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Real-time Adjudication: Current and Future

May, 2008

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Agenda

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2. How RTA Works
3. The RTA Vision
4. RTA Benefits
5. Marketplace Barriers
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11. Unanswered questions about the RTA model
12. What payers, vendors, and providers can do to support RTA

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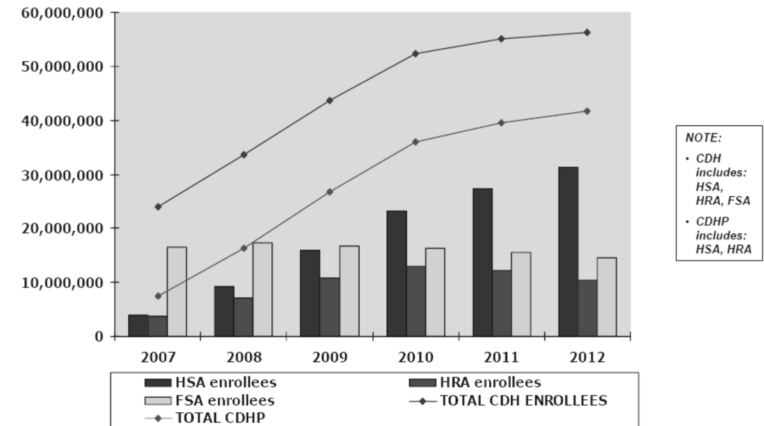
Real-time Adjudication: Simplifying Healthcare

- High-deductible health plans shift the financial burden of healthcare onto the consumer. As a consequence, providers are taking on ever-increasing bad debt risk.
- Industry data indicates that once the patient leaves the office, the likelihood of collecting full payment is reduced by *nearly 50%.*
- Real-time Adjudication takes what used to be a days-long process, and reduces it to seconds. Providers no longer need wait up to a week or more to get a response from the insurance company. With RTA, providers can get paid up-front, and eliminate a significant amount of back-office overhead.



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How RTA Works – Overview of Capabilities

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- RTA is true adjudication of a claim. A second claim doesn't have to be filed, even if it can't be adjudicated in real-time (it will simply drop to batch)
- RTA returns a response in 10 seconds or less, showing the fully adjudicated payer reimbursement and consumer owed amounts.
- RTA allows the provider to collect payment from consumers at the point of care
- RTA is currently for professional claims only. RTA for institutional claims is on the roadmap for 2009

UnitedHealthcare Online

Practice/Facility Profile · Physician Directory · Affiliates & Strategic Alliances · Contact Us · User ID & Password Management · Help

Patient Eligibility & Benefits | Claims & Payments | Notifications | Tools & Resources | Clinician Resources

Welcome, Phyllis Reilly — Logout · My Account · Not Phyllis?

Home > Claims & Payments > Claim Submission

- Claim Status
- Claim Submission
- Claims Processing Resources
- Claim Reconsideration
- Claim Research Project
- Electronic Claims Submission (EDI)
- Electronic Payments & Statements (EPS)
- Fee Schedule Lookup
- UnitedHealthcare Online All-Payer Gateway

Claim Submission

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Your claim has been successfully adjudicated by UnitedHealthcare's real-time adjudication service. This service allows you to identify patient responsibilities immediately upon submission of your claim to UnitedHealthcare. Claim details including patient responsibility will not be available via Claim Status until the next Business day. If you need claim status information immediately, please call 1-877-UHC-3210.
The claim details are provided below. If you have any questions about the fee schedule applied to this claim, please use the Fee Schedule Look-up feature. A detailed view of this member's benefits can be viewed on the web using the Patient Eligibility and Benefits Function.
Please note that the amounts displayed on this adjudication response may differ from those that you receive on your official remittance.

