

2009 Healthcare Payments Automation Summit EOBreeze Review

The 2009 HPAS was held this past week (September 13th - 15th) in downtown Chicago. The lively discussions covered timely subjects from Payments Automation to Patient Collections Strategies. Over 200 healthcare professionals gathered for two days to share and learn best practices in revenue cycle.

EOBreeze participated as an exhibitor, as well as contributing a presentation that would prove to be one of the best attended and most intriguing of the summit, the [Fi-Med story](#).

The Fi-Med story details how a large healthcare billing office automated the processing of their substantial volume of paper EOBs with amazing results. They went from one person posting 130 EOB transactions per hour to that same person auto posting 4,000 EOB transactions per hour. The Fi-Med story begins with four years of failed attempts to implement various paper EOB to 835 solutions with five different vendors. The details of the ultimate victory are the basis of an upcoming article named "Persistence Pays When Posting Payments" scheduled to be published in an upcoming issue of TAWPI TODAY magazine and peer reviewed in other journals. (A copy of the Article is included below.)

Other highlights of the show included the CFO from Ohio State, Mr. Richard Sobieray, sharing his success with payments automation and how he recognized that bank based solutions must be excluded from his evaluation, and how he achieved automation through partnership with technology firms directly.



September 2009 TAWPI HPAS Summit, Chicago,

Several large banks also contributed greatly to the summit, including panel participation where they outlined their plans and goals for establishing themselves in healthcare payments automation.

The summit concluded with lively discussion regarding the HITECH Act of 2009, Healthcare Privacy and Security and the persistence of paper in the healthcare revenue cycle as providers seek ways to automate the processing of commercial insurance paper EOB payments.

“Most of the important things in the world have been accomplished by people who have kept on trying ...” Dale Carnegie

Those in charge of securing the revenues earned from healthcare services are very familiar with explanation of benefits (EOB). The EOB itemizes what is and what is not being paid by the insurance company for a healthcare claim and why. Often received from commercial insurance payers in paper format, EOBs are complex documents to process. The data on the EOB must be captured for accounting purposes and the posting into an accounting system requires knowledge and training in the healthcare revenue cycle. This manual posting is error prone and costly for healthcare providers from pediatric facilities to geriatric care and all in between.

No one knows this better than Adrian Velasquez, co-owner of Fi-Med Management – a leading edge healthcare billing company with offices in Wisconsin, California and Utah. He understands that with payroll encompassing 65% of total expenses, in order to grow their business, they need technology to handle the redundant tasks in daily processes. Mr. Velasquez shares: “The future of Fi-Med rests in automation.”

Fi-Med Management, Inc., founded in 1993, is an organization that specializes in a custom-designed infrastructure of refined processes, communication networks, compliance monitoring and technology for healthcare. Fi-Med levels the playing field for independent physicians by providing them with the resources and support once available only to large health organizations and networks. The skilled staff at Fi-Med works one-on-one with physicians and their staff to implement solutions targeting optimal practice health and reduce compliance risk through strategic services such as accounts receivables management, claim appeals, financial analysis and reporting, cash-flow management, in-house lock-box services and more. Fi-Med’s commitment to this vision has enabled doctors across the nation to focus on what matters most: caring for patients.

One of Fi-Med’s latest technology challenges encompassed the arduous task of automating the posting and processing of paper EOBs. After years of working with various vendors and trying different approaches to this automation quagmire Fi-Med found EOBreeze. “For years we experienced frustration as a number of vendors believed that they could lift the data off of the paper EOBs for auto posting”, states Rosa Rodriguez, Fi-Med’s IT and Imaging Manager. “We determined that the ANSI 835 was missing critical data, which is found on paper EOBs, necessary to provide accurate posting detail. Ms. Rodriguez states: “We have at last found a solution that meets our goals and objectives with EOBreeze”.

The Fi-Med team is in an excellent position to share with us the approaches to EOB automation that failed and why. Most importantly, they now know what does work and how they finally achieved success.

Fi-Med tried a total of four separate solutions for the processing of paper EOBs over six years. Fi-Med began their automation efforts with a service bureau that relies on a template based forms processing system. “It took the industry six years to realize EOBs are not standard documents” says Ms. Rodriguez. Payment transactions on paper EOBs often transverse pages, which presents trouble for the template based approach. Payers often change the format of an EOB and adjusting templates is time consuming and costly. The template approach is flawed in that EOBs are not static in design and reprogramming is expensive. Fi-Med quickly learned the limitations of the [template based approach](#).

There was the automation effort provided by a [bank lockbox](#). Banks need to maintain volume moving through capital intensive lock box operations but can struggle with data lift from EOBs. Banks do a great job at high volume document scanning and managing deposits but may need the right partner to perform EOB data lift. Often the bank lockbox solutions are acquisitions of companies that specialize in EOBs. Companies that the bank may have partnered with historically, possibly, not fully understanding the business they acquired. What worked as a private enterprise at times will not perform the same as a bank owned operation. Here the data lift process is frequently subcontracted to third parties then delivered by the bank to the client. This can translate into limited flexibility and you may be required to adjust your processes around their systems. The performance of these third parties is often insufficient. These third parties may sub the data lift work to yet another offshore company. Accountability to the individual and correction of errors can be absent; mistakes can be repeated and posting rates can suffer. Fi-Med found that the “banks don’t understand the complexity of these documents like we do and therefore underestimate the level of detail that is required for the customer” states Mr. Velasquez.

