Intelligent Automation for Health Plans

The Perfect Antidote for Post-pandemic Challenges

Executive Summary

Even as the global pandemic continues to reshape the healthcare landscape, the goal for Health Plans remains unaltered – to provide the best possible member experience and healthcare outcomes under the most dynamic circumstances. Achieving this goal requires Health Plans to build agility and flexibility into their systems and shift to a proactive mode of anticipating and tackling challenges.

COVID-19 is complicating existing industry challenges in unprecedented ways – from increased margin and cost pressures to complexity around claims coding, billing, and adjudication and increasing worker shortages. Simultaneously, the growing adoption of remote services like telehealth and remote patient monitoring is further pushing the growth of value-based care. Evolving regulatory mandates – such as the Centers for Medicare & Medicaid Services that require Health Plans to standardize data exchange by 2022 and implement APIs for patient-data sharing by early 2021 – pose an additional burden[i]

This white paper highlights the challenges confronting Health Plans in the post-COVID era and how Intelligent Automation can create sustainable efficiencies and value to drive competitive advantage in the new normal

Combating the perfect storm

Health Plans are dealing with increasing costs, aging and shrinking workforce, hard to modify IT systems, evolving regulatory compliance… and now COVID-19. Health Plans are navigating a minefield of challenges. Earlier this year, in the immediate aftermath of the pandemic, Health Plans were forced to move rapidly to the remote work model to ensure business continuity while ensuring the quality of deliverables.

Fast forward to the end of the year, they now face a different slate of challenges exacerbated by the pandemic. We are staring at shrinking margins and cost pressures due to rising claims from COVID-patients and an increase in elective procedures that were put on hold earlier. Reduction in group benefits provided by employers leads to a loss in premium, skyrocketing operations overhead, lack of coding, billing, adjudication clarity, and plunging staff morale.

The surge in claims combined with growing enrolment in the wake of the pandemic is rapidly nudging workloads upward even as Health Plans grapple with worker shortages. Payers need to drive unprecedented efficiencies, simplify the financial journey, reduce costs, improve data quality, and ensure superior member engagement and clinical outcomes during these tumultuous times.

Intelligent Automation matters more than ever

While the healthcare industry is not new to automation, penetration is still low relative to other industries. McKinsey estimates that more than a third of healthcare processes can be automated[ii].

The Health Plan value chain, in particular, is an intricate web of processes – a mix of highly transactional processes and some that require human judgment. Industry Payers will need to focus on lowering costs, increasing flexibility, improving quality, and mitigating risks by building capabilities across three distinct strata –

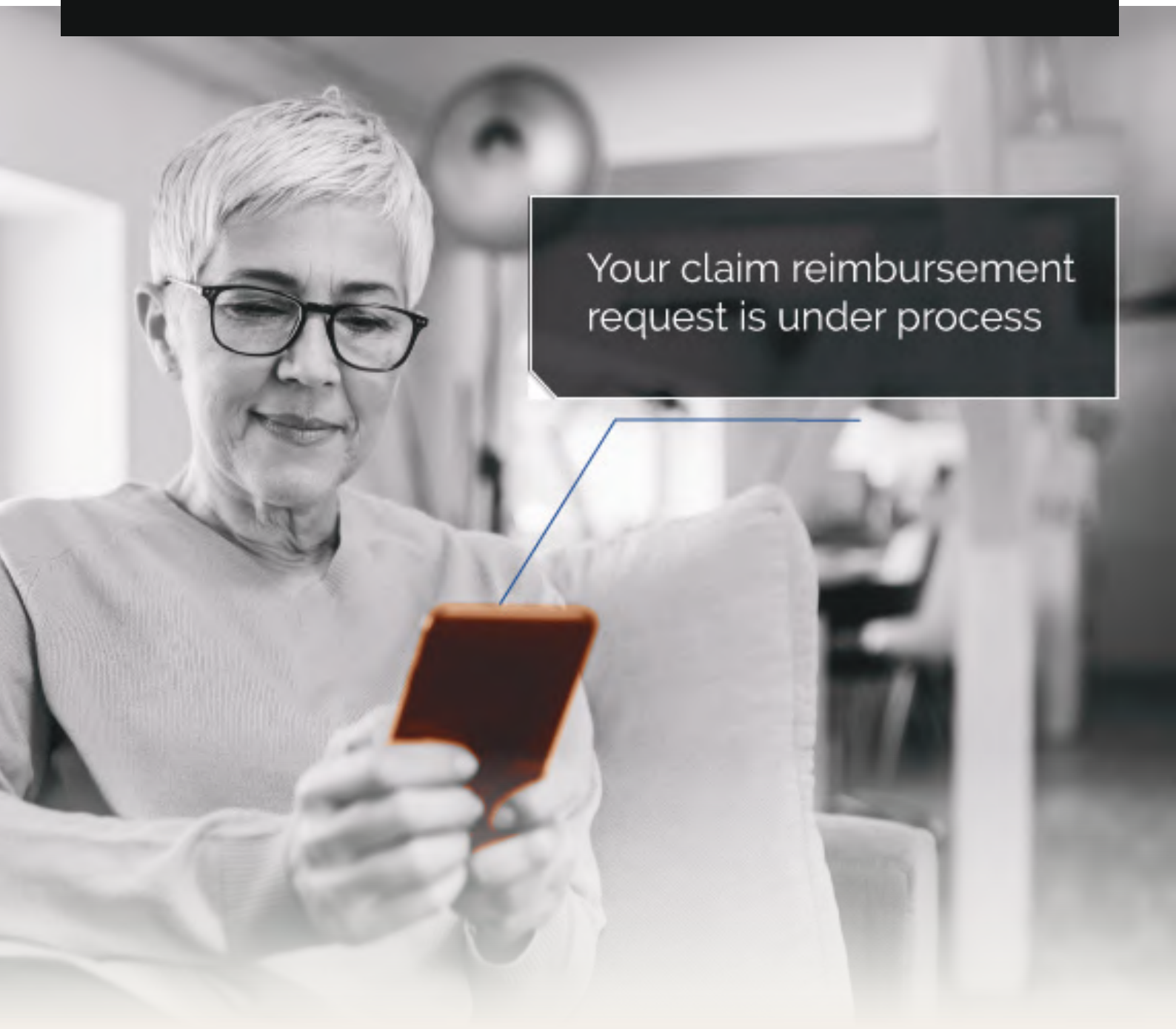
- Data capture and interoperability
- Driving intelligent insights
- Delivering a simplified and engaging member experience.

