

The Eighth National HIPAA Summit™

The Leading Forum on Healthcare Privacy, Confidentiality, Data Security and HIPAA Compliance



Putting the Standards to Work

March 9, 2004

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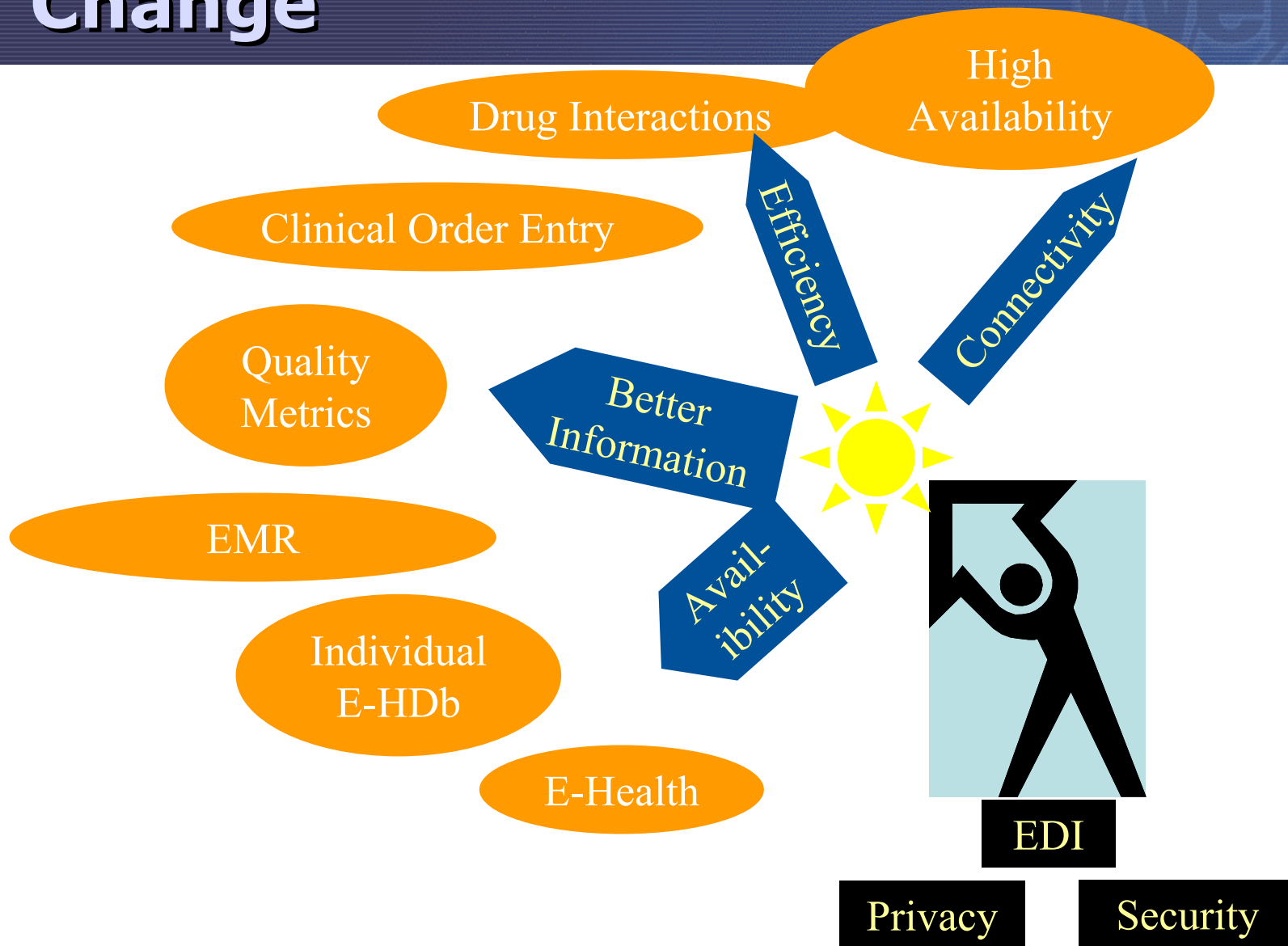
The Future of HealthCare Success

- **Improved relationships and communications**
- **Transition from transaction processing to partnerships in the healthcare delivery through value added collaborations**
- **Improved models for effective care management and wellness programs**
- **Evolution towards real-time enterprise and a more efficient operating model**

First Step.. Get rid of the Paper

- **Possibility of errors**
- **More time intensive**
- **Administrative costs are higher (forms, envelopes, postage, FTE requirements)**
- **Paper requires additional processing from the payer/plan**
- **Increased follow-up time with payers**
- **Rejections from payer/plan result in delayed payment and resubmission**
- **Misfiled, in another patient's file; missing (may be in stack to be filed)**
- **Exposed individually identifiable information**
- **Access to files**

HIPAA is a Catalyst for Necessary Change



Moving Away from Paper.. ALL EDI

- **Electronic transactions are less likely to have errors**
- **Takes less time to complete electronic forms**
- **Less payer processing time**
- **Status information more readily available**
- **More easily tracked and secured**
- **Possibility to upload adjudication information into management systems**
- **Computer costs vary based on type of operation**
 - Automate claims management, pPre-registration, revenue cycle
 - Data access controls; applied security practices
 - Audit trails

Healthcare Opportunities

➤ Healthcare e-Transactions delivery will result in a new generation of healthcare “Services” and Healthcare Relationship Management

Providers

Billing Services

A new generation of integrated practice management, claims and billing services are already starting to appear

Major investments are being made in the electronic creation, delivery, adjudication, and payment of healthcare transactions

Patients and plan participants will acquire benefits and monitor status more directly and via the Internet

Beneficiaries

A new generation of integrated banking services will emerge as Financial institutions participate directly in the EDI workflow with electronic funds transfer replacing paper check drafts

Banks

TPAs

ASC X12N Implementation will be felt the hardest by Insurance companies and a host of various Payers and Third Party Administrators who handle benefits in any fashion.

