Auto Casualty

Guide to Selecting an Electronic Payments Vendor

May 28, 2020
5 MIN READ
Author profile image

Lee Haripko

Vice President, Strategy & Planning

The workers' compensation and auto casualty industries today are still in most cases, bogged down by paper. While it can be challenging to transition a claims operation to digital, removing paper from the claims process can provide many benefits, including improving data quality, efficiencies and effectiveness, and can help payors comply with current state regulations and adapt to future regulations. One highly effective and relatively simple method to move toward a paperless approach is implementing an electronic payment system to create a medical claims workflow where payment, fulfillment, remittance and filings can help carriers eliminate paper checks and the administrative processes and costs that come with them. According to Mitchell data, customers that have implemented the solution have successfully reduced operational costs associated with payment by more than 65 percent. Are you looking to go paperless but are unsure where to start? Selecting a vendor for electronic payments can be challenging, as there are many criteria and categories to consider. Mitchell is here to help. Over the years, we have evaluated multiple electronic payment vendors and studied the market in great depth, utilizing our market-leading data assets and our compliance expertise. As a result, we have compiled a guide to help you as you navigate through the process of choosing the right payment vendor for you.

The Most Important Questions to Ask When Evaluating Electronic Payments Vendors

An electronic payment vendor should do more than just transmit payment for medical bills virtually. By asking the right questions, you can get a more accurate picture of the way an ePayment vendor operates and make sure you are selecting the best option for your business. There are multitudes of considerations and criteria from cost, to existing system integration, to compliance, to provider engagement. To better identify a partner that stands out from the rest, we recommend focusing on these three important areas: payment compliance, bill review integration and provider engagement.

Payment Compliance:

Most states have specific regulations regarding electronic payment transmission as well as what documentation and standards must accompany the payment, even depending on payment modality. Ask the following questions to find out how a payment vendor complies with ePayment regulations.

Does the payment vendor distribute compliant Explanations of Benefits (EOBs) along with any state-required forms (e.g. NF-10 forms)?

Within the property and casualty industry, EOBs and state-required forms are highly regulated. By ensuring your payment vendor is delivering compliant EOBs, state fines can be eliminated. A good approach for compliant payments is for the payment vendor to leverage either the EOB from the bill review vendor or as determined by the claims organization's internal compliance organization or authority.

Who is responsible for monitoring the regulatory landscape as it relates to electronic payments and ensuring payments are compliant?

Regulations concerning payments in the property and casualty market are constantly changing. Outsourcing payments to an organization that is focused specifically on the property and casualty industry and that proactively monitors payments will minimize a claims organization's risk of being out of compliance.

Bill Review Integration:

How does the payment solution integrate with bill review systems?

A smooth integration between the electronic payment solution and the bill review and claims systems can help deliver payment and remittance information in a seamless manner. A bill review system should act as a centralized hub and single source of truth for payment information for all three systems, facilitating reciprocal communication to help maintain compliant payment and remittance information. This creates a circular loop on every bill within a single ecosystem reducing complexity and cost. Here is an outline of an ideal integration workflow:

- Bills Are Inputted Into the Bill Review Platform
- Bill Review Platform Provides Adjustments on a Bill
- Claim System Commits the Bill and Provider's Approval to Pay Back to the Bill Review System
- Payments Are Transmitted to the Provider With the Compliant Remittance Information Attached
- Claim System Is Updated on a Daily Basis With Payment Information (I.E. Sent Date, Changes in Payment Type and Cashed Date) Via System Integration

Provider Engagement:

An electronic payment solution should have a robust provider engagement program in order to facilitate successful electronic payments on behalf of a claims organization and reduce noise. Asking these questions can help you to fully understand if an electronic payment vendor is committed to building meaningful relationships with providers.

Does the payment vendor have an opt-in or opt-out model for providers? Do providers have the option to select from multiple payment methods before payments have been made?

The most effective manner of delivering provider payments is through a true opt-in model. An opt-in model, similar to a PPO/VPN network, creates a proactive agreement with a specific provider, which helps ensure both payment and remittance information are delivered in a format that is pre-approved by the provider. This can create additional payor efficiencies, for example reducing provider call volume by as much as 50 percent, reducing paper costs and increasing electronic penetration, according to Mitchell data.

How do providers know they have received payment? This can be especially problematic if a compliant remittance (EOR, EOB, EOP) is not sent with payments.

For any payment process, it is critical that the provider receives an EOB with every payment that is delivered. When aggregation of EFT payments occurs, providers can receive EOBs without the payment. Delivering EOBs to providers using a pre-approved method can reduce confusion, complaints and duplicate billing.

Who does the provider contact/call if there is an issue with payments?

A provider call center is an important factor to consider in any payment program. It is critical that the claims organization, bill review vendor and payment vendor are integrated to ensure that regardless of call type (fee schedule inquiry, question about network participation or payment status request), the individual that answers the call knows how to handle the request and can provide a warm transfer to the right person, eliminating calls being routed to incorrect parties. By defining clear operating and call-routing rules, significant provider noise can be eliminated, helping to create a seamless adjuster experience. In the opt-out model, there is typically a 50 percent call volume increase from providers compared to an opt-in model, based on Mitchell research. By asking the questions above, you can make sure that the vendor you are selecting is operating a comprehensive, compliant electronic payment program.



©2022 Enlyte Group, LLC.

mitchell | genex | coventry