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WORKFLOW AUTOMATION COUNCIL WORKGROUP

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DRAFT**Statement of Purpose**

The Workflow Automation Council WG was formulated to explore ways that banks can automate and/or add value to the workflows in the revenue cycle process. It builds from work that was done at the first and second Medical Banking Institutes.¹

The initial goals of the workgroup were as follows:

- **Map the entire revenue cycle process**
- **Highlight areas in the revenue cycle that could be improved by introducing banking technologies and infrastructure**
- **Outline corresponding impact**
- **Make industry recommendations**

The Workflow Automation Council is an independent, vendor-neutral, collaborative forum that is intended to facilitate dialogue on best cross-industry practices and model development.

The Council will explore new technologies, business processes, marketing issues and organizational design. A key goal is to explore potential ways that banks can engage and/or rearrange core competencies in a way that helps providers of all sizes to take advantage of electronic healthcare. This not only encompasses improvements in transaction technology but also a methodical review of banking infrastructure, and how it can be deployed to support healthcare objectives in a community. There are other points of convergence between banks and the healthcare complex.

The Council, sponsored and organized by the Medical Banking Project, created a high level Working Paper to stimulate cross-industry dialogue among participants. The document does not represent an official position of the workgroup members. It is intended to provide insight into the national dialogue concerning this emerging area.

¹ The First National Medical Banking Institute was held during the 5th National HIPAA Summit in Baltimore, MD. CMS, the Office of Civil Rights, the Office of the Currency Comptroller, a former Federal Reserve official and others presented or attended. In addition, a number of associations attended including TAWPI, AAHAM, the Healthcare Financial Management Association's HIPAA@Work Task Force; and banking, technology and patient accounting executives from regional healthcare systems. The Second National Medical Banking Institute was held during the 6th National HIPAA Summit in Washington, DC. It was well attended by high level banking/financial concerns, regulators and others.

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Abstract

The administration of healthcare typically involves paper intensive processes that lead to processing errors, unnecessary costs and denied claims. Healthcare organizations are increasingly targeting the revenue cycle as an area ripe for process improvement and automation.

As a natural aggregator of payments and remittances, banks are in an excellent position to be able to offer products and services that can improve revenue cycle technologies and processes. In addition, the bank's processing capabilities extend to the health plan side as well. Costly cash disbursement, remittance distribution and other cash management functions can be implemented. The implementation of the HIPAA has spurred banking services development across the spectrum of medical claims processing functions – including payment and remittance processes, card programs, POS platforms (i.e., medical kiosks) and other areas.

An industry event that can serve as a case study of how banks can help took place in 1992, when Medicare provided financial incentives for healthcare providers that were tied to electronic receipt of the ASC X12 835 electronic healthcare remittance transaction. Providers that made provisions to receive the remittance electronically were offered speedier funds turnaround – a cash flow windfall considering that 40% of the average providers' revenue is derived from Medicare. The federal government (CMS) even offered free print utilities that “phoned” the Fiscal Intermediary's IT system, retrieved the electronic remittance advice and then facilitated printing of the files at the provider's site.

Within a short period of time, a new series of best practices emerged in the marketplace that focused on automated cash posting of the complex medical remittance. Yet what providers learned from this exercise, is that many more of their paper-driven processes could be automated as well, translating into enterprise-wide benefits.

Today, HIPAA is facilitating a digital environment that can extend the efficiencies operationalized in the '90s, to all provider revenue classes. Many of these remittances are typically processed through a bank lockbox. Banks are in a pivotal position to transform the paper trail coming back to a provider to a single electronic data stream. This model, according to the Medical Banking Project, can result in industry-wide savings of \$35 billion annually.

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In addition, banks have become more educated regarding HIPAA goals and technology requirements. New models can provide a single digital platform for healthcare that offers diverse forms of funds processing (paper, credit/debit card, EFT).

Finally, banks that have a position in the healthcare remittance market have begun to re-scope potential opportunities which leverage their considerable investments in real time transaction processing architecture. The business models that are emerging not only support more efficient payment processing, but eligibility, authorization, referrals, claims and the other HIPAA-specified healthcare transaction sets slated for national adoption.

Among the new “health data transactions” under consideration, is access to personal health records through coordination with the national regional health information organization process.

The areas of synergy between banks and healthcare that the workgroup considered in preparing this report include technology, infrastructure and credit.

- *Technology*...refers to the electronic information management systems, processes and automated techniques that have been developed, or are under development by financial institutions and/or their supporting vendors; mostly used to support administrative functions.
- *Infrastructure*...generally refers to physical structures like ATM locations, branch delivery networks, kiosks and other platforms (POS terminals) that are used by financial institutions to acquire transactions volume or to otherwise manage business operations.
- *Credit*...refers to the core competencies of the banking system to efficiently manage corporate and consumer credit, and the new methods of integrating this capability in emerging medical banking platforms.

DRAFT**Workgroup Recommendations / Observations**

1. Banks are well positioned to provide outsourced solutions that automate revenue cycle processes and reduce processing costs in healthcare billing, posting, follow-up and collections. This includes web-based tools that automate denials and contract management processes and other areas.
2. In the near term, banking services will support HIPAA policy goals by offering a payments/remittance clearinghouse that enables X12N 835 delivery and integration with the patient accounting systems.
3. Banking technology will enable providers to increase revenue capture at point-of-service using debit cards that facilitate co-pay and deductibles and other methods. Banks will increasingly configure platforms to accommodate real time processes that support near term (24 hour) turn around of payments for healthcare services.
4. As banks engage this area, investment risks in administrative IT will shift from the healthcare provider to the bank. This will help providers to focus more resources on clinical excellence.
5. Banks have significant architectural features that can be leveraged to speed adoption of a regional and national healthcare information network.
6. New community services enhanced by banking infrastructure will reduce healthcare administrative costs and increase access to healthcare from public, non-profit and private sources.
7. The potential to integrate institutional and consumer credit using data derived from medical banking platforms will likely result in much greater liquidity for healthcare.
8. More research and education is required to address the many facets of this new and promising area.
9. Pilot programs need to be funded to increase awareness of the potential to reduce healthcare costs using banking resources.