

## Claims technology aims to make health care 'retail-ish'

BY KATHLEEN KOSTER

Although limited and mini-medical plans have become increasingly popular with employers to control rising health care costs, not everyone saves when doctors can't collect or patients overpay, which doesn't bode well for employers.

"The pain point for the employers for putting these plans in is the HR departments don't want to have to listen to the complaints," explains Jimmy Hersman, vice president of consumer health care services for Lutcher, Louisiana-based administrative services company, Hammerman & Gainer, Inc.

"It's a bigger pain than what it's worth to the employees."

### Real-time is the right time

However, new technology is available that aims to decrease employees' understandable frustration when their physician won't accept their mini-med coverage.

One such mechanism, launched this year for the limited medical benefits market, is PayerEngen, an end-to-end integrated mechanism that adjudicates medical claims at the point of care.

Developed by TransEngen, formerly known as TriHealix, in partnership with Hammerman & Gainer, the engine is able to generate a response to the provider, detailing the patient's limits of coverage and what is owed, and authorizing the consumer payment within 11 seconds.

The real-time repricing of the claim is done in partnership with Multiplan PHCS.

An explanation of benefits is printed in the doctor's office at the point of sale and spells out how much the carrier has paid and the amount the patient owes.

The simplicity and accuracy achieved by the product is what makes it so attractive to consumers and providers.

"[The product] will give the employee who could not afford [a major medical plan or traditional insurance program] or the employee that has purchased this as an adjunct to their insurance program the feel of a more traditional insurance experience," suggests Mark Keck, the executive vice president of TransEngen.

And a positive consumer experience means less negative backlash suffocating the HR/benefit managers' phone lines and e-mail inboxes.

"It'll stop most of the headaches that come with offering these programs for the HR professional and employers

in general," Keck says.

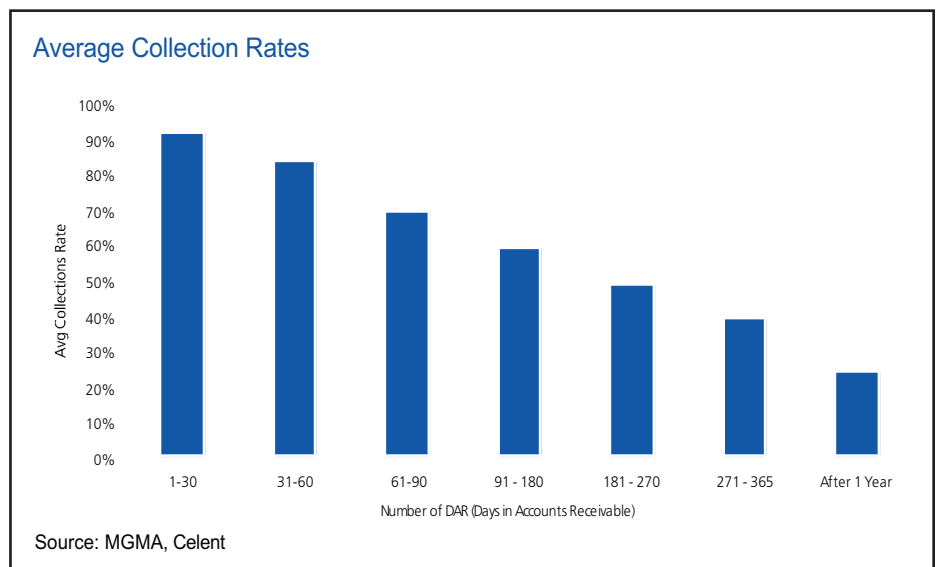
Not only will the headaches resulting from dissatisfied members go away, proponents claim, but employees also will continue to use the plans.

"Another big pain point with these types of plans is the retention; they can't keep people on them because they have a bad experience. You give them a good experience, their retention is a lot better, and employers are a lot more apt to put them in," Hersman says.

TransEngen isn't the only company making strides in accelerated claims to providers and patients.

In early March, Visa and Preferred Health Technology introduced the "A-Claim" technology system, a right-time adjudication tool.

"With health care providers collecting only an estimated 50% of patient receivables each year, incorporating a system like A-Claim, along with a





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preauthorized payment process, can make a significant impact on their business and improve their bottom line,” says Stacy Pourfallah, senior business leader for prepaid health care products at Visa.

The system works similarly to PayerEngen in that it enables providers to verify insurance eligibility and validate claims almost instantaneously; however, no money, besides the standard copay, is charged at the point of sale.

Rather, a rough estimate of what the patient owes is generated in real time and the card is kept on file. The consumer signs an agreement that states the total they owe and that describes the payment plan drafted with their physician.

Several days to weeks later, PHT collects the preauthorized amount from the card by incorporating Visa’s AuthorizeFirst payment process.

Both systems strive to restore physi-

cians’ confidence that they will be paid when it comes to limited and mini-medical plans and alleviate consumer concerns that they will be overcharged or even turned away from service because of their employer’s plan.

There’s also a chance that they

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could do more than just buoy morale, these promising new technologies could indirectly lower health care costs.

“To the extent that doctors can improve their collections — reduce their bad debt or shorten their cash flow — medical costs should theoretically go down,” says Red Gillen, a senior

analyst in the banking group at Celent, an international research and consulting firm.

This hypothesis could be tested sooner than originally thought — the industry is fast expanding.

Keck and his team at TransEngen are already inspecting other markets.

He says that they’re “continuing to expand this offering into more verticals; dental,” for example, as well as deepening their pool of payers in the limited benefit space.

This is where Gillen sees the market of transactional health technology heading: a Best Buy-esque experience that includes a stethoscope, so to speak — where transactions are transparent, accurate and immediate.

“The market is going to have to become more ‘retail-ish,”” emphasizes Gillen.

“Health care is one of the final frontiers when it comes to payment commerce,” says Mary Dees Griffith, president and chief operating officer of PHT.

“It’s such a dichotomy in terms of an industry where the payment side of health care has never caught up with the technology side of health care delivery.” **-K.K.**

