Nation's Largest Independent Healthcare Administrator Streamlines Claims Processing

Alchemy speeds payments and reduces need for large paper warehouses; subscriber questions are addressed without delay

Company

Benesight (formerly The TPA), the nation's largest independent healthcare administrator, designs and manages self-funded healthcare benefits for more than 1,200 employee groups ranging in size from 50 to more than 20,000 members. The privately held company, headquartered in Wayzata, Minnesota, handles claims for more than 1.1 million members enrolled under some 5,000 benefit coverages.

Challenge

Benesight processes more than 27,000 healthcare claims, answers more than 10,000 claims-related telephone calls and mails 21,000 checks and explanation of benefits daily. The forms review and payment processes were labor intensive. Claims were submitted on a standard one-page form that is used throughout the healthcare industry. Mailroom personnel sorted and collated the forms and handed them to data entry stations for input into the claims processing system. Next came a series of quality control audits and approval steps to authorize payments before checks could be issued and mailed. If information was missing from a form, it was marked for additional processing and shuffled from desk to desk. This paper shuffle added to the payment cycle. The ability to cross-reference or index to where the paper claim was housed was difficult. And, to comply with Federal laws on document retention, additional storage space was needed for a growing mountain of paper.

Solution

In mid-1999, Benesight opened a new Claims Administration Center in Pueblo, Colorado and began evaluating systems that would streamline handling of the more than 600,000 sheets of paper being processed monthly. IT Project Manager Don Stout needed a system to provide functionality, flexibility and economy. IMR's Alchemy® product family, supplied through its Phoenix, Arizona reseller, Innovision Imaging, proved to be an ideal hub in one of the most advanced document database management systems in the healthcare industry.

The new system dramatically streamlines a process that was labor intensive and prone to human error. Now, the original claim forms are outsourced to a document scanning vendor who assigns a number to each. The forms are then scanned onto a CD which is delivered daily to the Benesight Data Center. The CD contains the scanned TIFF images as well as the data files with the pertinent fields needed for indexing. As the TIFF files are transferred from the CD, IMR's DataGrabber® builds the file structure to populate the Alchemy database.

Return on Investment

The electronic claim forms stored in Alchemy can be accessed and searched on, using any of the search fields entered during scanning. The most commonly searched fields are the claim number, the claimant's social security number and the date on which the medical service was provided. The Alchemy database resides on a Windows NT server. Access to the database is via a Novell PC network in Pueblo, as well as a wide area network connecting corporate headquarters and

seven regional claim sites. Authorized personnel anywhere on the network can access the Alchemy database for around the clock administrative support. Customer service representatives can resolve problems or answer questions in only minutes while the caller is on the phone rather than the lengthy periods - sometimes days involved in retrieving the paper claim - that often transpired before Alchemy was installed.
Current claim images remain active in magnetic storage for six months before being transferred to DVDs for permanent archiving in DVD jukeboxes. Don Stout estimates that the system can store as much as two and one-half years of data that once would have required paper warehousing.

Summary of Benefits

- Manual data entry and paper shuffling are eliminated
- Claims processing is streamlined
- Customer service is enhanced
- Paper warehouse space is reduced dramatically
- Documents are available electronically throughout the company