

# Real-time Patient Liability Calculations Deliver Cost-Savings

## The Customer

A healthcare payer organization serving more than 2 million members.

## The Challenge

Implement a technology solution that delivers to members and providers accurate real-time calculation of patient financial liability and claims adjudication at the point of service, in order to promote consumer-directed health plans, reduce administrative hassles and improve member and provider retention.

## The Solution

TriZetto® Provider POS Direct™

## The Result

Real-time, accurate calculation of patient financial liability, driving increased efficiency, cost-effectiveness and provider satisfaction. Pilot deployment was achieved in less than two months, with provider adoption increasing 150 percent in the first two months after the application was made available to all providers. Providers now get an estimate of patient liability pre-care in two to three minutes, versus 15 minutes to an hour in the past. Some providers have reported that patient collections have increased 20 percent to 30 percent over previous levels.

## The TriZetto® Provider POS Direct™ application is helping the payer:

- Meet employers' demands for tools that help employees manage increased healthcare responsibilities more effectively
- Improve provider and member satisfaction
- Reduce telephone calls regarding patient liability
- Increase administrative efficiency

## Achieving results

**"With Provider POS Direct, we have implemented a capability that is very valuable to the member and the provider, and it is completely unobtrusive. Nothing had to change—we didn't have to hire a lot of personnel to respond to it, because it is really easy to use."**

**- Company official,  
payer organization**

## The Customer

A payer organization provides healthcare coverage to more than 2 million people, with PPO, POS, consumer-directed health (CDH) plans and other plan designs for the commercial market as well as products for Medicare and Medicaid enrollees. Most of the membership is supported on the TriZetto® Facets® core administration system.

## The Challenge

A small fraction of the payer's total membership was enrolled in CDH plans but, with the number increasing steadily, the company wished to resolve a potential concern about CDH plans. "One of the barriers to promoting CDH plans is the perceived hassle factor associated with these plans," says an official with the payer organization. "The root cause of that is that health plans don't offer an estimate of patient liability at the point of care, although both the member and the provider need this."

Patients need to know what they owe at all points of service, from scheduling to check-out. Accuracy is essential, as patients need to be able to plan for payment. In addition, pricing-transparency laws in many states now compel providers and payers to offer timely, accurate information about patient financial liability.

These challenges have surfaced because patients today are paying higher deductibles as well as higher copays and co-insurance and, as a result, providers are facing potential increases in accounts receivable, bad debt and negative impacts on cash flow. Surveys suggest that, without real-time information at the point of service, physicians begin to collect unpaid deductibles and co-insurance, on average, 40 days after the service date. Roughly 30 percent of these charges aren't collected, resulting in bad debt, according to a recent article in Health Industry Insights.

The payer wanted to implement a solution before such problems could develop and, began searching for an application that would provide real-time calculations of patient liability and that would integrate with the Facets system. "We didn't want something that calculated patient liability outside Facets," the official says, adding that a non-integrated solution would yield unreliable calculations.

The payer wanted an application with Web-based functionality, which would make it useful to large numbers of providers. In addition, the payer didn't want providers to have to buy software in order to use the solution.

## The Solution

"Initially, we looked for a vendor that had a solution already, but there wasn't anything available," the company official says. "We also considered working with a vendor that would build a custom application, but the vendor would need assistance from TriZetto, because the application would have to interface with Facets."

The payer considered developing its own application but, learned that real-time point-of-service capabilities were a strategic priority for TriZetto and that research and development were under way. TriZetto demonstrated the Provider POS Direct solution, which "had all the features and characteristics we were looking for," the official says.

TriZetto Provider POS Direct is a Web-based application that accurately calculates patient financial liability and enables real-time claims submission at the point of service. It enables providers to get real-time calculations of patient liability directly from the payer's claims system before care is delivered. This helps providers collect full payment when—or even before—services are rendered, not days or weeks later.

