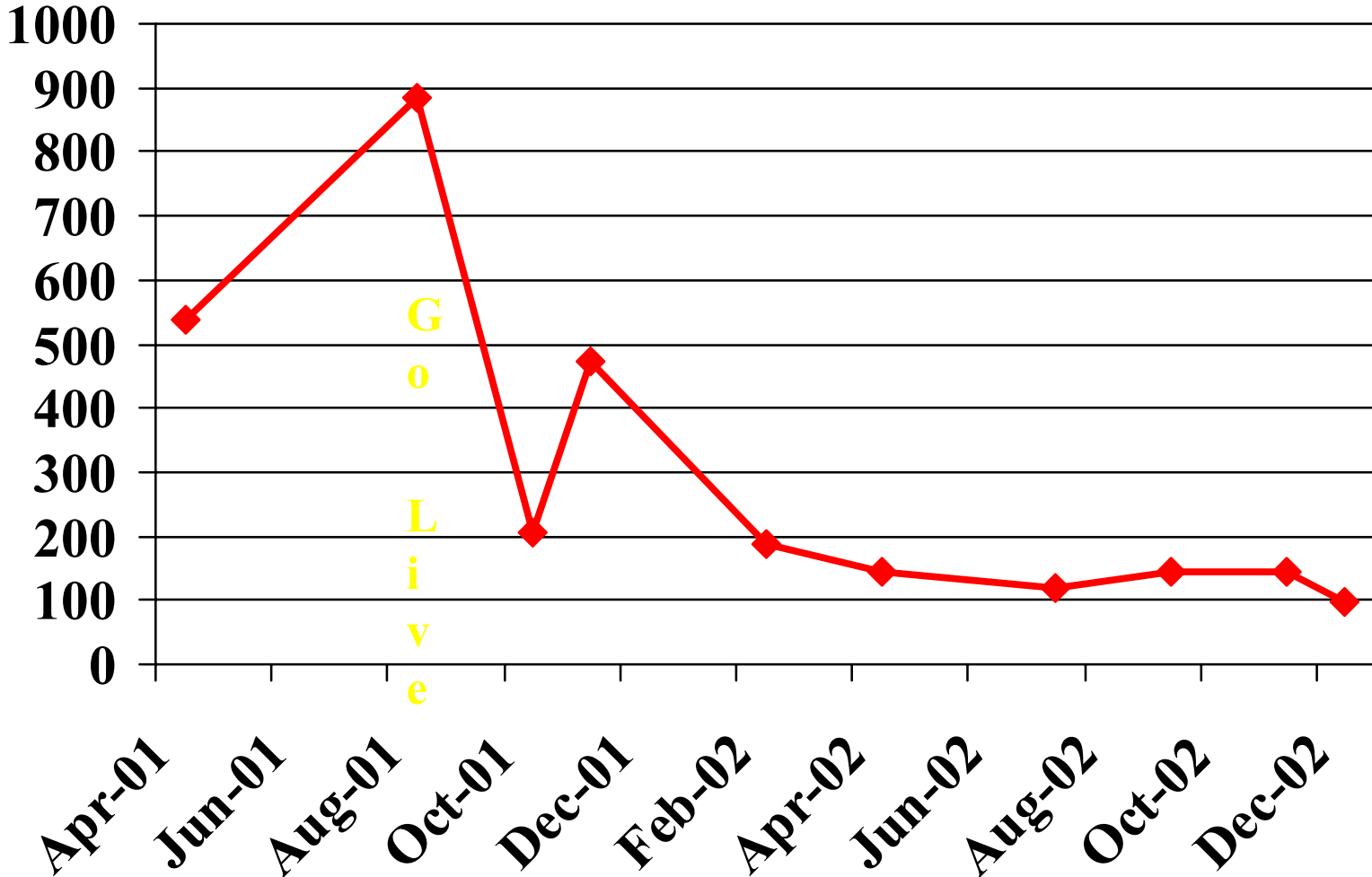
Eligibility Project Results

- **97% of Patients are checked for the health plans we have implemented.**
- **Number of claims denied reduced 50%.**
- **Staff-time reduced.**
  - 8 seconds for automated system, 44 seconds for web site lookups.
- **Users like it!**
  - Survey of users show high level of acceptance.

Kim Pederson

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