

SEVENTH NATIONAL

MARCH 11-13, 2009

MEDICAL BANKING INSTITUTE

BUILDING AN ELECTRONIC
Medical Banking
Community



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Medical Banking Boot Camp

Session 2

Seventh National Medical Banking Institute | March 11-13, 2009 | Nashville, TN

BUILDING AN ELECTRONIC
**Medical Banking
Community**

The Emerging Role of Banks In Health Data Processing

Richard E. Mobley

Vice President Healthcare Services

BancTec

Lockbox for Healthcare (*Basic Services*)

- ❖ Bank provides P.O. Box (remit address)
- ❖ Bank receives mail
- ❖ Bank opens and sorts mail
- ❖ Bank deposits checks
- ❖ Hardcopy EOBs / Attachments delivered to Provider
- ❖ Optional – Image Lockbox
 - ❑ Archives checks and EOB / Attachment images with limited viewing abilities

Lockbox for Healthcare *(Specialized Services)*

- ❖ Bank provides basic lockbox services plus...
- ❖ Converts EOBs to a version of an 835
- ❖ Captures patient pay data and creates a postable file
- ❖ Provides user interface and image archive for viewing EOBs, Claims, ERAs, and correspondence
- ❖ Transaction reporting / Data Analytics
- ❖ Offers healthcare clearinghouse services to provide additional electronic transaction capability
- ❖ Provides additional services
 - automated secondary billing
 - denial and contract management
 - automation of cash posting
 - contractual allowance processing
 - reject note posting
 - financial class updates
- ❖ Provides pre-funding of claims and/or patient credit services

Challenges / Benefits

- ❖ Lockboxes have evolved to commodity status. Typically won / lost based on credit relationship.
- ❖ The lockbox business is capital-intensive and requires a high-cost footprint (people, process, technology), geographically dispersed.
- ❖ Seems large distributed models might be retrenching -- Centers of Excellence? Outsourcing?
- ❖ The opportunity is to deliver solutions that have such value as to extend the lockbox business. A logical product-line extension to a base business drives organic growth.
- ❖ Currently it's a collection of widgets. Real dollars are found in a comprehensive service that ties into A/R management.

Challenges / Benefits

- ❖ Current / Available / Future State
- ❖ Paper Lockbox / Image Lockbox / Data Transformation
- ❖ i.e., Dollars translated into Data
- ❖ Limited and unsophisticated remittance posting modules (3rd-party tools available)
- ❖ EOB conversion is essentially a labor displacement model. ROI unsure.
- ❖ Develop pricing model that extends downward to smaller providers

Specialized Lockbox Programs

- ❖ Is there a market for real time claims processing activity and remittance management?
- ❖ Is there an opportunity for specialization of the lockbox to support real time remittance management?
- ❖ Bill Marvin - InstaMed