Intelligent Automation combined with human exception handling is the ideal strategy to drive higher ROI in this complex environment. A combination of RPA and smart workflows help automate data capture while ML and advanced analytics enable actionable insights and exceptional member experiences. Significant benefits of deploying Intelligent Automation include:

- Predictive insights into performance drivers for faster, more accurate decisions
- Lower costs, higher efficiency and productivity, and faster services
- Greater security around PHI due to lower human intervention
- Improved quality, safety, and regulatory compliance
- Interoperability and integration between heterogeneous systems
- Increased agility and scalability to meet variable demand

Unlocking value with Intelligent Automation: 3 major areas

While several automation opportunities exist across the Health Plan value chain, three areas offer the biggest bang for your buck – Claims Automation, Prior Authorization (PA), and Provider Data Management.



#1 Provider Data Management

Health Plans work closely with Providers to ensure members get the best possible treatment at optimal costs. Provider network management encompasses various aspects – from checking if the Provider is in-network to managing pricing for a given clinical procedure. There are several challenges to manually managing Provider data.

Challenges

According to a recent report by the Centers for Medicare & Medicaid Services (CMS), over 50% of Provider directory locations listed contained at least one inaccuracy, creating significant barriers to care . Maintaining these complex databases is time-consuming and expensive, setting Health Plans back by $6 million a year. Similarly, verifying changes to Provider data can take staff anywhere from 20 to 40 minutes[iv].

Automation Opportunities

Intelligent Automation combines intelligent workflows with RPA/ cognitive RPA and analytics to intelligently extract, cleanse, validate and maintain accurate Provider data across systems – adjudication, Provider directory, contract repository, and credentialing.

Outcomes

- 30% reduction in costs
- Timely and accurate claims payments
- Increased member satisfaction
- Stringent compliance and better ratings from regulatory bodies
- Improved relationships with Providers

#2 Prior Authorization

Optimizing Prior Authorization intake is one of the steps Health Plans can take to enhance member care experience and reduce Providers' administrative burden. Providers not using Electronic Prior Authorization is one of the significant roadblocks to automating Prior Authorization programs[v]. As per an AHIP Industry survey, 84% of Plans reported the most significant opportunity to reduce variation in Prior Authorization programs is to automate the PA process. The result of low automation levels: a multitude of challenges and less than optimal outcomes, including care delays and poor clinical outcomes.

Challenges

Nearly all Provider care delays (92%) are associated with Prior Authorization Issues[vi]. PA directly impacts member care and experience. As per the CAQH, Payer cost for PA transactions is, on average, $3.32 in 2019.

Automation Opportunities

Optimally combining Intelligent Automation for data extraction, validation, and adjudication, coupled with human exception handling for complex cases, can help enhance PA process, evidence-based care adoption, and Provider participation in risk contracts.

