



ABN·AMRO

Medical Banking Strategy

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VP Healthcare Strategy

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Agenda

- ▶ **Medical Banking Strategy**
- ▶ **Healthcare Industry Challenges**
- ▶ **Medical Banking Solutions**



Medical Banking Strategy



ABN AMRO Overview

▶ Global Reach

- ▶▶ 175 year history with a global branch network spanning 60 countries
- ▶▶ One of the largest banks in Europe
- ▶▶ \$601 billion EUR in total assets

▶ United States

- ▶▶ Established in the US in 1941
- ▶▶ Largest foreign owned bank in the US with \$168 billion in domestic assets
- ▶▶ Over 22,500 employees
- ▶▶ 11 regional corporate finance branches and over 400 commercial & retail branches
- ▶▶ Mid-west presence comprises of **LaSalle Bank** and **Standard Federal Bank**

▶ Complete Suite of Banking Services

- ▶▶ Treasury Management
- ▶▶ Financial markets
- ▶▶ Asset management/Working Capital/Mortgage

Mission

ABN AMRO Services Company (AASC)

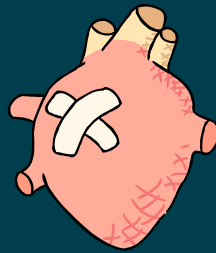
MISSION

Our mission is to become the banking leader in providing value added products and services to the healthcare industry. We will offer quality solutions that will enable healthcare organizations to reduce their operating costs and to increase their revenue.

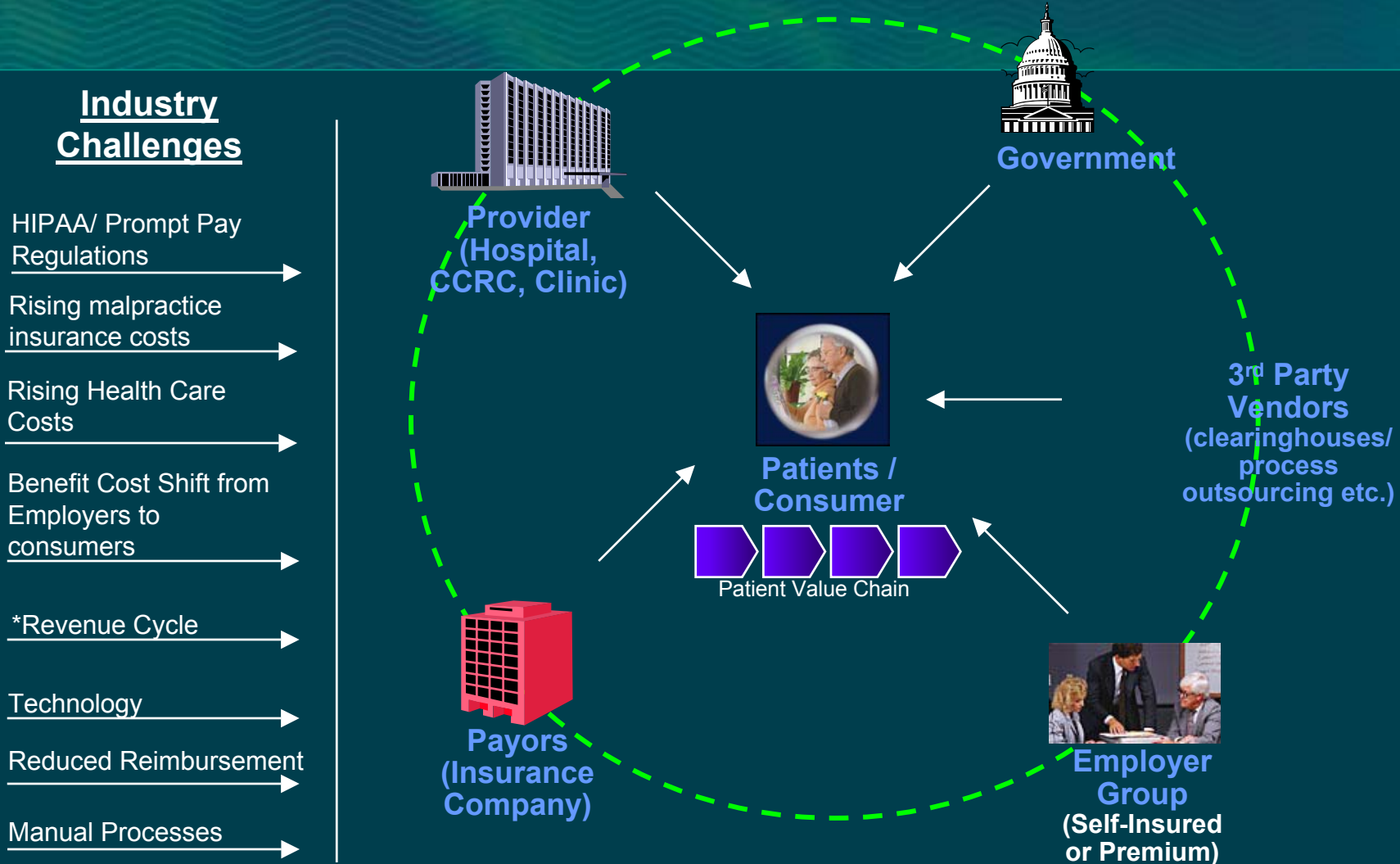
Why Banks and Healthcare?

