PRIMEridian® Lets You Get Back to the Business of Managed Care

Paper can get in the way of providing superior managed care services. Torrance Hospital IPA (THIPA), of Torrance CA, was suffering under the burden of paperwork that kept them locked in the stone age of managed care.

Located in the highly evolved managed care market place of southern California, Torrance Hospital IPA was 100 percent capitated with multiple health plan contracts, 400 provider contracts, and 50,000 enrollees. They were in desperate need of advanced technology so that they could better service their customers.

The existing technology THIPA was utilizing was not sufficient to handle the myriad of administrative functions delegated to the IPA. "What we really needed was electronic eligibility and web-enabled connectivity with physician members as well as in-house electronic, automated claims processing," said Marc Moser, CEO. "Our challenge was limited capital. We couldn't afford hardware or the IT personnel required to keep this kind of system up and running."

The IPA had several objectives if it adopted a new system:

- Reduce labor-intensive managed care transactions and administrative functions
- Maintain adequate capitation levels through cost-saving and improved contracts
- Develop comprehensive data analysis review of performance and risk
- Provide information to aid leaders with bottom line decisions

THIPA quickly recognized that in order to meet their goals while overcoming their challenge, they would need to outsource to an application service provider such as Meridian Health Care Management's PRIMEridian®. PRIMEridian® could help achieve all of their objectives without taking on the burden of hardware and personnel. Meridian could provide the administrative infrastructure, systems and managed care expertise required to automate administrative functions, create reports, thereby reducing staff and ultimately lower the administrative costs of the IPA.

The Solution

The PRIMEridian® solution was selected by THIPA based on pricing, scalability, and security to support their administrative functions and managed care transactions. The system completely integrates eligibility, benefits, utilization management and claims processing functions as well as supporting provider relations and member services departments.

"Once we knew we could achieve our objectives with PRIMEridian® within budget, we went for rapid deployment and were operational within 90 days. We had the high tech capabilities that you would find in large companies," said Moser.

In order to maintain operational efficiencies, THIPA wanted to be able to review data and create reports. Information such as the comparison of capitation payments to potential fee-for-service revenue for the same member population would be useful. Fee-for-service discounts could be renegotiated if data was available to analyze cost per specialty area. "With the data behind us, we were better equipped to make business decisions or build a case to justify higher rates from health plans. We just couldn't do this efficiently in our paper-based environment," said Moser.

Improved reporting would also provide the following: capital resource monitoring, business intelligence drill down, aggressive increased reimbursement abilities, and contract profitability review with possible termination for poor performers.

Meridian also provides related ASP services to assist managed care networks. EDI transactions are reviewed for HIPAA compliance. Inbound and outbound health plan eligibility is validated in addition to inbound medical claims and outbound health plan encounter data. Health plan benefits are maintained as well. Meridian Health Care Management also assists customers with system implementation, software training, data conversion, and operational assistance.

The Results – Productivity and Profitability!

The efficiencies achieved by automating were apparent immediately. Eligibility verification was streamlined. A manual process before, after implementing the ASP solution, eligibility updates were made electronically. This resulted in more accurate and timely eligibility information. In addition, redundant positions were eliminated because the IPA no longer had to manually input member additions, changes, and terminations.

Managed Care

Results were also produced in the claims process transformation. Data entry was reduced through electronic claims receipt. THIPA is now receiving 50 percent of its claims electronically. This saves claims professionals' time because the claims no longer need to be manually entered and are more accurate. The PRIMEridian® system's advanced claims adjudication capabilities allow almost 80% of the claims received by the IPA to be auto-adjudicated without examiner intervention, which facilitates accurate payment of claims.

With advanced technology comes the ability to have 24/7 access anywhere, thanks to the web-based connectivity of PRIMEridian DIRECT®. "Individual provider offices can submit claims electronically and can track their claims online through advanced reporting functions," said Moser. This self-service functionality has reduced in-bound calls and has allowed the IPA to further automate the referral authorization process. The PCP no longer needs to call the IPA to authorize a patient referral to see a specialist. The referral is authorized electronically while the patient is still in the PCP's office. "This resulted in improved customer service for both the provider and the patient," added Moser.

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THIPA realized that approximately 90 percent of the challenges associated with effective IPA management involve very detailed and process-oriented tasks. Using an ASP, THIPA significantly automated these functions and achieved higher productivity and profitability. "Overall, I was amazed at how quickly we could implement a solution that produced results so quickly. I wish we had thought of an ASP solution sooner. We could have eliminated our backlog of paper claims much earlier" said Moser.

The Future of ASPs in Managed Care
As healthcare costs continue to rise, with administrative expenses accounting for $420 billion a year, providers are under extreme pressure to reduce costs. The trend toward ASPs will likely continue as healthcare providers continue to have insufficient resources to manage IT systems in-house. Managed care organizations provide expertise in delivering care and benefits, not technology. Outsourcing IT needs will continue as managed care organization focus on their core strengths.

About PRIMEridian®
This core application suite offers provider and payor organization an integrated enterprise-level information technology system to support their administrative functions and managed care transactions. The system completely integrates provider credentialing, eligibility and benefits, financial and utilization management, and claims processing. PRIMEridian® provides clients a sustainable competitive advantage in the health benefits administration marketplace. Based on a Java development environment, PRIMEridian® technology provides flexibility, productivity, usability, and scalability with a user-friendly interface.

The newest version of PRIMEridian®,V6 creates a highly automated web-based claims processing platform that provides superior claims processing speed, accuracy, efficiency, flexibility, and provider communication. The enhanced applications of V6 have the ability to adapt to the rapidly changing health care marketplace without the need for additional programming modifications. This will mean that new provider pricing and member benefit scenarios are effectively administered and accurately processed. In addition, enhanced capabilities in processing of UB92s and case rate pricing improve automatic adjudication of claims by more than 100%. PRIMEridian®, V6 offers the most state-of-the-art claims processing system available today.

About Meridian Health Care Management, Inc.
Meridian Health Care Management, Inc. is a nationwide provider of outsourced managed care technology and administrative services for both health employers, and provider networks such as Independent Practice Associations (IPAs), provider sponsored organizations such as health plans and self-insured organizations (PSOs), physician hospital organizations (PHOs), integrated delivery systems (IDS), and management service organizations (MSOs). Based in Woodland Hills, California, the company has been in business since 1982, and provides services to customers in six states for over 350,000 members.

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