

## **Healthcare: Fifth Third Wants a Healthy Future**

**Banks are well positioned to be the nexus between payers, providers and patients. But to automate medical payment documents banks must cope with a new level of complexity.**

By John Adams

If the idea of applying the principles behind check imaging and e-payments to the healthcare receivables business seems like it should be a no brainer for banks, then get ready for a CAT scan.

"Unlike the business to business space, healthcare receivables are more complex, there are many more factors that come into play," says Scott Krah, healthcare group manager for Fifth Third.

Fifth Third is in the midst of a five-year major offensive into the healthcare business on a variety of fronts, ranging from the introduction of patient-direct coverage products like health savings accounts to products that leverage payment platforms to bring together providers, insurers and consumers. It's in the transport of documents that accompany payments, claims, rejected bills and benefits where some of the greatest challenges reside.

"There are a lot of issues that go into the compensation for healthcare, and right now, it's a much more manual and labor-intensive process," Krah says. "We want to provide a data file to automatically post these transactions."

To bring more automation and less paper to healthcare payments, Fifth Third is going the third-party route, entering into a partnership with Revenue Management Solutions, a medical payment and remittance system provider. The partnership will provide document automation tools to medical providers, which typically lag behind other businesses when it comes to automating payment, transaction and insurance records.

"Most banks don't own that part of the chain, so they have to partner," says Alenka Grealish, a managing director of the banking group at Celent. "For Fifth Third, given their size and position in the market, the best way for them is to go through a third party."

At the center of the Fifth Third/RMS arrangement is a tool that allows paper Explanation of Benefits (EOBs), currently captured as images within Fifth Third's lockbox network, to be converted into HIPAA-compliant data files using RMS' software (HIPAA refers to the medical payment document standard-setting Healthcare Insurance Portability and Accountability Act of 1996.) By converting paper documents into electronic images, healthcare clients can streamline their receivables process and shorten their revenue cycle.

Because most practitioners focus their IT investments on medical equipment, payments and other related documents are posted manually. While some government insurers like

Medicare and Medicaid force providers to accept electronic files, many other health insurers still interact with providers via paper. That's particularly true of smaller, private practices. "We want to allow these providers to be able to get an e-file for all insurance companies, so they can allocate resources that are now manually processing payments to more cost-effective work," Krah says.

Scott Thomas, the evp of business development for RMS-a year-old firm that counts Fifth Third as its first financial services partner, says the healthcare industry poses special challenges for the bill payment business because of the simple fact that what is billed by the provider and what is actually paid by the insurer are rarely the same. That makes for a more complex invoice (in this case, the EOB statement) than what exists for other business-to-business bills, which are either paid or rejected and renegotiated. "A hospital can bill whatever it wants, and the insurance covers whatever it covers," he says.

Thomas says this discrepancy has led to a system of thousands of codes that are embedded in statements that explain to a provider what they were paid by the insurer and why that was the amount. The RMS system that's being deployed by Fifth Third that makes these codes simpler for the participants to access and understand, as well providing a faster "turnaround" for all that are involved.

Thomas hopes that the ability to take data from insurance companies and, in less than 24 hours, turn that data into a postable remittance file, will prove attractive to providers. "To get the proper level of data for a healthcare transaction through a manual process, you have to key in more information for the EOBs than most providers are willing to do," Thomas says. "They want to post payments as quickly as possible."

But once the complexities are overcome, the market-building benefits are there for banks, because they bring superior expertise to the table. "When you initiate a payment through the bank, you know it's going to happen," Grealish says, adding that payments that are sent through a clearing house have about a 96 to 97 percent rate of straight through processing. "That three percent (failure rate) wouldn't fly at a bank...there is a lot of green field for banks in this business. They can make inroads into those markets, which will gradually grow."

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