Auto Casualty

Go Paperless: How Electronic Payment and Billing Solutions Help Digitize the Claims Process

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It is no secret that technology is continuing to disrupt the auto casualty and workers' compensation industries. Further digitizing the claims process can provide a variety of benefits for payors and claimants alike, including improving the consumer experience, boosting efficiencies, reducing fraud and allowing for adjusters and other claims handlers to focus on what matters most—helping restore claimants' lives after a challenging event. Additionally, a McKinsey study found that by digitizing their current business, large insurance companies could more than double profits over a five-year period. As claims organizations continue to build and enhance their global digitization strategies, especially in the midst of the COVID-19 pandemic, there are many opportunities and areas to apply technology across the entire auto and workers' compensation insurance ecosystem, from using mobile apps to push safety warnings to drivers to automating the settlement process. When it comes to claims processing operations specifically, one immediate opportunity for payors is digitizing the medical billing and payments process. Electronic payment and billing solutions can help claims organizations down the path of achieving a paperless claims workflow, helping to improve efficiencies, data quality and operating expenses.

Going Paperless in a Digital Economy

Innovations like mobile payment apps, money transfers via text message and digital wallets have transformed the economy. By the end of 2020, consumers are expected to have completed about 726 billion digital payments transactions—an increase of almost 11 percent from 2017, according to a recent study. This movement is not isolated to consumer markets—many companies are eliminating paper from their B2B transactions in favor of electronic, automated options like EFT transfers or virtual card payments. In 2019, only 42 percent of B2B payments were made by paper check, down from 81 percent in 2004, according to a report from the Association for Financial Professionals. Trends in the digital economy have created an opportunity for the property and casualty industry to digitize its payment and billing processes, which could go a long way in helping payors achieve their goals of increasing automation, boosting efficiencies and controlling operating expenses, all while

improving their data quality. As the economy continues its shift from paper to digital, the auto casualty and workers' compensation claims process is not far behind. Mitchell found in a recent industry research study it conducted that about half of respondents are very likely to adopt advanced technology in the next five years or are already using it, and 47 percent of respondents said cost containment is the key factor as to why they think the industry is adopting advanced technology—indicating the property and casualty industry's willingness to go digital in an effort to control costs and improve efficiencies.

Electronic Medical Billing and Payments

In Mitchell's 2020 industry survey, about 30 percent of respondents said that workflow efficiency is the biggest challenge their claims organization is facing today. As claims organizations look for ways to overcome this problem, many are looking to add automation to the claims process. Implementing paperless solutions, such as electronic billing and payment services, can help payors transition to automated tasks and improved efficiency, subsequently boosting data quality and helping payors to comply with current and future state regulations. While not all providers are sending bills or accepting payments electronically today, by adopting these solutions, payors are at least giving themselves the capability to process a good percentage of claims digitally. This will help eliminate many manual processes from their workflows that could be both inefficient and ineffective.

Three Reasons to Add Paperless Solutions to Your Workflow

Achieving a paperless claims process is possible with the help of both electronic billing and payment solutions, which allow payors to accept medical bills and remit payments electronically. Here are a few reasons payors should include these solutions in their workflows:

1.Increase Automation and Allow Adjusters to Focus on Core Tasks

Many adjusters today are required to manage a multitude of administrative duties in addition to their other responsibilities, for example, answering provider calls about payment status, which often hinders them from focusing on their core duties of servicing claimants. Taking steps toward eliminating paper from the claims process and digitizing billing and payments opens carriers up to the possibility of automating more of those administrative tasks, which in turn allows adjusters to focus specifically on processing claims and helping restore the lives of their claimants after an unforeseen event.

2.Improve Costs to Process Bills and Payments

Paying a claim via paper on average costs a claims organization anywhere from $4 to $30 per payment, with an average of $8 to $9 per check. An electronic payment solution can reduce that amount at least 60 to 90 percent, helping carriers see a significant reduction in operational costs. Handling paper is expensive, and in addition to the hard costs associated with it, it also creates timeliness and accuracy issues. Switching out manual, paper processes in favor of electronic billing and payments can make a claims operation much more efficient and effective. By taking paper out of the picture, organizations can eliminate the need to key in bills and can easily automate processes that improve quality and, again, free up adjusters to focus on their core duties.

3.Maintain Compliance with State Regulations

Multiple states have mandated that property and casualty insurance payors can send and/or receive electronic medical bills and payments, and others across the country are considering similar regulations as a strategy to

achieve administrative simplification and automate workflow processes. By implementing both an eBilling and electronic payment system into your casualty claims workflow now, you can assure you will be in compliance ahead of time, so you aren't scrambling when a state you do business in passes a law mandating eBilling, electronic payment and electronic remittance information. Though historically, state mandates on eBilling and ePayments have not necessarily "moved the needle" on electronic penetration, the groundwork has been set which is now allowing payers to marry the regulatory compliance with operational needs.

The Future of Digitization of the Property and Casualty Claims Process

As the workers' compensation and auto casualty industries continue to put additional focus on automation and efficiency, while also looking for new ways to serve their clients, there is no question that technology will continue to play a bigger role in the claims process. From advancements in artificial intelligence and telematics to an increased usage of chatbots, the industry will continue to make progress digitally in the foreseeable future. Electronic payment and billing solutions, while one piece of the puzzle, can help claims organizations to improve digitization and begin to achieve their goals of creating an end-to-end digital process—helping to boost automation and efficiency thereby allowing adjusters to focus on restoring lives.



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