There are also solutions where images are simply outsourced to a key entry operation, often in other countries. If an EOB is simply keyed in a one pass process, especially in a troublesome labor environment, data accuracy can become the issue. There is a skilled labor shortage in India (*1) and other markets and this puts upward pressure on price and downward pressure on quality. Mr. Velasquez continues: "This means data accuracy is the issue and auto posting rates can be too low. Again, like the banking industry the keying approach requires the ability to interpret the data to understand what the critical elements are to ensure an excellent work product".

Then there was the hybrid service bureau that focuses on converting payers to electronic remittances but is not strong in handling the paper EOBs. Fi-Med has internal ERA capabilities and needed a solution for the paper EOBs. "Organizations that focus on ERA, did not deliver a solution for the paper and miss critical data in the paper process", states Ms. Rodriguez. "We needed a one stop solution that provides a complete solution for the adjudication process".

Ms. Rodriguez shared with us "you meet all these vendors at conferences and they tell you they can process (paper) EOBs but time after time it didn't work out, they didn't balance, they didn't auto post, they were unable to give us what we needed". Kimberly Rasmussen, Accounts Receivable Manager at Fi-Med, confirms the frustration with vendors promoting their abilities adding: "We found that their approach worked partially, i.e., they grabbed some information but most often did not balance with the money received".

APPROACH

PITFALL

Template Based Approach
Bank Lock Box
Outsourcing to India
Hybrid Service Bureaus

Functional on Limited Payers, Time Consuming and Costly to Change
Low Posting Rates, Outsourced to 3rd party- Accountability, Inflexible
Troublesome labor market, Increasing pricing pressures, Accuracy
Not strong in handling paper EOBs, Focused only on ERA

Enter EOBreeze, a trade mark of FVTech LLC. of Salt Lake City, UT. Fi-Med met EOBreeze in early 2009 and after six years of trying, they were up and running with dramatically different results in less than four months. EOBreeze lifts data from paper EOBs, matches the payment data with the 837 billing file provided by clients and fills in the blanks. The service balances each individual transaction and the entire EOB to the check. They accurately and consistently translate the cryptic denial codes from paper EOBs into the ANSI standard denial codes, which solves a big problem with manual posting. EOBreeze can calculate missing data fields. EOBreeze can match the claim payment to the original billing data to fill in missing pieces. EOBreeze completes the missing levels of service and delivered a satisfactory posting file from paper EOBs.

Mr. Velasquez continues: "EOBreeze explained that there would be an up-front cost to customize the solution for us. They offered to absorb these cost to prove their abilities in exchange for a long term contract. EOBreeze reviewed each element of the agreement with us which was very reassuring. During the implementation, we quickly saw specific technical issues being worked out and this gave me great confidence in the development stage. " Ms. Rasmussen added: "They had an implementation manual that was concise and we clearly understood what was to be accomplished, we had not experienced this level of organization previously. They have what the others lacked, competency and an understanding of revenue cycle."

EOBREEZE SUMMARY

EOBreeze = No Templates, No Bank Lockbox requirement, No EOB Exposure to India
EOBreeze = Expertise in paper data lift, Competency in Healthcare Revenue Cycle
EOBreeze = Translates Denial Codes, Balancing, Completes Missing Levels of Service
EOBreeze = Up and Running in Four Months

*By: Rodney Nelson Baker, MBA, CDIA,
August, 2009*

*1) Troublesome Labor Market, India

Skilled-labor Shortage Hits India

"The problem is not with the quantity but with the quality," said Rajeeva Ratna Shah, a top official of the federal Planning Commission, which directs India's economic strategy. Shah made the comments during an outsourcing conference in the southern city of Bangalore, the center of India's high-tech industry. <http://www.azcentral.com/arizonarepublic/business/articles/0608indiajobs08.html>

India Facing Skilled Labor Shortage - A Survey

“...Indian industry continues to roll under intense shortage of competent manpower...”

<http://www.topnews.in/india-facing-skilled-labor-shortage-survey-21302>

India Facing Skilled Labor Shortage

A conference on outsourcing heard how the country would probably face a shortfall of more than 250,000 professionals in the sector by 2012. High labor attrition, poor infrastructure and lack of data protection laws could derail India's booming outsourcing industry, the CEO of Indian software giant Infosys Technologies said yesterday.

<http://www.taipeitimes.com/News/worldbiz/archives/2004/06/10/2003174530>

FSA Reports on Security Risks of Outsourcing to India

“The UK's Financial Services Authority (FSA) has delivered a mixed report on the security of outsourcing to India, finding that risk management and governance frameworks are fine but that there are risks in terms of financial crime prevention and consumer protection.”

<http://www.out-law.com/page-5667>

About the author:

Rod Baker, MBA, CDIA,
National Sales Director, EOBreeze
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Rod Baker has been working in the healthcare OCR and imaging industry since his first experience with BCBS of FL in 1992. In the mid 90's Mr. Baker began his work in the design and development of EOB data lift solutions. Mr. Baker has been a reseller and systems integrator of Calera, AnyDoc, ZyImage, Captiva, OnBase, and other OCR and document imaging solutions and has designed systems for insurance payers, third party administrators and health care providers for 17 years. Mr. Baker was also a product consultant for Healthlogic Systems Corporation and Bank of America.