Experiment Begins With Online Insurance Portal

Beginning this month, physicians in Ohio and New Jersey will use one site for all private payers.

BY MARY ELLEN SCHNEIDER

In November, physicians in Ohio and New Jersey will begin to test a single, online portal through which they can access health insurance eligibility and benefits information for most of their privately insured patients.

Physicians and their staffs in those states will have access to data on copayments, deductibles, in-network and out-of-network coverage, and the status of claims from multiple plans in one place. They will also be able to submit referrals, preauthorization requests, and claims under a test project spearheaded nationally by America's Health Insurance Plans and the Blue Cross and Blue Shield Association.

Ultimately, the initiative will be rolled out across the country, AHIP President and CEO Karen Ignagni said during a press conference.

"It's a step that will ultimately transform our system to one that takes advantage of technology to the benefits of clinicians and their patients," she said.

The changes are significant, Ms. Ignagni said, and are akin to what the banks did when they first allowed consumers to withdraw money from any ATM around the world.

The initiative is expected to decrease hassles for physicians and significantly reduce costs for both physicians and health plans. Ms. Ignagni estimated that the entire health system could see savings of hundreds of billions of dollars once these administrative simplification tools are available around the country, based on estimates of savings automating administrative tasks and implementing consistent business practices.

The insurers' announcement comes as Congress debates comprehensive health reform, including tighter regulation of the insurance industry. Ms. Ignagni said that AHIP has been exploring projects to simplify insurance administration over the last year and has kept the Obama administration and congressional leaders apprised of their progress. Some simplifications are already part of health reform proposals circulating in Congress, she said.

"As Congress considers health care reform, I think all of us believe that it's critical that we bend the cost curve," Ms. Ignagni said. "Most policy makers understand that health reform that doesn't address the cost of care will fail."

She added that projects like the ones in Ohio and New Jersey have "great potential to slow the growth in the cost of care and contribute to savings needed nationally for reform."

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MS. IGNAGNI

Although this type of Web-based tool has been possible for years, the standards for sharing information across multiple health plans were only recently completed, Ms. Ignagni said. With the standards in place, the state-level pilot projects will focus on making sure the Web portal is user friendly for physicians, and on learning which functions are most helpful.

The project will begin with physicians and will be extended to hospitals later, according to AHIP.

The initiative was praised by physician organizations that are working on the project in Ohio, where eight health plans representing 91% of privately insured residents will participate in the Web portal. Mark Jarvis, senior director of practice economics at the Ohio State Medical Association, said that the ability to access insurance information through one online source will make administrative tasks easier, faster, and more accurate.

This type of tool is critical, he said, because it allows the physician's staff to let patients know up front what their coverage is and how much they will end up paying. "If you can have that conversation before the encounter, the transaction works much better and [is] less confusing than if you're trying to chase it after."

Mr. Jarvis estimated that the average physician spends 3-4 hours a week on administrative dealings with insurance companies, whereas his or her staff spends another 58 hours on insurance-related administration in a given week. Creating a one-stop shop for insurance information is a great "first step" to try to reduce the administrative burden on physician practices, he said. ■