



200 S. Tryon Street, Suite 1700
Charlotte, NC 28202
704.837.7100
www.secureedi.com

Charging Across the Last 10 Yards in Healthcare Transactions

***EFT and On-Line Reconciliation
Take Providers Over the Goal Line***

06.18.2009

By Joseph Gonzalez
Vice President, Business Development
Secure EDI

Changes in the ways that healthcare providers interact with healthcare plans have been nothing short of revolutionary during recent years. When a patient arrives at the front desk, the practice is only a few keystrokes away from discovering not only whether the person has current health insurance, but also the required co-payment and other important details on what's covered and what's not.

When the patient checks out, a claim is electronically filed with the health plan, submitted in a format specific to the plan and compliant with all of its ever changing rules and regulations. The claim is adjudicated automatically in real-time and on-line records are updated. The provider can track the status of each claim at each step in the process, including notification should a claim be rejected for any reason. Even rejections can be resolved on-line without the need for phone conversations.

On-line, historic data is available for the practice to use for strategic planning. Reviewing claims data over time and by physician can help to pinpoint bottlenecks related to cash flow, productivity and claims rejections.

The last and ultimately the most important step in automated claims processing is when the healthcare plan actually pays the provider. This is where the 21st Century of healthcare reverts to the 20th Century. A check and a remittance advice are typically printed on paper and given to the U.S. Postal Service for delivery in two to four days, with luck. The provider and the healthcare plan have just crossed over into the world of "the last 10 yards" – a space that can seem interminable in attempting to reach the goal line. It's like flying at 400 miles per hour cross country only to find that there is no gate available for deplaning.

An obvious question is why haven't we closed this last, crucial step in the virtual relationship between payers and providers. In fact, many healthcare providers have yet to make the transition into the world of the automated transactions described above. And, even those who have adopted on-line claims submission, processing and adjudication still rely on paper checks and manual reconciliation processes.

It is important to overall healthcare reform to explore why there hasn't been universal adoption of electronic funds transfer to assure faster payment for providers, better service from healthcare plans and greater security than ever possible by mailing checks and remittance advice. After all, direct deposit has supplanted virtually every payment system, from payroll to Social Security.

The primary reason that payment by check continues to be prevalent with healthcare providers is due to the lack of effective on-line payments reconciliation capabilities. When a provider receives a hard copy check and a remittance advice, there is no question which claims are covered by the payment. The practice's accounting department has all of the information it needs to post and reconcile the payment, albeit with a labor intensive intervention.

When a payment is made by EFT, the practice can be faced with an even more labor intensive task of attempting to reconcile the payment against multiple claims over an extended period of time with no specific back-up available. These last 10 yards can seem like 100 yards when information is not readily available and when providers are under pressure to serve more patients and increase overall efficiency.

A solution does exist today for the last 10 yards dilemma and this solution is gaining traction in the form of on-line reconciliation. Through Web-based portals, providers can access information from healthcare plans that provide all of the information they need to reconcile each electronic payment against the claims it covers. There is no longer the need to print and mail checks and remittance advices when this information can be obtained on-line and reconciled against EFTs.

Benefits derived from on-line reconciliation are many. Providers who migrate to EFT are assured of faster receipt of payments, confident that they can reconcile these payments and claims quickly, accurately and easily. Healthcare plans also benefit from EFT because it allows them to offer providers a higher level of service, which engenders loyalty and fosters an environment receptive to other changes in process and infrastructure. Everyone benefits from a secure payment environment that is more efficient with reduced costs.

The adoption of this innovative approach – as with all meaningful healthcare information technology enhancements – requires the ability to integrate fully every aspect of healthcare transactions and patient experiences. This technology and expertise has existed for some time now, but has only recently been fully integrated and more widely available. Bridging the gap represented by the last 10 yards is just one of the many important elements required for systemic healthcare reform. It all begins with automated functionality, but must evolve into true transactions integration.

Just as effective teamwork gets the ball across the goal line, the same is true of healthcare. As providers and payers open themselves up to creative and collaborative solutions, access, affordability and quality will all improve.

Joseph Gonzalez is the vice president of business development with Secure EDI, a healthcare information technology company that is pioneering enhanced efficiency and quality in the healthcare and dental care industries through the application of strategic e-solutions platforms. On the Web at www.secureedi.com.