- *Healthcare is a Multi-Billion dollar industry. The cost to administer \$30B in transactions is \$300B annually. This represents a significant opportunity for the Bank to increase its market share and revenues.*
- *The basic complexity of the healthcare payment environment creates significant market demand for solutions that can resolve their revenue cycle challenges.*
- *As a natural aggregator of payments, Banks are well positioned to be able to offer solutions to streamline the payment channel of Healthcare Organizations.*
- *The Healthcare Insurance Portability and Accountability Act (HIPAA) has opened up an opportunity for Banks to offer outsourced products that can enable compliance to the electronic transaction set stipulations.*

Healthcare Industry Challenges



Healthcare Landscape



*The revenue cycle is the process that begins when a patient comes into the system and includes all activities that lead up to the billing and collection process. Source: Cap Gemini.

Complex Payment Flow

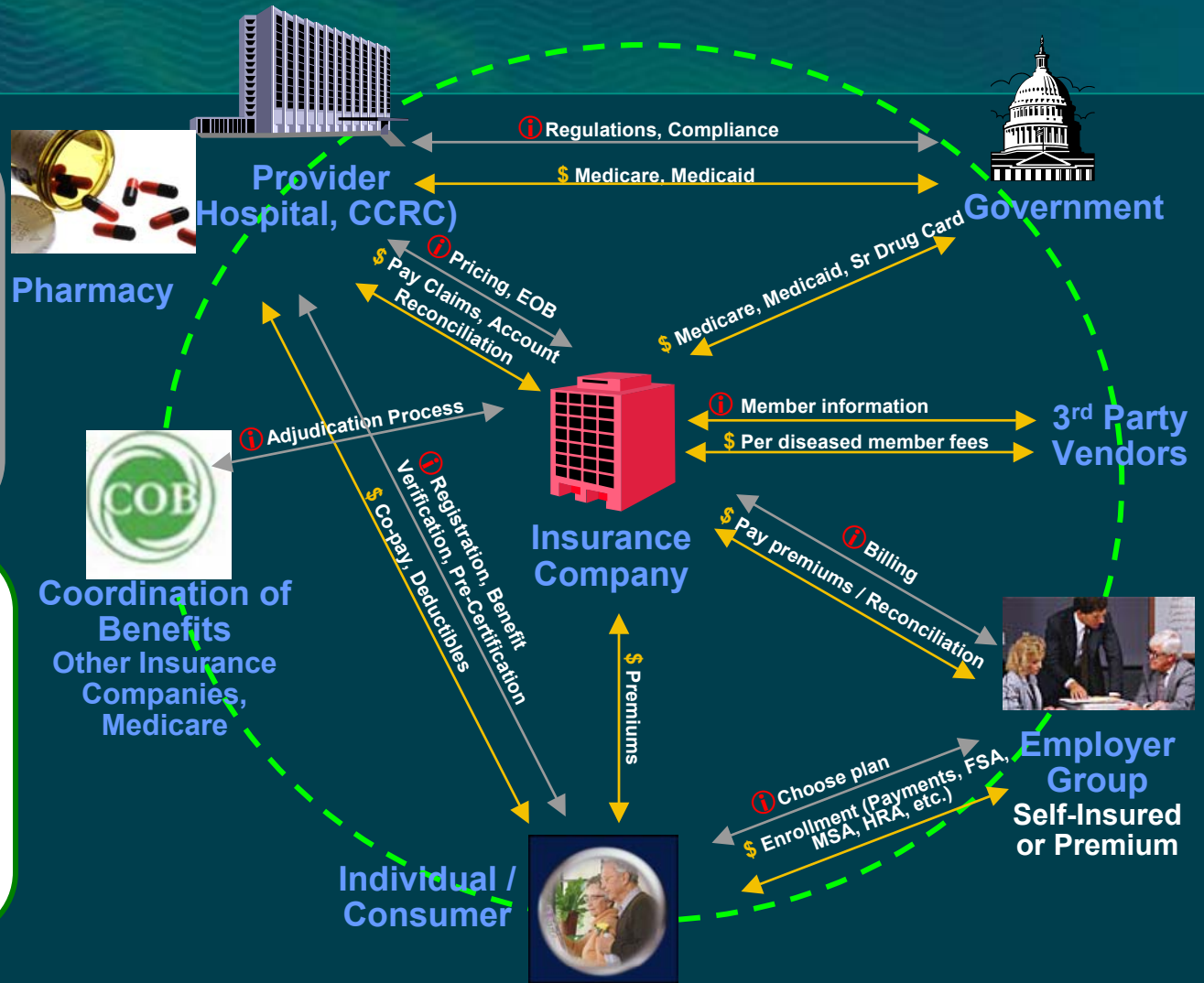
Information Flow Complexity:

