Insurers Test Single Administrative Portal

Pilot projects offer physicians in Ohio and New Jersey access to Web-based tool.

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, pre-authorization 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 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 policymakers 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."

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 learning which functions are most helpful. The project will begin with physicians and will be extended to hospitals later, according to AHIP.

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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, who is 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, while 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. ■

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Contractors Get Good Marks

Physicians and other health care providers largely are satisfied with the performance of the Medicare fee-for-service contractors that process and pay the more than $300 billion in claims each year, according to an annual satisfaction survey. On a scale of 1 (low) to 6 (high), providers rated contractors at 4.54 in 2009, up very slightly from last year's average of 4.51, according to the Centers for Medicare and Medicaid Services. More than four of five providers scored contractors between 4 and 6, CMS said. The survey included more than 32,000 randomly selected providers, including physicians, suppliers, other health care practitioners, and facilities that serve Medicare beneficiaries.

OIG: Hospice Claims Fall Short

Most hospice claims for Medicare beneficiaries in nursing facilities did not meet at least one Medicare coverage requirement, according to a report from the Health and Human Services Department Office of Inspector General. Nearly two-thirds of claims did not meet plan of care requirements, while one-third failed to include hospice election statements or included inadequate election statements, the OIG report said. Meanwhile, hospices provided fewer services than outlined in plans of care in 31% of cases, and failed to meet terminal illness certification requirements in 4% of claims, the report said. The report recommended that CMS educate hospices about the coverage requirements, provide them with tools and guidance to help them meet those requirements, and strengthen hospice claim monitoring. According to CMS, Medicare hospice spending rose from $3.6 billion in 2001 to $9.2 billion in 2006.

Trial Lawyer Malpractice Ads Soar

Television commercials soliciting plaintiffs for medical malpractice lawsuits have soared 1,400% in the last 4 years, and spending by trial lawyers on those ads rose nearly as much—from $3.8 million in 2004 to $62 million last year, according to the U.S. Chamber of Commerce. This year, a total of 166,000 ads are expected to air, the report said. Media markets in New York, Boston, and Baltimore experienced the most activity in 2008, according to the report. "Lawsuits are ultimately a business driven by the plaintiffs' bar, and when you see the marketing of medical malpractice lawsuits exploding like this, it tells you that these lawsuits are a growing sector within the larger lawsuit industry," Lisa Rickard, president of the U.S. Chamber Institute for Legal Reform, said in a statement.

Most Doctors Provide Charity Care

Almost 6 in 10 physicians reported providing charity care—defined as either free or reduced-cost care—to patients in 2008, according to the 2008 Health Tracking Physician Survey from the Center for Studying Health System Change. On average, physicians who provided charity care reported 9.5 hours of such care in the month preceding the survey. That amounts to slightly more than 4% of their time spent in all medically related activities, according to the report. The survey also found that 44% of physicians reported receiving some form of performance-adjusted salary, such as an adjustment based on their own productivity. About one-quarter said they received a fixed salary, while 20% received a share of practice revenue. Productivity factors and overall practice financial performance were the most common financial incentives affecting physician compensation, according to the survey.

Doubts on Effectiveness Research

Although comparative effectiveness research may give doctors and patients better information about what treatments work best, it's not clear that it will result in better health or less spending, according to the Rand Corporation. Its study concluded that new incentives will be needed to change the behavior of patients and providers. However, federal law prohibits using the results of federally funded comparative effectiveness research to guide payment policies. So it will be hard to develop incentives for driving down health spending, the study said. In the near term, any reduction in spending created from such research would be offset by the costs associated with generating, coordinating, and disseminating the findings. "While increasing research aimed at determining the most effective treatments for a wide array of diseases should have benefits, there is not enough evidence at this point to predict exactly what the result might be for the cost of the nation's health care system," Elizabeth McGlynn of Rand said in a statement.

Medical Home Reduced ED Use

A pilot patient-centered medical home program at Seattle's Group Health Cooperative resulted in significantly fewer emergency department visits and hospitalizations among medical home patients when compared with results from two clinics serving as a control group, according to a study. In addition, medical home patients reported higher satisfaction in most areas, and providers and staff members working within the medical home model reported much less professional burnout. Medical home patients used more e-mail, phone, and specialist visits, but at 12 months there were no significant differences in overall costs when compared to the control group. In addition, overall care of medical home patients improved slightly more than care in the control group when composite quality measures were compared. The study was published in the American Journal of Managed Care.

—Jane Anderson