



March 24, 2008

RTCA Helps Medical Practices Streamline Operations

By Ed Rabinowitz

“Most business troubles come not from evil intentions, but the enormous difficulty in carrying out good intentions.” —Henry Ford, Jr.

Imagine driving up to your bank’s ATM machine. You slide your bank card into the slot, key in the transaction you wish to make, and your withdrawal, deposit or transfer is completed within seconds. Not too hard to imagine, right? People do it every day and don’t give it a second thought.

That scene is also becoming more and more commonplace in medical offices, where real-time claims adjudication (RTCA) processes are simplifying administrative tasks and helping physicians obtain payment for services from patients at the time care is provided. According to Dawn Burriss, vice president of integrated provider solutions for TriZetto, it’s a financial boon for physicians on three levels.

“It’s about improving cash flow, reducing days in accounts receivable, and preventing bad debt as much as possible,” Burriss explains. “Saving a day or more in accounts receivable could mean significant dollars for a practice.”

Understanding Physician Practices

To make RTCA work, and work for the benefit of physician practices, TriZetto built its value proposition based on understanding the claims process from the physician’s perspective. Burriss and her staff conducted focus groups and independent surveys, then made onsite visits to doctors’ offices to study workflow issues. The result is a process that enables physicians to better manage their practice, and to help patients understand what they’re going to owe and then plan for that financial accountability as early as possible.

“Where a patient is underinsured, or might be in a financial risk category, it gives physicians the earliest possible view so that they can help those patients seek funding,” Burriss explains. “That reduces the days that physicians are waiting to receive payment. They’re able to collect as much of the payment as possible before the patient walks out the door. Because we know the chance of collecting is going to go down as soon as the patient leaves the physician’s office.”

RTCA also enables a physician’s administrative staff to function more efficiently. Phone calls to follow up on claims status, or to hunt down payment on a claim, are significantly

reduced. “What is the cost every time you pick up the phone?” Burriss asks, rhetorically. “If you save one or two phone calls for every patient, that’s a big part of the value proposition.”

Money in the Bank

Downstream, following the adjudication of a claim, software from Payformance Health enables physician practices to have payment deposited directly into their account via an electronic funds transfer (EFT). The software, called PaySpan Health, is sold by Payformance to health plans and provided as a free service to physician practices. Since there isn’t much in life that’s free today, it’s not surprising that more than 24,000 physicians countrywide have signed up for PaySpan Health.

In addition, settling claims electronically can save physicians money—between \$1.15 and \$2.94 per claim, according to Payformance chief operating officer Lynn Carroll.

“We have designed the software to be used by the most sophisticated physician all the way down to the sole practitioner,” Carroll explains. “There’s no installed software. All the physician needs is an Internet connection. Certainly, it allows for faster, more accurate payment, but there’s also a searchable online archive that allows physicians to easily examine the lifecycle of a particular claim. Ultimately, the more the physician office is streamlined and benefits from [PaySpan Health], the more the patient will have a better experience.”

Good Experience for Physicians, Too

Nancy Saylor is the billing manager at Tri-City Gastroenterology in Tennessee. She has seen, first-hand, the benefits of RTCA to a physician’s practice.

“We’re able to give the patient an accurate total as far as how much they’re expected to pay,” says Saylor. “We can now collect that money up front. It cuts down on the billing, cuts down on the phone calls. It has cut our time in half. It’s been a very positive thing.”

As for the fear that RTCA will disrupt the practice’s workflow or require a painful learning curve, Saylor says that’s not the case. The practice—which performs endoscopies and colonoscopies—is using Provider POS Direct, a program from TriZetto that is offered through Blue Cross and Blue Shield of Tennessee, and Saylor recalls that training was quick and easy.

“Training took about 10 minutes, it wasn’t very hard at all,” Saylor explains. “You can set up a template for whatever procedures the practice is doing. When a patient is having a procedure done, you just do a drop-down box to that procedure code, and it automatically loads everything. All you have to do is hit a button to get your claim estimate. It’s very simple.” Just about as simple as that ATM transaction.

Ed Rabinowitz is a veteran healthcare reporter and writer. He welcomes comments at edwardr@ptd.net.

\$31 billion—Annual amount of uncompensated care provided by US community hospitals. (Wall Street Journal, 2008)