- Choosing Plan Type (Employer & Insurance Co.)
- Regulations and Compliance (HIPPA, etc.)
- Registration, Benefit Verification, Pre-Certification
- Billing of claims
- Pricing and EOB issues
- Adjudication process of claims

Payment Flow Complexity:

- Enrollment (Payments, FSA, MSA, HRA, etc.)
- Claim payment and Account Reconciliation
- Medicare, Medicaid, Senior Drug Card
- Diseased member fees
- Insurance Plan Premium and Account Reconciliation
- Co-pays and Deductibles

Source: Cap Gemini



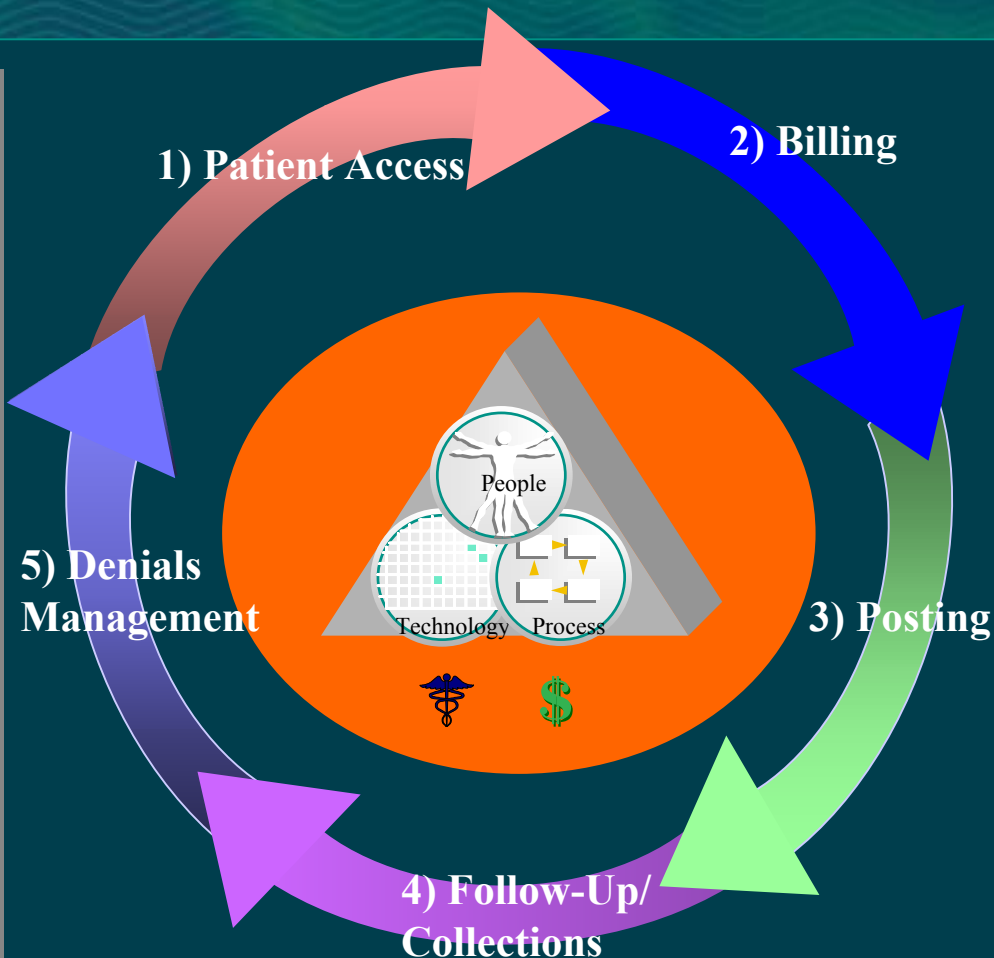
Payments and the flow of funds, represents a critical component of a health care organizations revenue cycle