Conversely this group will derive most of the benefits of the estimated \$13-26* billion in annual savings through the mandatory introduction of standardized EDI

Insurance and Payers

Employer Sponsor

A new generation of integrated employer benefits services will emerge as benefit sponsors and plan participants have more choices in receiving and providing relevant information



Movement towards Real-Time



- **Plan for HIPAA compliance to evolve in the next three years**
- **Focus first on surviving, then on becoming an Real-Time Enterprise (RTE)**
- **If you are not in a community, create one!**
- **Health plans: go beyond minimal implementations**
 - it's good for the providers, and
 - that is good for you!

HIPAA Jump Start

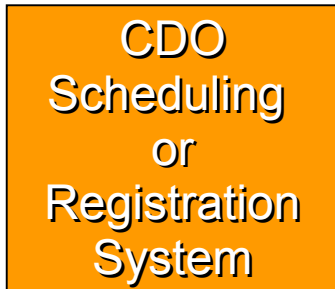
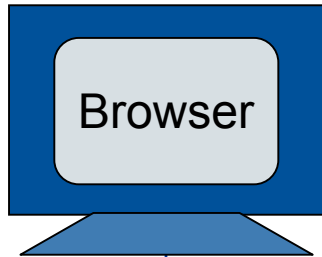


- **HIPAA claims are a threat (if not done well or compliant)**
 - The other HIPAA transactions are opportunities
- **HIPAA jump-starts the real-time enterprise**
- **Surviving and thriving are community affairs**