Adjudication Result :	Successful	**Date:**	09/27/2006
Submitted By:	Phyllis Reilly		
Charge Amount:	$85.00	Total Paid Amount:	$85.00
Patient Responsibility:	$20.00	Not Covered Amount:	$0.00
Print Patient Confirmation			

Name :	PATIENT, BOB	**Subscriber #:**	00000000001
Patient Relationship:	Employee	**Patient Account #:**	011642768
Dates of Service:	09/01/2006 - 09/01/2006	**Claim #:**	0491176245
Payment to Enrollee/Patient:	N	**Adjustment:**	N
Status	PAYABLE	**Electronic Payer ID:**	87726
Date Received:	9/27/2006	**Physician/Provider Tax Id:**	721356674
Physician/Provider Name:	SALLY PHYSICIAN, MD	**Adjudication Date:**	09/27/2006
Physician/Provider Address:	1 MAIN ROAD MESA , AZ 85202		
Claims Address:	1 MAIN ROAD MESA , AZ 85202		

IN: 837

OUT: Pre-835 (successful RTA)

***or*, OUT: 277 (accepted for batch)**

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The RTA Vision: A Retail-like Check-out Experience

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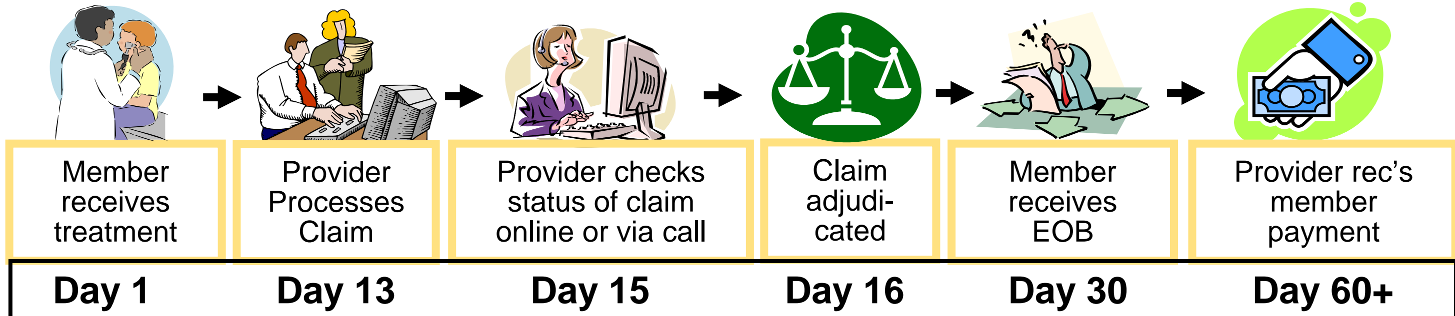
Ordinary



The traditional claims cycle generates waste in the form of collections costs, bad debt, claim re-work, and calls to customer service.

Extra-ordinary

Physician verifies eligibility and estimates cost of care, pre-service	Patient receives care	Claim adjudicated within seconds at doctor's office	Patient receives statement of service and cost	Patient pays for his or her portion

Cycle Time = Same Day!

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RTA Benefits

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Member

- Simplifies healthcare financial transactions
- Simplifies CDH account reconciliation
- One less bill in the mailbox to deal with!

Provider

- Reduces collections costs (print/mail)
- Reduces bad debt (pay before you go)
- Accelerates cash flows
- Simplifies the billing process (fewer calls)
- Improved consumer relations

Payer

- Fewer calls to customer service
- Supports migration from paper to EDI
- Supports growth of CDHP/HDHP plans
- Supports transparency in health-care
- Market differentiator

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Barriers to Marketplace Adoption

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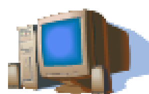
Marketplace Barriers:

- Only two national payers (UHG and Humana) and a handful of Blues plans have RTA. Providers will be reluctant to change office workflows when RTA works for less than 10% of their claim volumes.
- Though expected to double year over year, CDH plans (key RTA driver) still represent less than 10% of all benefit plans
- Most Practice Management Systems remain batch-based. Successful integration of RTA requires desktops to support singleton claim transactions with real-time dispositions.