The Health Care Industry is Facing Eight Major Revenue Cycle Issues That Are Slowing Cash Flow and Impacting the Customer Value Chain

Revenue Cycle Issues

1. Decrease in Cash Flow
2. Increased Days in Accounts Receivable
3. High % A/R >90 days
4. Increased Contractual/Bad Debt write-offs
5. Increased Discharged, Not Final Billed
6. High Volume 3rd Party Denials
7. Process Issues
8. Technical Issues

- Varying levels of technology use
- Numerous systems conversions and standardization
- Desire for leading edge technology solutions



1) Patient Access

Scheduling, registration, eligibility verification, co-pay/deductible collection

2) Billing

Charge capture, claims generation, claims submission to payer or clearinghouse

3) Payment Posting

The reconciliation and posting of payments.

4) Follow-Up/Collections

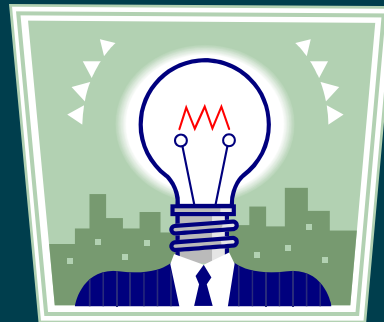
The follow-up and collection activities involved in unpaid or partially paid accounts including secondary billing

5) Denials Management

Involves claims denial and adjudication including appeals and re-billing.

Using core competencies, banks can play a role in the various stages of the revenue cycle

Medical Banking Solutions



Product Focus

- ▶ **ABN AMRO can add value for Healthcare Organizations by offering products and services that:**
 - ▶▶ Improve Revenue Cycle Operational Efficiency and provide cost savings via automated solutions.
 - ▶▶ Provide Technology that can enable HIPAA Compliant transactions in a cost-efficient manner.
 - ▶▶ Enable increased Accounts Receivable capture.
 - ▶▶ Improve their Patient/Customer Satisfaction.

Revenue Cycle Opportunity

Denials Management

Cash Acceleration

Patient Payment Strategy

Third Party Payment Compliance

Best Practices (source: Healthcare Finance Management Administration)

- Accurate front-end information capture
- Complete and timely service documentation
- Utilization Review

- Enhanced A/R Management
- Reduced A/R aging
- Technology enabled Data Mining
- Process Automation
- Prioritized deployment of follow-up resources

- Point-of-Service Collection
- Enhanced patient payment alternatives
- Accelerated patient notification

- Automated Contract Management Tool
- Specialized collection follow-up resources
- Technology enabled tools to capture correct information

Banking Solutions

- *Healthcare Smart Card* to automate eligibility and capture real time data
- *Image Archive* to enable expedited access to patient documents
- *Information reporting* to track denial reasons

- *Payments Clearinghouse* to digitize, expedite and accurately reconcile payments.
- *Information reporting*
- Process automation
- *Cash Forecasting Tools*
- *Image Lockbox* to expedite payments and view imaged data online

- *Healthcare Smart Card/Debit card* enables the capture of patient payments
- *Web-based payment enablement.*
- *Electronic invoices*

- *Information Reporting*
- *Image Archive* of data for research
- *Cash Forecasting Tools*
- Digitized payment data to expedite research

Products in Development

▶ **Payments Clearinghouse**

- ▶ Web-based solution that automates the accounts payable process by executing, distributing and reconciling medical payments via HIPAA compliant formats.

▶ **Smart Card/Debit Card**

- ▶ Solution is designed to assist payers in streamlining and expediting the front-end eligibility and payment process.

▶ **Claims Process Outsourcing**

- ▶ Service that enables the outsourcing of billing, posting and follow-up processes of providers.

▶ **Online Information Reporting**

- ▶ Web-based reporting tool which enables clients to easily view data and create reports.

▶ **Online Payment and Presentment**

- ▶ Enables patient bills to be paid online. E-mailing of patient invoices.

▶ **Healthcare Savings Accounts**

- ▶ HSA product for retail consumers.

Questions?