DDE and Real-Time EDI Lead to More Internet Usage



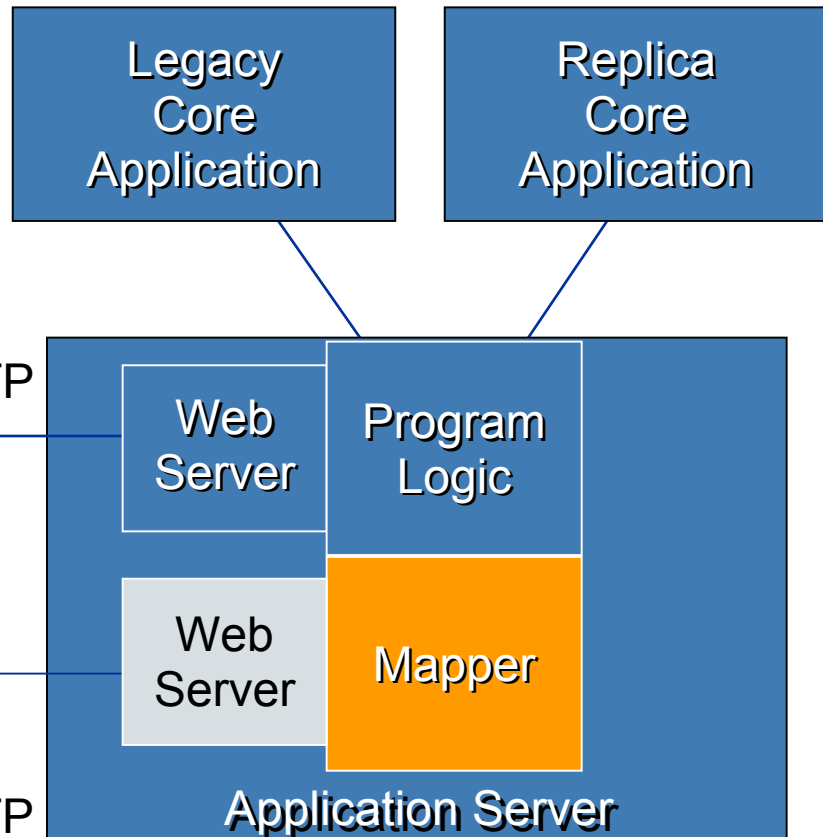
Care Delivery Organization



HTML
Internet
Secure HTTP

EDI
Internet
Secure HTTP

Health Plan



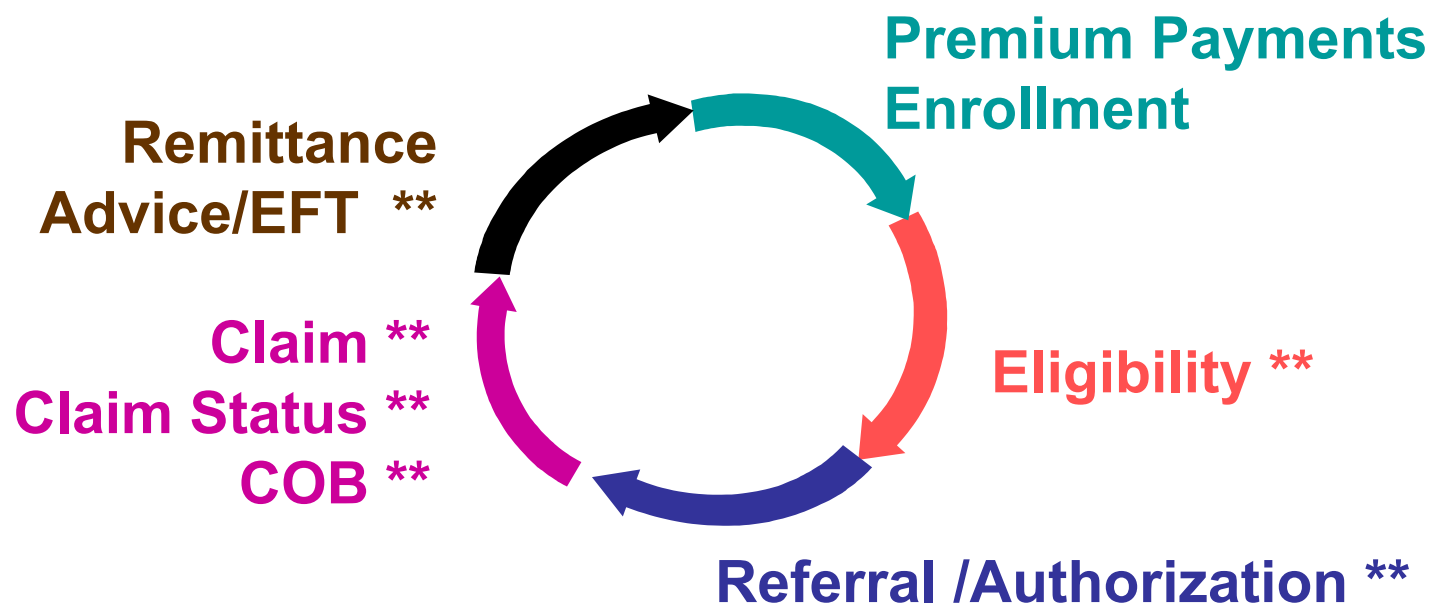
Working Together

Webify



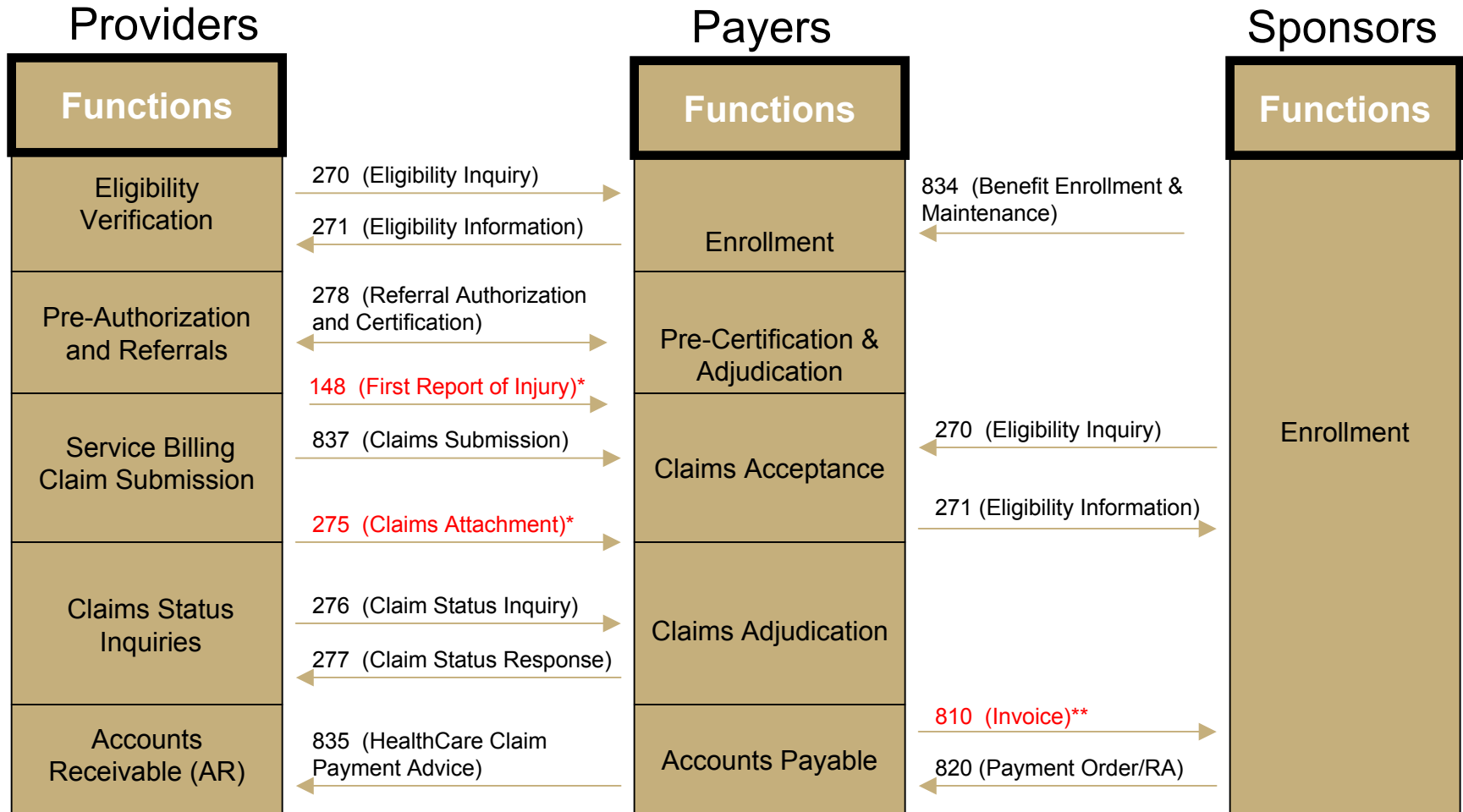
Electronic Highway Round One

- HIPAA required HHS adopt industry-developed standards for administrative and revenue EDI



