

Matching Market Dynamics and Compliance Demands to the Right Technology Partner

Rick Welch, Product Manager, DST



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Rick Welch is product manager at DST Systems, Inc., for the AWD product suite. He has worked for 22 years with content and digital rights management, document imaging, and workflow. To help define new market concepts, Rick is a speaker and panelist for industry events and publishes articles and white papers.

The healthcare industry is awash in debates regarding the Health Insurance Portability and Accountability Act (HIPAA). Is HIPAA part of the problem or the answer? To keep up with market dynamics and compliance demands, it will be prudent to partner with a technology vendor that not only has the right solutions, but also has the process management expertise in regulatory compliance.

Growing Pains All Around

Competition in healthcare is intense as mergers and acquisitions have compressed the number of organizations. Customers and patients are demanding service levels to which they have become accustomed in other parts of their lives. The hope is that HIPAA will help increase service expediency with technology, while maintaining the privacy and rights of the consumer. As the healthcare market evolves, technology vendors are also evolving. Some imaging and workflow vendors are now in the content and business process management space. The key is to look at a vendor's core competencies: who can streamline the back office, automate repetitive tasks, and increase productivity to decrease revenue cycle days within the framework of compliance. HIPAA regulations and deadlines are also contracting and expanding. The various forces at work will shape the laws for many years to come. Many payers and providers have no choice but to begin the regulatory journey without the clear insight into where the paper trail leads. The ability to maintain the spirit of the law when regulations are evolving is another key factor in picking partners.

Regulatory Expertise

As HIPAA takes shape, lessons learned from other federal regulations can help build an effective framework for handling paperwork without compromising privacy or delaying service expediency. The basic SEC rules that govern confidentiality and financial transactions are a starting point for comparisons to HIPAA regulations. A technology partner should be familiar with regulations, good-faith intent, and the evolving nuances of federal mandates.

Importance of Auditing and Privacy

It is important to partner with a vendor who has designed systems in compliance with auditing and privacy issues. Auditing usually has

several dimensions, one of the more obvious being the flow of information. But marshalling multiple communications channels across an array of billing and clinical systems can be daunting. Currently, some clinical systems are using bypass surgery techniques to open data arteries across several billing systems. Implementing a technology solution that can provide a seamless, automated flow of information enhances security and provides an audit trail of "who-processed-what-and-when."

Connecting the Enterprise

How can technology connect clinical systems, billing systems, and the business office? An appropriate metaphor is the body's nervous system, which connects all vital organs and regulates their interactions. In technology terms, this is known as an Enterprise Nervous System (ENS). An ENS does not operate the vital organs (clinical systems or claims systems); it connects the entities into a holistic system. The process management provided by an ENS becomes an asset for communicating the organization's vital signs, while process management's monitoring and reporting tools bring a large opportunity for compliance and return on investment.

Approach vs. Ability to Execute

While the process management opportunities in the healthcare arena are much different than any other industry, the results will be largely influenced by the approach. Best practices have served other industries well and have formed the basis for quality initiatives (e.g., Six Sigma and Lean Manufacturing). Issues polarizing the high-touch and high-tech proponents can surface as payers and providers operationalize HIPAA compliance and implement new technology. However, common sense suggests that doctors should be spending more time with patients than paperwork, that billing cycles should be counted in days not months, and that recorded information should help the caregivers, not impede them from arriving at the best decisions. A technology partner with the right approach to implementation will be able to balance the "high-tech" of complying with regulations with the "high-touch" of providing quality service and care.

Picking Partners Carefully

To summarize, here is a checklist of appropriate questions to ask when considering a

technology partner to help architect a HIPAA blueprint:

- ◆ What regulatory expertise does the vendor bring to the table?
- ◆ Do they include process and people in the technology dimension?
- ◆ Do they know the difference between document-centric workflow and business process management?
- ◆ Do they understand the notion of an ENS?
- ◆ Do they have a demonstrable approach to reducing revenue cycle days?
- ◆ Do they complement your core business systems?
- ◆ Can they manage the delicate balance between monitoring the process and owning the core systems?

