Real-time Adjudication: Current and Future

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February, 2007
Agenda

• Current Implementation
  – Channels
    – www.UnitedHealthcareOnline.com
    – EDI Gateway
  – Results

• Future Enhancements
  – Pre-RTA/claim estimator
  – Other future applications

• Unanswered questions about the RTA model

• What payers can do to support RTA
RTA has been available to all providers who submit professional claims via the UnitedHealthcareOnline healthcare provider portal since Dec '06.

- Staff creates and submits claim in real-time
- Claim adjudicates in 10 seconds or less
- Successful adjudication message including benefit coverage and charge amounts
- Consumer receives care
- Consumer receives printed detail of the claim, benefit and their financial responsibility
RTA – Overview of capabilities

- Returns response in 10 seconds or less showing final adjudicated amount and consumer responsibility (so far response time has been about 3s)
- RTA is an actual claim. A second claim doesn’t have to be filed, even if it can’t be adjudicated in real-time (it will just drop to batch)
- Provides an opportunity for provider to collect payment from consumers at point of service
- Currently for professional claims only. The RTA highway can process facility claims, but there is currently no input for them on the portal. Also, the auto-adjudication rate for these claims is generally lower.

837

‘Pre’ 835 (successful)

277 (unsuccessful)
**Current Implementation of RTA is a step on the evolution of RTA, additional planned enhancements will increase applicability to CDHPs**

### The RTA Experience on the UHCO Provider Portal

RTA = Real-time adjudication of a claim. Provider payment occurs later.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Can the claim be submitted on the UHCO portal?</th>
<th>RTA Response</th>
<th>How can the provider determine whether the patient has an HDHP, at the time of service?</th>
<th>Action taken, if the patient agrees to pay at the point of care</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPO, POS, and Traditional Plans</td>
<td>Yes</td>
<td>Coverage details and medical plan allowed amounts returned in 10 seconds or less</td>
<td>N/A</td>
<td>Patient pays the patient-owned amount, co-pay, or co-insurance, as applicable.</td>
</tr>
<tr>
<td>HDHP (HSA)</td>
<td>Yes</td>
<td>Coverage details and medical plan allowed amounts returned in 10 seconds or less</td>
<td>Physician must ask the patient</td>
<td>Patient pays the full patient-owned amount.</td>
</tr>
<tr>
<td>Traditional Plan with HRA attached</td>
<td>Yes, but the claim will not adjudicate in real-time (10 seconds or less)</td>
<td>&quot;Your claim has been accepted for processing&quot; 24-48 hours to adjudicate</td>
<td>Physician must ask the patient</td>
<td>N/A -- Bypassing real-time adjudication prevents the possibility of the provider being paid twice: Once from the member out-of-pocket, and again later via auto-rollover of the member's HRA funds.</td>
</tr>
</tbody>
</table>

#### Today

- Q2: Portal Eligibility check triggered via Exante Integrated Card 3rd Track swipe
- Q4: Portal Eligibility response will return a CDH indicator for the particular member, informing the Provider prior to claim submission.

#### Phase 2: Provider Portal - CDH Integration in 2007

- RTA response will show the net of available account funds minus patient owed amount (TRUE out of pocket)
- RTA response will show the CDH indicator for the particular member
- Patient pays out-of-pocket, the net of available CDH funds minus owed amount. Patient may use an Exante line-of-credit to cover the net.
- Accounts with auto-rollover pay-the-provider logic (HRA, iHSA) will initiate transfer of funds to the provider upon adjudication.
Currently about 5000 claims/day are being processed on the RTA claims highway, via UnitedHealthcare Online

Roll-out Strategy

- The RTA capability was rolled out as part of a newly redesigned provider portal
- The new application was launched 6/28/06 in a limited beta pilot
- The volume ramp-up is a result of the staggered roll-out schedule
- Processing full volume as of 12/8/06

Key Metrics

(7/6/06 through 1/27/07)

- 12/08/06: Available nationally to all Providers using the UHCO Portal
- Overall Yield: 37% (RTA success rate, all claims submitted)
- UNET Yield*: 51% (RTA success rate, UNET claims only)
- Total Claims RTA pass-through: 357,364