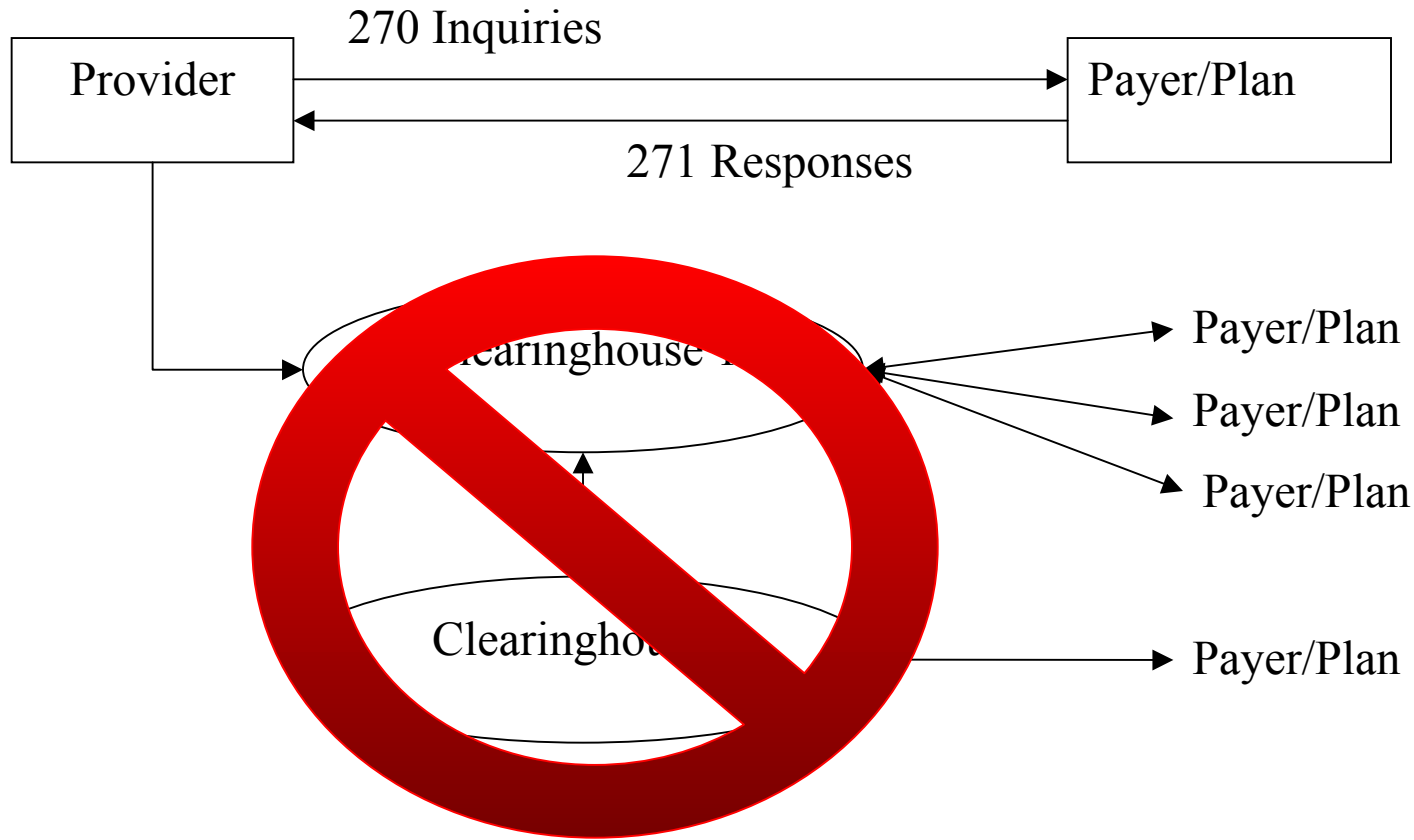
** Transactions applicable to providers

Standard Transaction Flow

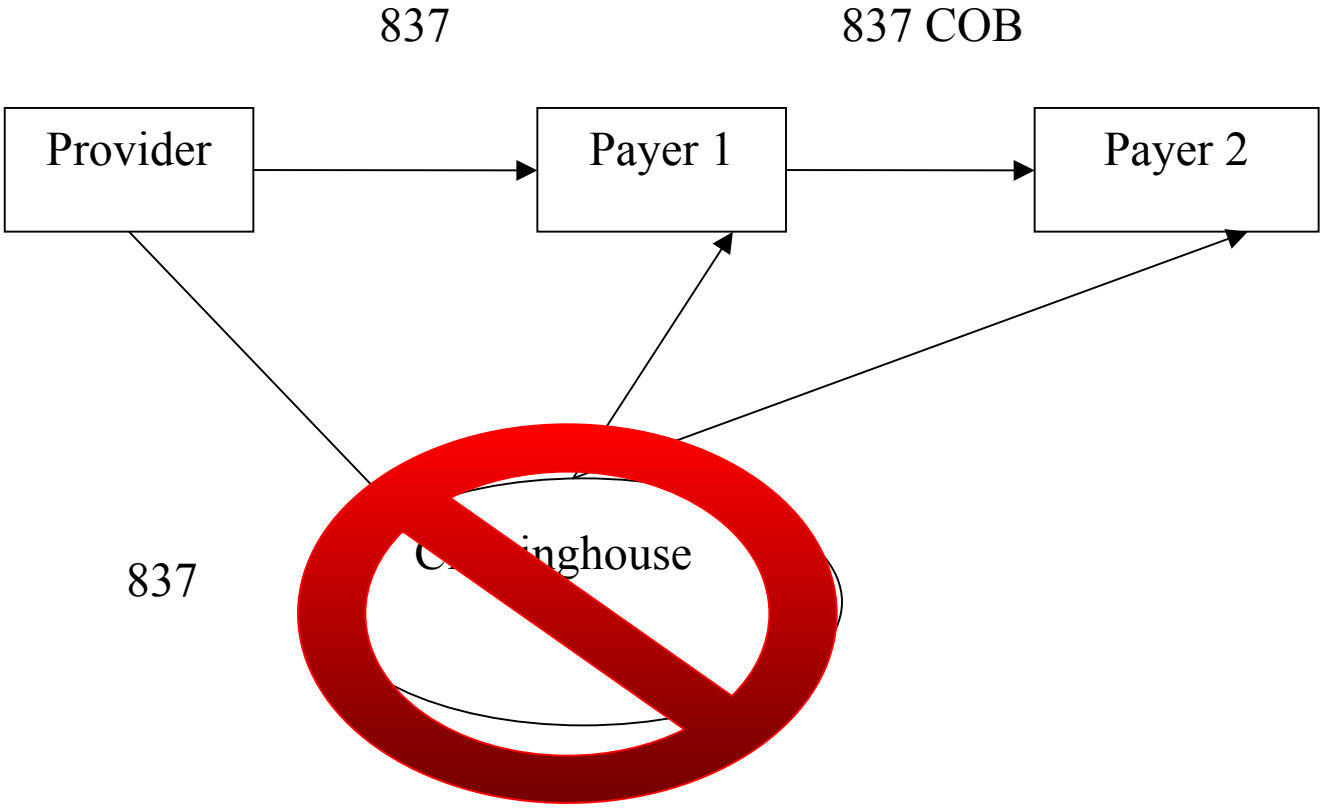


These are not contained in the initial Transactions and Code Sets Final Rule*

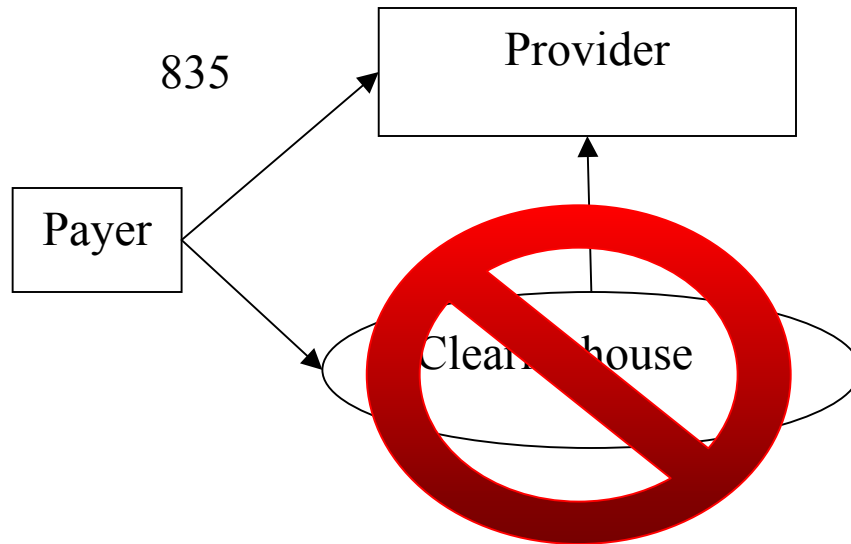
Direct Connect – E&B Information



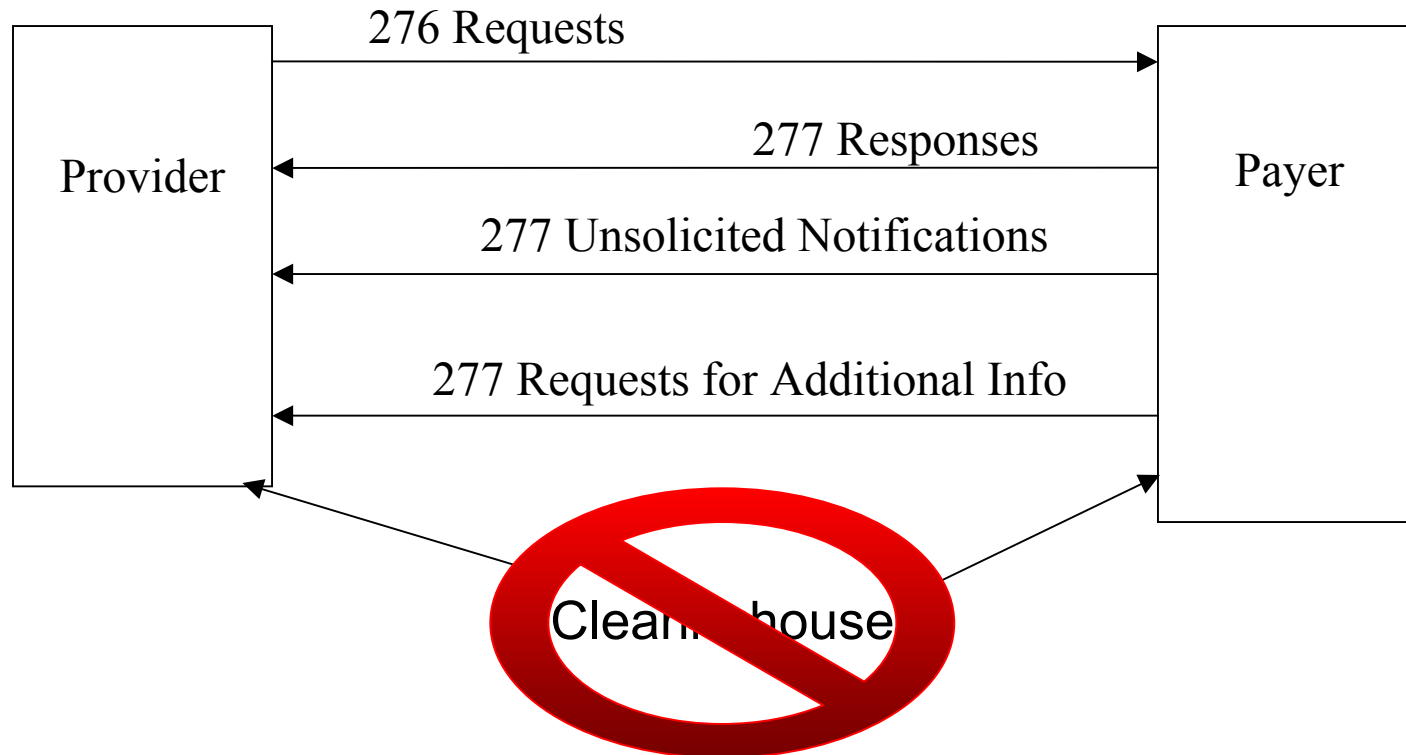
Direct Connect - Claims Processing



Direct Connect - Remittance Advice



Many Uses of Direct Connect Claim Status Request and Response



Provider RTE Round Two: Revenue Cycle Management



- **Pre-care**
 - Self-service registration and scheduling
 - Accurate patient demographic/coverage information
 - Eligibility and referral checking, not labor-limited
 - Pre-established health plan data requirements
- **Concurrent with care**
 - Simultaneous documentation through delivery systems
 - Point-of-service collections
- **Post-care**
 - Rapid closing of case
 - Non-labor-intensive claim follow-up (status, posting, secondary coverage)
 - Consumer access to statements/Web payments

Providers.. Start your engines!