When used prior to delivery of care, Provider POS Direct adjudicates a “mock claim” in order to calculate the patient's financial liability. The calculation is based on the member's plan of benefits, current deductible and out-of-pocket payments as well as provider contract amounts. To process mock claims, the payer's core system uses the same adjudication logic used in processing actual claims. After a mock claim is processed, the provider can print a paper document, bearing the health plan's logo and noting the calculated plan payment and patient liability—and give this to the patient while he or she is in the office. Providers also can use the solution to calculate patient liability after care is delivered or to submit claims for adjudication and final processing.

## The Result

The Provider POS Direct implementation was completed on time and within budget. “I have never encountered such a rapid implementation in my career—51 days is remarkable for what we accomplished,” the company official says.

The payer made the application available to all professional providers in the network. Within one month, more than 500 individual providers had used it—an increase of 150 percent over the pilot group. Providers who have used the application have reported improvements in administrative efficiency and collections.

“This has changed the way we function in our office,” says Regen Byrd, who handles billing for Franklin Surgical Specialists of Franklin, Tenn. “We love it.”

Before she began using Provider POS Direct, Byrd set aside one day a week to get cost-estimates for patients. Now, with roughly a 300-percent increase in efficiency, that task is a small part of her daily workflow. “We do it every day, instantly,” she says. She now can get more than six estimates in 15 to 20 minutes. Previously, this would have taken at least an hour—and required numerous phone calls.

Others in the pilot group report that calculating patient liability used to take 15 minutes to an hour per estimate (pre-care), depending on the availability and accuracy of payer information on the Web, telephone hold times and other factors. With Provider POS Direct, provider offices get an accurate calculation in three minutes or less.

The application also helps providers increase collections. “In the first month that we used this solution extensively, we had an additional \$30,000 in cash flow through the office,” says Byrd of Franklin Surgical. “That is a really big deal for a three-doctor office. It was easily a 40-percent to 50-percent increase from the past.”

“This is a whole lot better than what we were doing before,” says Nancy Salyer of Tri-Cities Gastroenterology, which also uses Provider POS Direct. “Patients love the fact that when they come in—if they haven't met the deductible—they know how much they will be responsible to pay.” She adds that collections have risen 20 percent to 30 percent.

For the payer, the application helps reduce the time that employees spend fielding telephone calls from providers who need help calculating patient liability. That translates to administrative cost-savings and frees employees to focus on other tasks. As provider adoption increases, these efficiencies will increase as well. In addition, the payer uses the application to promote CDH plans and has received positive feedback from providers and members who now have a better experience with these plans.

**“The group we selected for the pilot was very supportive—and as it turned out—very happy with the solution,” the official says. TriZetto was “very closely involved in this process. It was an unprecedented amount of attention.”**

## Achieving results

TriZetto® Provider POS Direct™ is meeting providers' needs as well as those of the payer organization. Provider adoption increased 150 percent in the first two months after completion of a pilot program. Providers using the solution report that they can:

- Obtain real-time calculation of member liability for healthcare costs in two to three minutes, versus 15 minutes to an hour previously
- Present accurate statements to patients—at the point of service—that bear the payer's logo
- Increase collections. One office that employs three providers boosted cash flow by \$30,000 in a single month while sharply reducing manual labor and telephone calls. Other providers have reported collections increasing 20 percent to 30 percent over previous levels.
- Help patients budget more effectively for healthcare expenditures

# Powering Integrated Healthcare Management®

Integrated Healthcare Management is the systematic application of processes and shared information to optimize the coordination of benefits and care for the healthcare consumer. It is fueled by the convergence of core benefit administration, care management, and constituent engagement. The intersection of these competencies enables payers to leverage data to more systematically stratify, engage and reward constituents and personalize interactions with them in order to motivate healthy behaviors, increase the effectiveness of treatments, reduce the cost of care and drive better results. Only TriZetto has invested in a long-term architectural approach to bring core, care and constituent capabilities together and enable payers to achieve the vision of Integrated Healthcare Management.

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