The answer to these questions can be found in a comprehensive business process management (BPM) solution such as DST's Automated Work Distributor™ (AWD®). DST uses AWD in our own financial services operations which service more than 70% of all outsourced mutual funds transactions. With AWD, we ensure that the accounting complies with the law, customers' confidentiality is maintained, and that the business transactions are efficient. As BPM solutions such as AWD aid compliance in financial services, they can also enhance healthcare's business processes centered on HIPAA compliance. With the right technology partner, complying with HIPAA's standards can actually help to enhance healthcare quality, maintain privacy, and contain the runaway costs associated with providing and paying for health-related services. ■

DST Technologies, Inc. is a wholly owned subsidiary of DST Systems, Inc. Through sophisticated information processing and computer software services and products, DST helps clients improve productivity, increase efficiencies and provide higher levels of customer service. For clients in a variety of industries, including financial services, healthcare, insurance and video/broadband, Automated Work Distributor™ (AWD®) provides business process management, imaging, workflow and customer management solutions.

Blue Cross and Blue Shield of Kansas City Implements AWD

When Blue Cross and Blue Shield of Kansas City (BCBSKC) chose to implement the Automated Work Distributor™ (AWD®) from DST, they were looking to establish a more efficient and fraud-resistant infrastructure and fulfill approaching HIPAA deadlines. “We selected AWD based on its ability to provide an end-to-end solution—from imaging to comprehensive business process management,” said David Gentile, senior vice president of operations for BCBSKC. “Also, DST’s experience with AWD in their own financial services outsourcing operations enables them to understand the nature of regulatory compliance and to offer guidance in creating efficient, secure information infrastructures for their clients.” With AWD, BCBSKC now has a streamlined system to improve productivity by using predefined business rules to route work to appropriate processors and automated systems, enhance service and patient care with instant, simultaneous and secure access to information, and reduce revenue cycle days.

Challenge: Streamlining Claims Processing

Before AWD, paper claims were manually microfilmed for storage. The microfilmed claims were then distributed to BCBSKC’s processing units or their outsourced keying centers, which in some cases are hundreds of miles apart. This added significant cost and time to the process. After data was entered into BCBSKC’s two transaction systems, all data and corresponding documents were couri-

ered back to BCBSKC. Reconciling these documents and ensuring the claim was entered correctly into the transaction systems added more time to the process.

Solution: AWD Business Process Management

With AWD, BCBSKC has a secure, automated system for delivering work to the appropriate processing area. Paper is scanned and electronic data feeds are automatically imported into AWD’s central information repository. AWD assigns each new claim with a unique ID to ensure that only authorized individuals have access to it. AWD then moves the claim into a predefined queue where it waits to be reconciled with data entry work resulting from steps later in the process. At the same time that AWD sends the claim to its queue, it determines where to send it for processing: to an in-house BCBSKC associate or to their third-party outsourcer for data entry. AWD automatically delivers an image of the claim to the appropriate step, reducing claim delivery cycle.

Facilitating Teleprocessing

AWD seamlessly transfers the electronic claim to the third party for data entry. The third party’s processors work at home, using their imaging technology to display the claim and perform data entry into BCBSKC’s transaction systems. Upon completion, the data-entered information is returned to AWD, which then matches it with the original, scanned

claim waiting in the queue. This reconciliation step provides quality control to verify that the data entered into BCBSKC’s transactions systems matches the original claim. During this entire cycle, AWD ensures the claim is processed according to regulated time limits using BCBSKC’s aging and priority rules.

Tracking Incomplete Claims

AWD also helps to ensure accurate processing of incomplete and incorrect claims, reducing the time spent researching them from days to seconds. The image of an incomplete claim can be updated with comments and codes to explain why it is being returned. Then when a customer contacts BCBSKC to check on the claim’s status, customer service can instantly explain why it was returned and how it should be fixed. This also enables BCBSKC to track the causes of incomplete claims and make preventative adjustments.

Privacy Measures

BCBSKC is currently implementing printing restrictions to decrease the possibility of unauthorized access to information. They will also enhance the privacy of attachments, which are routed with claims as supporting documentation. AWD will assign these attachments, such as hospital records, with very specific levels of security.

Outsourcing the Infrastructure

AWD has become a mission-critical application for BCBSKC. Realizing that this would be the case, BCBSKC chose to outsource its server and application operations to DST’s AWD Data Center. The AWD Data Center provides real-time disaster recovery through DST’s redundant data centers and provides all systems maintenance and back-end functions, allowing BCBSKC to focus on their core business. ■

Blue Cross and Blue Shield of Kansas City (BCBSKC) provides healthcare benefits to more than 830,000 members in a 32 county region. The company provides a variety of health plan options, including two HMOs and two PPOs. BCBSKC has 1,100 employees located primarily in Kansas City, Missouri. BCBSKC is an independent licensee of the Blue Cross and Blue Shield Association.