- **Demand your HIPAA Rights**
 - The right to send a standard transaction
 - The right to have the transaction serviced with reasonable telecommunications fees applied
 - The right to exchange the full lifecycle of HIPAA transactions
- **Implement a pre-registration process**
 - Leverage the Eligibility and Benefits 270/271
 - Implement the Authorization and Referral 278
 - Pro-active use of the Claims Status 276-277

Providers.. Rev your engines!

- **Preventive care is good for you too!**
 - Always check E&B BEFORE the visit when possible
 - Obtain approvals and authorizations
 - Reduce bad encounters by eliminating validation on the date of service
- **Significant results are possible**
 - Much shorter “check-in” process
 - Push for co-pays, deductibles, other OOP no later than the date of service
 - Time for you and the patient to make choices

Providers... GO GO GO

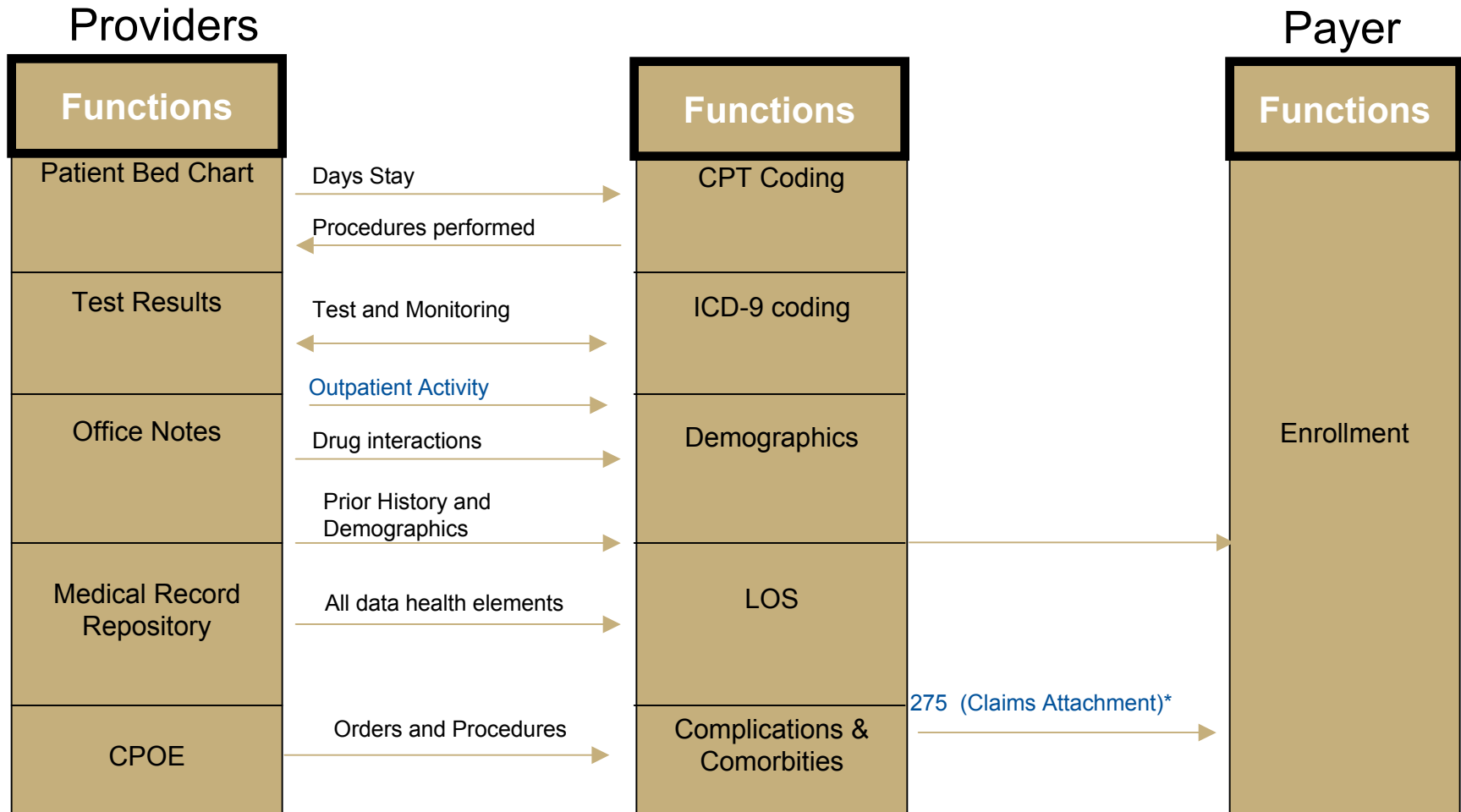
The Claims Attachment (275)

- **The claims attachment standard will allow the electronic attachment of clinical data (medical opinions, diagnostic information from lab tests and radiology reports, EKG readings and similar)**
- **One day we may be able to add radiology images and scans**

Benefits Will Migrate to Clinical Areas

- **Clinical Integration can save additional costs in the areas of:**
 - Coding
 - Justification of DRG and levels
 - Faster claims submission
 - Lower Human Error Rates (automated)
 - Greater compliance via AI 100% reviewed

Clinical to Revenue Cycle Flow



Clinical Outcomes Round Three: Real Impact of Electronic Highway

- **Leverage Internet and Real-Time connections used for administrative and revenue transactions for provider to provider interactions**
- **Focus on applied digital healthcare through the use of technology for more effective clinical outcomes**
- **Enabling technologies will be required**
 - Voice-to-text is a critical element to clinical adoption
 - Interoperable security and authentication
 - High availability and on-demand architectures

The Cost, Quality, Standards Relationship



Standards-based automation of routine functions lowers rate of rising costs (labor)

- Only possible if accompanied by process redesign
- Could allow increased investment in clinical IT support

Standardized data increases its usefulness for quality improvement studies

- Knowing what's best can improve quality, but doesn't prevent error
- 4th leading cause of death: medical errors!

Standards for clinical information will allow more cost-effective introduction of IT support at point of clinical decision making

- Which in turn, will lead to fewer errors, higher quality care, and lower costs (e.g. e-Rx, CPOE).
- NCVHS recommendations for PMRI standards.