*UNET is the primary claims platform
RTA will be available to 2 EDI submitters by Mar ’07 in a pilot to learn more about RTA via EDI

- Goal: Expand utilization of the RTA capability and collect provider feedback to improve the experience

- Scope of pilot:
  - Direct claims only, i.e. claims generated by users of vendors system
  - Professional claims only, initially

- Pilot duration: 6 months

- Phased approach: As pilots indicate success, new clients may be added

- Success measures:
  - Yield meets or exceeds portal yield
  - Provider satisfaction increase from baseline
  - Increased utilization of Real-time claim submission by providers (volume)
The Claim Estimator works on the same RTA claims highway and gives providers a valuable pre-service work-flow management tool

- Expected deployment April, 2007
- Two options for users:
  - Full claim estimation can be used for pre-determination of benefits (includes pricing) – must have Consumer ID
  - Bundling logic shows medical policy and bundling rules only – no Consumer ID needed
- Designed to be accessible to EDI claim submitters
- Success measures:
  - Transactions >150,000 per month, by year-end
  - User satisfaction >80%
RTA 2007 Top 10 Objectives

RTA Goals:

To help **providers** speed-up collection of Consumer-owed dollars, obviate bad debt, and reduce administrative overhead costs tied to claim status, appeals, and related claim issues (late payment/non-payment, etc.).

For the **Consumer**; reduce the confusion of high-deductible CDH plans -- take the guesswork out of the billing process.

For **UnitedHealthcare**; reduce the cost of care by eliminating overhead associated with today’s drawn-out claims process. Delight our customers with point-of-care check-out services and pre-care treatment assessment tools.

1. Establish a financial model for RTA distribution
2. Implement capacity enhancements for high-volume processing
3. Deploy Claim Estimator on UnitedHealthcareOnline
4. Determine strategy and scope for Real-time CDHP/HDHP support and integration
5. Determine strategy and scope for Consumer Claim Estimator
6. Improve yield by 10-20% through enhancements to the RTA highway
7. Reach 750K – 1M claims per month submitted via RTA (all submitters)
8. Establish RTA claim processing via 6 to 10 EDI submitters
9. Develop a Quick Claim user interface for the portal
10. Pilot Claim Estimator via an EDI submitter
Other future opportunities being investigated. . .

- Real-time COB/Secondary claim adjudication
- Claim estimation transaction via EDI
- Auto-rollover to HRA/FSA/HSA accounts
- Real-time fraud and abuse checking
- Convert-to-Claim: Pre-fill real claims using Claim Estimator saved results
- Real-time resubmission of corrected or pended claims
- Integrated provider notification/pre-determination workflow
- Consumer claim estimator/cost comparison tool
- Consumer and provider health alerts targeted based on claim estimates
- Consumer steerage to care programs based on claim estimates
- Medical-Decisioning feedback, for both provider and Consumer applications

RTA and its applications can support some key principles of healthcare consumerism:

- Cost transparency
- Treatment decision tools
- POS claim processing and payment

‘SmaRTA’
Unanswered Questions

• Providers, Consumers, payers, PMS/HMS vendors, clearinghouses all can benefit from RTA but . . .
  – How will each party pay?
  – How will each profit?

• The RTA model depends on a claim being processed in a few seconds, but most claims take multiple stops between payer and provider. . .
  – How will the EDI industry architecture change to support RTA?

• RTA is most effective in a POS claim processing environment but most providers’ systems and processes are not set up to do this. . .
  – How will PMS/HMS vendors respond to this need?
  – How will providers workflow processes and staffing change?
What payers can do to expand use of RTA and POS billing

• Build RTA!

• Maximize yield and minimize response time (i.e. increase AA rates, reduce post-adjudication edits)

• Use available standards wherever possible

• Train providers to do POS billing and provide incentives for them to do so (i.e. pay for performance)

• Work with PMS/HMS vendors to build POS workflow-enabled systems

• Provide incentives for PMS/HMS vendors and clearinghouses to enable their systems, networks and clients based on specific metrics:
  – % real-time claim volume
  – % RTA response times to end user <10 seconds (end to end)
  – % claims billed at POS (service date = received date)