
ASC X12/WEDI
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Current State of Batch Claim

Processing - Business

Justification for Change

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Metro Dentalcare

Minneapolis

Who is Metro Dentalcare

- Located in the Minneapolis/St. Paul market
- Started business in 1968
- 32 clinic locations
- Specialties including cosmetic dentistry, oral surgery, periodontics, endodontics, orthodontics and pediatric dentistry
- 94 doctors including specialty
- Approx. 650 staff members
- \$71.5 million in revenue in 2006

Who is Metro Dentalcare

- 210,000 active patients
- 1,200 patient visits per day
- 90.3% patients have insurance
- Accept more than 750 insurance carriers
- 68% PPO, 14.5% DHMO, 4% Indemnity, 3.5% Welfare and Discount Plans
- More than \$50 million unscheduled treatment on insurance patients

Who is Metro Dentalcare

- 925 claims per day
- 6.2% claims are rejected or denied
- Average age of unpaid claims is 43 days
- \$7.22 – labor cost to check eligibility and to prepare claim
- \$1.42 – labor cost to process paper EOB payment
- 57.4% of patient receivables are more than 90 days old

What is the Problem?

- Provider's inability to have accurate information
 - ❖ Custom benefits
 - ❖ Patients use more than one provider
 - ❖ Manual effort to obtain information from insurance cos. which is costly

- Patients do not get needed dental work done
 - ❖ Patient accepts DDS diagnosis but doesn't know the true out-of-pocket cost to them
 - ❖ Patients generally do not know their insurance benefits
 - ❖ Patients expect provider to know their insurance benefits and determine their final cost

What is the Problem?

- Insurance denials and rejects rework costs are high
 - ❖ Patient eligibility is inaccurate or stale
 - ❖ Insurance rules are complex
 - ❖ Pre-estimates inaccurate or stale
 - ❖ Patient can't wait for pre-estimate
- Increase in aged patient accounts receivable
 - ❖ Provider collects down payments then bills patient for remaining balance – which confuses the patients

What is the Solution?

- Collaboration between provider, clearinghouse, insurance cos. and practice management systems to achieve:
 - ❖ Real-time eligibility between Provider and Insurance Companies
 - ❖ Real-time accurate pre-estimates of treatment plans
 - ❖ Real-time adjudication of completed procedures
 - ❖ Accurate patient out-of-pocket amounts on DOS
 - ❖ Integrated 835s into practice management systems
 - ❖ Electronic insurance payments to provider's bank

What others have done...

- Look at other industry solutions:
 - ❖ Banking and ATMs and Internet Banking
 - ❖ Airlines and Electronic Ticketing
 - ❖ Pharmacy – Integrated Adjudication

Robert J. Gaylord, 52, Vice President Finance and Chief Financial Officer of Metropolitan Dental Management Inc. and Metro Dentalcare since March 2001. Mr. Gaylord has 30 years of professional corporate experience in various industries including healthcare, insurance, airlines, banking, retail and consulting. Prior experience includes: Vice President of Finance at Blue Cross Blue Shield of Minnesota; Senior Manager at Andersen Consulting in the financial services, transportation and healthcare industries; and Director of Financial Analysis and Reporting at Northwest Airlines.

Mr. Gaylord is a Certified Management Accountant (CMA) and has BS degrees in Accounting and Psychology from the University of Wisconsin in River Falls. Mr. Gaylord has served or is currently active in a number of professional, civic and religious organizations including past advisor for the University of Wisconsin – River Falls School of Business and Economics.