Patient Centered Clinical IT Support

Patients will take an increasing role in IT interactions with healthcare system:

- Patient answers computer-based questionnaire before each visit to give complete info to provider
- Provider interacts with decision supporting EMR in presence of patient
- Patient takes home paper/electronic copy of record/instructions generated during each visit
- Patient interactions with provider are often asynchronous and electronic (e.g., e-mail with web reference material) and depend more on self-care, unless hands-on visit is required
- Result is higher quality, lower risk, lower cost, and more satisfying healthcare

Conclusion: HIPAA Threats and Opportunities

For claims, the goal is to survive a threat:



- Dropping back to paper
- Increase claims failure
- Increase reliance on 3rd party clearinghouses

Other transactions are opportunities to thrive



- Early adopters are demonstrating this
- Full realization is a complex process

Follow the leader



Consumer Driven – Industry Changes

Consumer Driven Healthcare

- **Consumer Driven Health Delivery**
 - Patient safety
 - Consumer price negotiations
- **Consumer Driven Pharmaceuticals**
 - Direct-to-consumer advertising
 - Direct-to-consumer clinical trials
- **Consumer Driven Health Plans**
 - 'Health Navigator' services
 - Robust tools
 - Voluntary disease and wellness management
 - **Consumer Driven Products**
 - Tiered networks
 - Flexible product designs
 - HRA accounts

Consumer driven health plan products aren't the issue; it's the fundamental changes occurring in healthcare – new product designs are just an outcome of those changes

Health Plans as Healthcare Navigators

Current State

Plan Administrator

- Design benefit packages
- Underwrite risk
- Administer benefits
- Medical management
- Pay claims

Transactions

Consumer Driven Healthcare

Healthcare Navigator

- ▶ Benefit advisor
- ▶ Provider access navigator
- ▶ Financial advisor
- ▶ Wellness coach
- ▶ Care manager
- ▶ Infomediary

Services



Impacts on Healthcare Workers and Managers

- **Skills and Traits for Success:**
 - Must become technology comfortable
 - Must have at least minimal IT savvy
 - Must appreciate and comply with Privacy and Security Std.s
- **Impacts on Career:**
 - People focusing on more difficult tasks as automation handles the more mundane
 - Potential to reduce staffing levels due to greater efficiencies
 - Greater need for Knowledge Architects to build and maintain
 - AI systems

Impacts on Healthcare Workers and Managers

- **Education:**

- More technology training
- Effort to maintain writing skills
- Effort to maintain high level reasoning skills
- Shift to intervention and prevention

- **Potential Benefits:**

- Less adverse events due to human error
- More time for human interaction (45% of RN time on paper)
- Less stress over locating needed information
- Greater ability to communicate within medical community
- Eliminate of mundane tasks (Ordering, Charting, etc.)

How to Get Paid Under HIPAA?



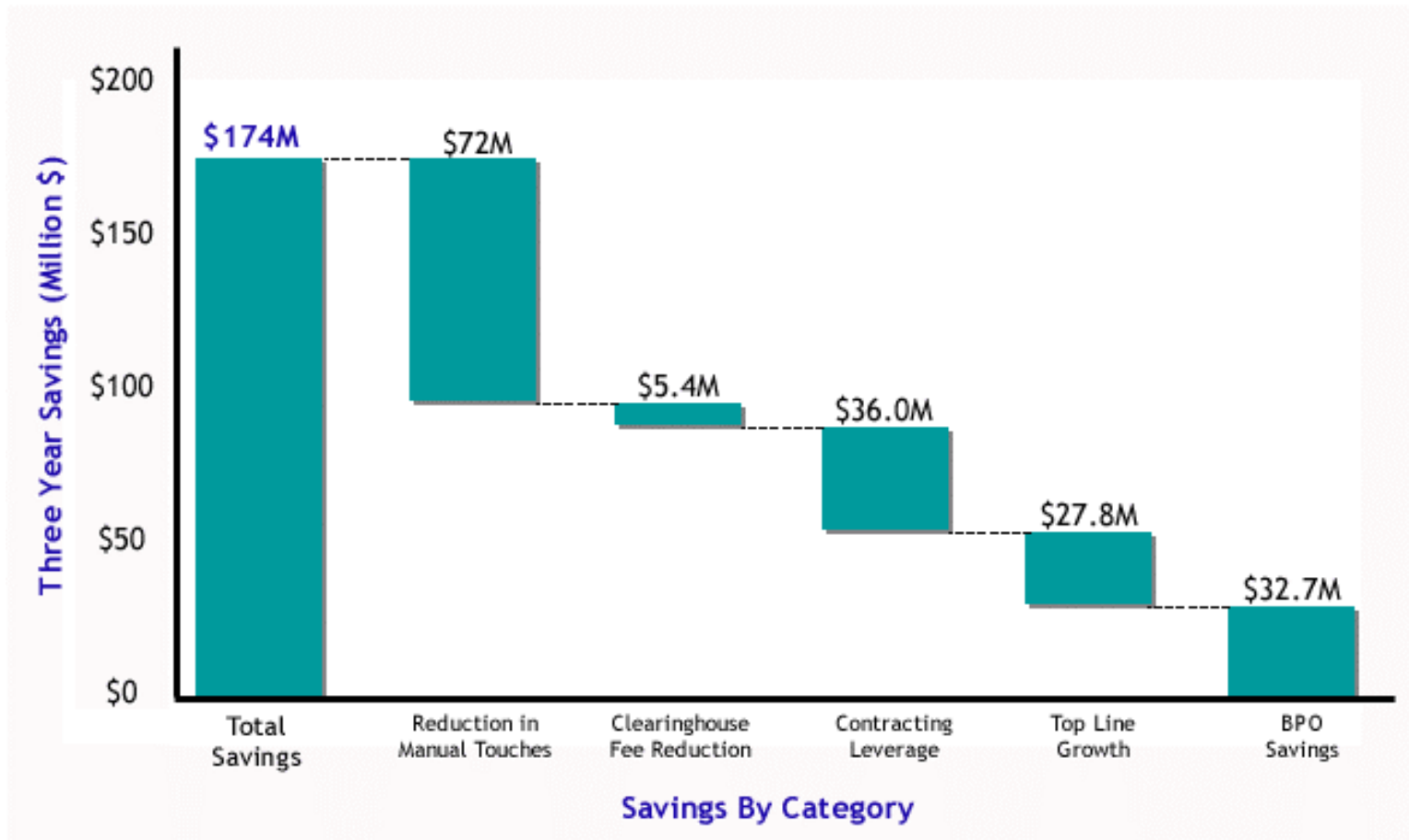
USE IT!