		RTA requires…	RTA priority is…	Approach…	Key players…
	Providers	Office work-flow changes	**Weak…unorganized market**	Adoption, focus on specialties with high yield	Pilot clinics and practices, PAC
	Desktop & CH vendors	Software upgrade to batch products	Mediocre…little incentive to *integrate* RTA	Focus on early adopters, they will lead the pack	Availity, Athena, Ingenix, Cerner, others…
	Payers	Investment in building RTA	Fairly strong…payer collaboration and X12/WEDI standards	Piggyback where possible (e.g. Humana-athena)	United, Humana, Blues, AHIP, WEDI/X12

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Pediatric Associates PSC in Crestview Hills, KY

- 16 Doc practice
- Began using RTA in 2006
- "Speeding up reimbursement (via RTA) is definitely a benefit to our practice, particularly to our cash flow." – PSC's Practice Manager

How does EMR (Electronic Medical Records) fit into the picture?

- In many cases, doctors, not the billing staff, are looking at claims before they are submitted, to ensure coding accuracy
- "EMR makes everything easier, not just claims. But even without EMR, with a clipboard, we would still do RTA at check-out" – PSC's Practice Manager

Who takes the plunge?

- Practices are leery to be the "first on the block" to ask patients to pay up-front, due to fears that patients will seek a "friendlier", "traditional" billing experience next door.

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RTA in Real-life: ESD Pediatric

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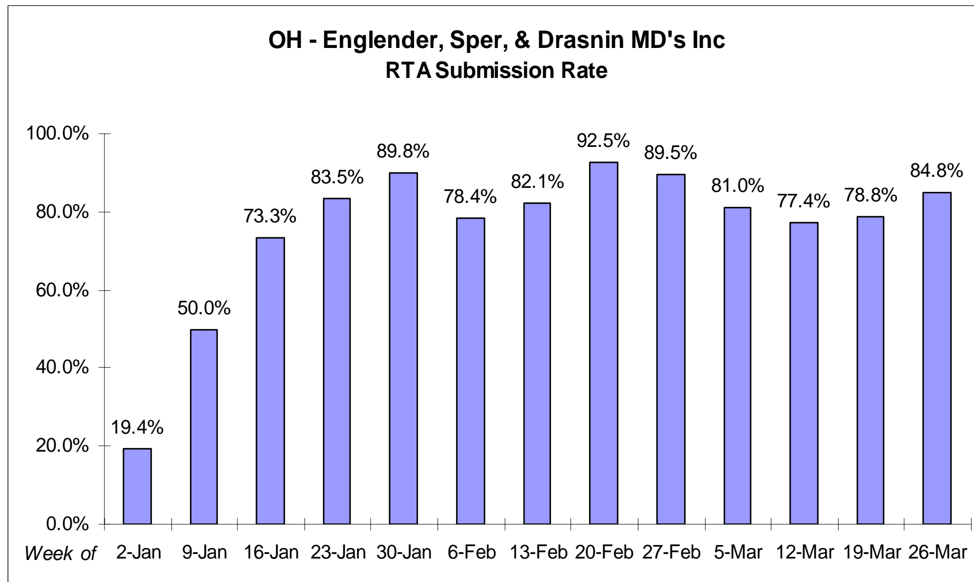
ESD Pediatric Group

- In-Network provider, based in Cincinnati, OH
- Using Athena with RTA for both UHG and Humana payers
- ESD aggressively messages to its UHG and Humana HDHP patients, to be prepared to pay up-front for services



Excerpt from ESD's patient messaging on HDHP billing

KNOW YOUR HEALTH INSURANCE COVERAGE

The face of health insurance is changing. Many employers are offering High Deductible Health Insurance plans as a way to provide employees with health insurance coverage with a lower premium cost.

High Deductible Plans, also known as HRA and HSA plans, encourage employees to share more responsibility for how health care dollars are spent. This means that the employee has to pay a larger portion of health care costs.

What this means to you?

Gone are the days of $20 co-pays. If you have a High Deductible Plan, you are responsible for payment of allowable health care costs until you have reached your deductible. Effective January 1, 2008, ESD Pediatric Group is requiring a minimum payment of 20% of billed charges at the time of service for any patient participating in a High Deductible Plan.