Outcomes

- 30% - 50% reduction in transaction costs
- Increased focus on complex cases
- Increased Provider satisfaction
- Elevated member experience and satisfaction
- Enhanced quality of care, affordability and safety

#3 Claims Automation

According to McKinsey, 80% to 90% of claims adjudication is currently automated, and with the help of machine learning, the automatic adjudication rate could easily surpass 95% within a few years[vii]. Health Plans that do not count themselves among the 80%-90% cannot afford to be left behind. Here's why.

Challenges

Manually verifying and processing claims not auto adjudicated is inefficient and time-consuming and adds to the operational cost claim operations and results in significant regulatory penalties.

Automation Opportunities

Automating claims processing in systems such as in FACETS, NASCO, and QNXT – across claims intake, claims pre-adjudication, and claims adjudication – using intelligent data extraction, workflows, RPA/Cognitive RPA, and analytics, accelerates accuracy and cycle times (see Figure 1).

Claims Intake	Data Capture	Data Validation	Eligibility Check	Edit Resolution	Status Reporting	Pricing Automation	Correspon-dence	Post Payment
Data extraction - Paper Claims	Provider data extraction	Verify member details	Eligibility for LIS	Pre Authorization required	Aging/TAT of inquiry requests	In patient claims Medicaid	Routing of claims	Payment audit
Data extraction - EOB's	Enquiry ticket extraction	Verify Provider details		Provider missing ID or not active	Inquiry Status	Out patient claims Medicaid	Create standard letter formats	Payment integrity
	Capture Claim details for tagging	Verify duplicate claims		TIN Mismatch	Claim status	Apply payments	Add memos on claim updates	Reclassication
20%-40% reduction in cost of operations		Link Provider		Pricing failure	Finalized claim for payment status	Process secondary claims	Appeals and grievances	Adjustment - void and reissues
		Reconcile member details		Claims date or coverage mismatch				

Figure 1: Intelligent Automation use cases across claims operations

Outcomes

2% - 3%

Increased auto-adjudic ation rates

Consistently enchanced customer experience

Identifying the right Intelligent Automation partner:

The success of your Intelligent Automation journey hinges to a large extent on choosing a technology partner who is the right fit for you. Here's a checklist to taking a holistic approach to identify your best-fit partner.

6 point checklist

1. Deep technology solution and service expertise combined with an extensive understanding of the Health Plan domain
2. A Process mining led automation approach that identifies upstream and downstream automation opportunities that increases auto adjudication
3. Plug and play automation accelerators and assets leveraging industry-leading partnerships and proven methodologies
4. Ability to set up Centers of Excellence and ensure successful change management with access to training and experts
5. Innovative commercial models that share risks and deliver outcome-based engagement.
6. Remote advisory, implementation, and managed services for project success in an increasingly contactless economy

Turbocharge operations to outperform in the next normal

Applying Intelligent Automation to claims processing is one of the strongest levers that Health Plans can use to adopt a digital workforce, refocus human capital on high-value activities, and cement more substantial relationships with Providers. This is all the more important in the wake of the global pandemic that disrupts Health Plan operations. Manual handoffs and disconnected systems result not only in errors and slow down processes – increasing costs and dragging down profits, but they also lead to gaps across the care continuum that lead to poor patient outcomes.

Amidst the continued uncertainty, the one thing that Health Plans can do is optimize areas under their control – to drive unparalleled efficiencies, productivity, and outcomes across their organization. Clearly, now's the time to double down on Intelligent Automation.

Further Information

Please click here, if you would like to discuss any aspect of this paper or how Firstsource can help.

[i] CMS.gov, Interoperability and Patient Access Fact Sheet, accessed October 2020, https://www.cms.gov/newsroom/fact-sheets/interoperability-and-patient-access-fact-sheet

[ii] McKinsey & Company, Automation at Scale: The Benefits for Payers, accessed October 2020, https://healthcare.mckinsey.com/automation-scale-benefits-Payers/

[iii] The Commonwealth Fund, Improving the Accuracy of Health Plan Provider Directories, accessed October 2020, https://www.commonwealthfund.org/publications/journal-article/2019/jun/improving-accuracy-health-plan-Provider-directories

[iv] Health IT Analytics, Provider Data Management Offers Payers a Blockchain Use Case, accessed October 2020, https://healthitanalytics.com/news/Provider-data-management-offers-Payers-a-blockchain-use-case

[v] McKinsey & Company, Automation at Scale: The Benefits for Payers, accessed October 2020, https://healthcare.mckinsey.com/automation-scale-benefits-Payers/

[vi] HealthPayer Intelligence, Prior Authorization Issues Contribute to 92% of Care Delays, accessed October 2020, https://healthpayerintelligence.com/news/prior-authorization-issues-contribute-to-92-of-care-delays

[vii] McKinsey & Company, Automation at Scale: The Benefits for Payers, accessed October 2020, https://healthcare.mckinsey.com/automation-scale-benefits-Payers/