What is the Risk/Reward Proposition?



- **Security and Privacy add costs**
- **Security and Privacy limit risks**
- **EDI can reduce costs/enhance revenues**
 - Lower FTEs required for transactions
 - Increase cash flow
 - Improve accuracy
- **EDI can help create better clinical data**
- **Better data can equal better care**

Webify Health Plan Value Proposition



Assumptions: Typical Blue handles 30M claim per year, 12M touches.
Source: Blue Cross CIO Interviews, Internal Analysis

E&B Success Stories - Benefit All!

- One of the nations largest hospital chains reported early results of a pilot..
 - **Manual work to do E&B transactions with Payers was reduced 80% (direct connect v. keying into a browser)**
- Another practice reported that they had 27 % of the office deductibles in their patient record wrong.
- An analysis of other practice reported that upon examination claim pend reasons found wrong name accounted for 66% of pends, the next largest category was 4%
 - **After Implementation of the E&B they reported an immediate 50% reduction in pends and denials**

Success Case Study



- **The GOAL**

- Clopton Clinic used the Webify direct connect solution to solve their need to translate all claim files from NSF 3.01 to the HIPAA compliant 837
- The goal was to avoid excessive investment in their current PMS and to avoid having to subscribe to expensive clearinghouse services

Success Case Study



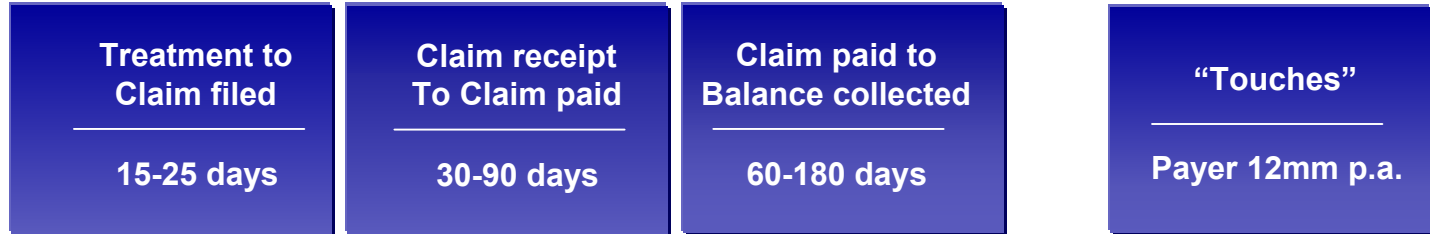
- **The RESULT**

- Compton realized nearly a 20% reduction in time required to submit and manage claims
- Achieved a reduction to 14 days for payment even on problem claims
- Clopton Clinic receives 835s from their payers and their direct connect HIPAA solution converts it to the format that they used in the past
 - With few changes the converted files are placed it in the appropriate directory so that Clopton continues auto posting today even in the 835 world today

Business Efficiency Impact



Challenge with Claims (Before)



Typical Insurance Payer: Reduction of ~\$20M in recurring annual costs

Problem Claims (After Webify HealthTransactions)



Where to get help!

Southern HIPAA Administrative Regional Process



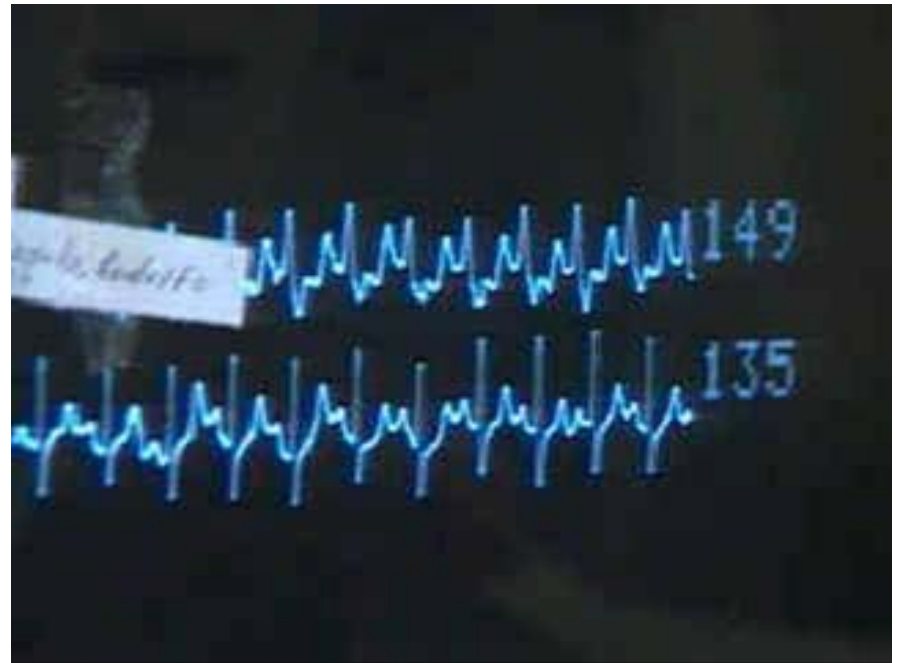
SHARP is striving to meet the needs of all regional stakeholders by providing a collaborative regional health care and provider focus.

SHARP helps achieve understanding of the HIPAA standards, and fosters the implementation of reasonable compliance efforts which realize the benefits of those standards.

www.sharpworkgroup.com

Questions and Next Steps

**Just What
the Doctor
Ordered!**



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