If either HUMANA or UNITED HEALTH CARE (UHC) provides your high deductible plan, your claim will be processed at check out and an Explanation of Benefits (EOB) will be generated. You will be responsible for payment of 100% of the allowable charges at check out.

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At the present, roughly 10,000 claims per day are processed via UHG RTA…

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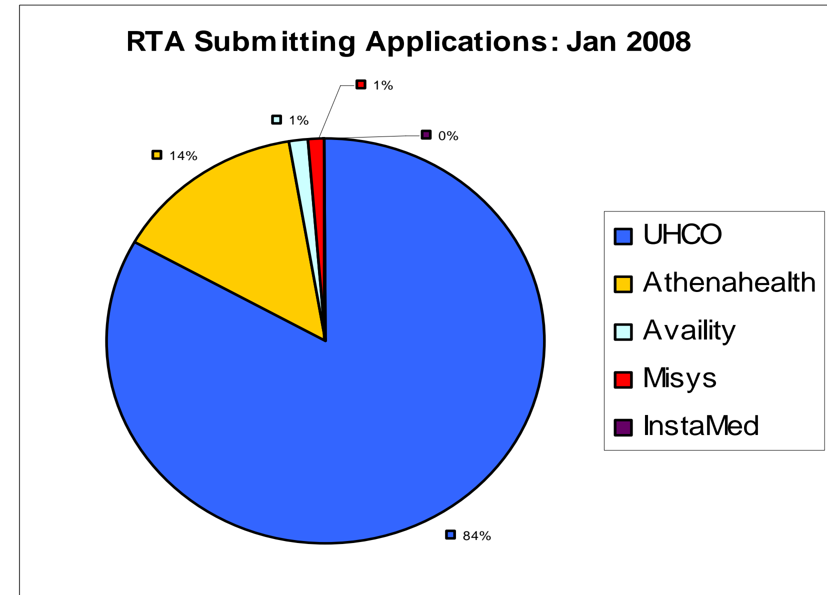
Roll-out History

- The RTA capability was rolled out nationally as part of a newly redesigned UHC provider portal in Dec. 2006
- Availity.com (portal) and Payerpath (clearinghouse) were added as pilot connections in March 2007
- Athenahealth went live with United in December 2007 – the first integrated practice management solution to offer multi-payer RTA



Key Metrics

- First Pass Rate (“yield”): Approx. 50%
- Providers using RTA for point-of-care billing: Approx. 3-5%
- Percent of UHG claims submitted via RTA: <2%

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Leveraging RTA Capabilities: Claim Estimator on UnitedHealthcareOnline.com

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Claim Estimator

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Patient Information

Gender: Female
Age: 99 years

Bunding Logic Results

What You Entered						
Claim Line	Procedure Code	Modifiers	Units/ Minutes	Place of Service	From Date of Service	To Date of Service
1	82465		1.00	11	04/06/2007	04/06/2007
2	83718		1.00	11	04/06/2007	04/06/2007
3	84478		1.00	11	04/06/2007	04/06/2007

Your Results								
Claim Line	Procedure Code	Modifiers	Units/ Minutes	Place of Service	From Date of Service	To Date of Service	Payable	Remark Code
1	82465		1.00	11	04/06/2007	04/06/2007	No	KW
2	83718		1.00	11	04/06/2007	04/06/2007	No	KW
3	84478		1.00	11	04/06/2007	04/06/2007	No	KW
4	80061		1.00	11	04/06/2007	04/06/2007	Yes	KX

Remark Code Key

KW - WE PROCESSED THESE CHARGES USING A PROCEDURE CODE THAT MORE ACCURATELY DESCRIBES THE SERVICES PROVIDED.

KX - WE RECEIVED ONE OR MORE PROCEDURE CODES FOR THE SERVICES PROVIDED. WE USED A SINGLE PROCEDURE CODE THAT MORE APPROPRIATELY REPRESENTS THESE SERVICES. YOUR PLAN BENEFITS WERE APPLIED USING THIS SINGLE PROCEDURE CODE.

