Increasing Claims Processing Operational Efficiencies

White Paper

 Date: February 26, 2016

TABLE OF CONTENTS

INTRODUCTION AND OVERVIEW

Company Name: Client Network Services, Inc. (dba "CNSI")

Point of Contact: Gangesh Gundeti, Sr. Director of Program Management, CNSI

Email: Gangesh.Gundeti@cns-inc.com; Phone Number: 301-944-2045

CATEGORY

Claims Processing. Improve efficiencies in claims processing life cycle with:

- Automated matching of prior authorizations during claims processing
- Automated "Look-Forward" on recurring claim adjustments

TEAM OVERVIEW

Since 1994, CNSI has been providing innovative technology solutions to federal, state, and commercial customers, including the Centers for Medicare & Medicaid Services (CMS), Federal Aviation Administration (FAA), Department of Energy (DOE), US Department of Agriculture (USDA), Department of Homeland Security (DHS), Department Labor (DOL), US Census Bureau, and US Coast Guard, for more than twenty years. A "change agent" in Health IT (HIT), CNSI's successful delivery of several large, complex HIT systems spans over 23 million covered lives, over 100 billion claims transactions, and $75 billion payments.

CNSI's passion is solving healthcare business problems via technological solutions. This white paper presents innovation in bringing automation beyond traditional claims processing, and involves simple features that have a big impact on the claims

processing life cycle, thereby reducing cycle time, avoiding multiple rounds of denials and resubmissions, and increasing healthcare provider cost effectiveness and satisfaction.

TECHNICAL APPOACH

Claims processing is a complex process step in the healthcare claims submission and payment ecosystem. Often, information that is missing on the claim causes suspension, return, or denial of the claims, resulting in inefficiencies from delays in payment and additional costs for manual interventions and resubmissions. This white paper focuses on two innovative approaches for improving claims processing:

Automated Prior Authorization Match: CNSI understands that the Department of Veterans Affairs (VA) services are prior authorized, and linking the prior authorization to the claims is a time consuming process within the Veterans Choice program. This innovation is to deploy a claims processing efficiency that will automatically look up the approved prior authorization based on the veteran ID, servicing/billing provider, dates of service, and the service code billed whenever the claim has a missing or incorrect prior authorization number.

Automating the lookup of the prior authorization and recording the processing results with accurate audit of all services utilized against the prior authorization will provide details and transparency in billed versus utilized units/dollars. Adjustments and Reversals/Voids claims will reflect claims level adjustments/reversals to service utilizations.

Automated "Look-Forward" on recurring adjustments to adjustments: A claim without adjustments creates a "good path" that is effectively automated. Any

exceptions, such as an adjustment, if not fully automated, are managed via business processes. Recurring adjustments, such as adjustments to adjustments, which may be initiated by a provider or payer as a result of corrections to the claim or program integrity activities, make it more challenging to manage the exceptions through business processes. The recurring adjustments create delays and inefficiencies since identifying the most recent claim now becomes a manual or semi-automated process.

The ideal system, however, would automatically identify the most recent claim for making adjustments/reversal. Our innovation achieves this through the claims processing system with an automated "look-forward" feature to the most recent claim in the chain of claims created due to adjustments. The solution maintains a link to the original claim and the most recent parent claim on every claim record, as shown in Figure 1.

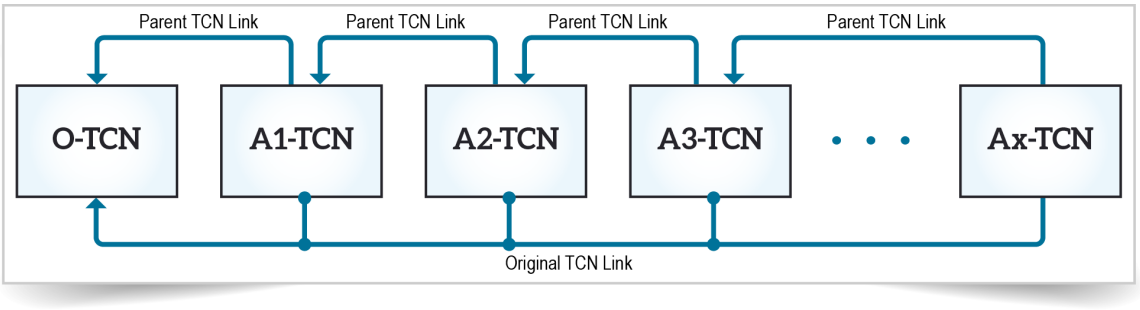

Figure 1. Maintaining Link to Original Claim and Most Recent Parent Claim

Whenever the provider or the payer adjusts/voids a claim, the system automatically traverses the chain to identify the most recent claim to perform the desired function. This will enable operational and claim life cycle efficiency in the healthcare billing ecosystem by avoiding unnecessary manual interventions and providing an accurate and automated process for recurring adjustments.

SYSTEM DESCRIPTION

Software Requirements: eCAMS is built on a Java J2EE platform using Oracle database. It can be hosted on the Linux Operating System with JBOSS/WebSphere Application Server.

Hardware Requirements: 4 CPUs, 16GB RAM, 1TB disk space

CNSI has an environment for demonstration setup with non-PHI and non-PII data. CNSI can provide a secure URL with access credentials that will enable the Federal Government Evaluators to view the solution via the sandbox environment.

HIGHLIGHT IMPACT

The impacts of these features are already realized through the operational efficiencies in the states of Washington and Michigan claims processing systems with CNSI's rules-based claims processing solution offering. For the VA, these solutions would bring:

- Operational efficiencies and complete automation of VA Non-Medical Claims Processing
- Increase in prompt payments to Veterans Choice Program participants
- Provider satisfaction and reduction in cost of recurring billings due to adjustments

COST ESTIMATE

Cost estimates will vary upon the solution options and would be evaluated based on specific needs and the implementation options. The Automated Prior Authorization Match and Look-Forward features are proven solutions in multiple state Medicaid healthcare claims processing environments, and they are built-in features of the holistic claims processing system. CNSI will study the specific requirements and integration needs for implementing these feature sets by deploying either:

- A rules engine-based automated claims processing solution; or
- Real-time web service calls to existing current claims processing systems.