Claim Estimator

Help

Estimate Summary

THIS IS ONLY AN ESTIMATE

Estimate Result: Complete

Submitted By:	Test User	Charge Amount:	400.00 (Estimate)
Date:	10/01/2007	Patient Responsibility:	400.00 (Estimate)
Total Amount Paid:	0.00	Not Covered Amount:	400.00 (Estimate)

Estimate Information

Patient Name:	MENA, MARIO .	**Estimate Confirmation #:**	0006010231
Physician/Provider Name:	VALLEYCARE GASTRO MEDICAL GRP	Physician/Provider Write Off:	N
Physician/Provider Address:	5575 W LAS POSITAS BLVD STE 320, PLEASANTON, CA 94588	Patient Relationship:	Spouse
Physician/Provider Tax ID Number:	943319804	Enrollee Number:	983146741
Electronic Payer ID:	87726		

Service Results Details:

Date of Service	Proc/Rev Code	Charge Amount	Paid Amount	Not Covered	Diagnosis Code	Remark Code	Copay	Deductible	Phys/Provider Discount	Patient Responsibility
04/20/2007 - 04/20/2007	99215	400.00	0.00	400.00	800.03	SF	0.00	0.00	0.00	400.00
Claims Total		400.00	0.00	400.00			0.00	0.00	0.00	400.00

- ✓ **Claim Estimator** uses real-time adjudication technology to calculate "true" claim estimates. Real-time pre-determinations of benefit allow providers to plan encounters in advance. The tool also meets healthcare transparency goals, empowering both physicians and members to make the best choices

- ✓ Claim Estimator's **Bundling Logic** tool helps physicians "build" claims correctly, providing feedback on what combination of services can be submitted on a claim for proper reimbursement.

eSolutions
Simpler, Easier, Better

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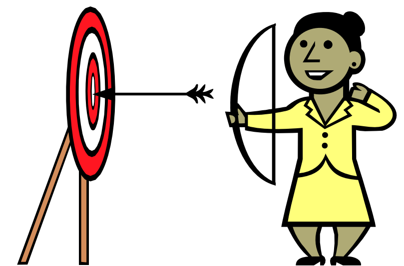
RTA 2009 Top Objectives

1. Integrate the RTA event with consumer account debit functionality
2. Build-out RTA compatibility for the Cosmos lines of business (government plans: Medicare/Medicaid)
3. Integrate RTA with 10 or more additional 3rd party practice management solutions
4. Develop RTA for institutional (hospital inpatient/outpatient) claims
5. Pilot real-time payment (accelerated reimbursement for RTA claims submitted at the point-of-care)
6. Adopt forthcoming WEDI/X12 RTA transaction standards



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Unanswered Questions

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- 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?
  - Will the 835"Pre" become the standard?

- 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?

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What payers can do to speed up adoption…

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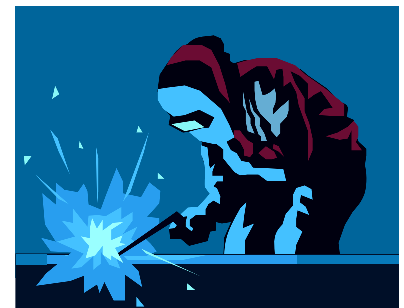
1. Build RTA!
2. Maximize first pass rate and compatibility with all claim platforms
3. Apply industry standards (WEDI/X12)
4. Train providers to do POS billing and provide incentives for them to do so (i.e. pay for performance)
5. Work with vendors to integrate RTA into existing desktop systems
6. Pay providers in real-time
   - Replace the pseudo-835 with the true 835
   - Remove payer holds on reimbursements
7. Provide incentives for vendors and clearinghouses to integrate RTA
   - Competitive marketplace advantage
   - Differentiate RTA claim pricing from batch claim pricing, *for RTA claims submitted at the point of care*



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