



ECR

Electronic Claims Reimbursement

EFT/ERA trends from the payer's perspective

Featured Solution Profile:

InstaMed



InstaMed Profile

With decades of experience in the EDI and payment processing industries, InstaMed is the first company to process healthcare and payment transactions and connect payers, providers, members and banks on a single, proprietary network.

With an established network of more than 200,000 providers, InstaMed delivers advanced solutions to healthcare payers. InstaMed currently supports the healthcare payment processing needs of healthcare payers and providers of all sizes, from solo practitioners to billion dollar health systems. To date, InstaMed has processed tens of billions of dollars in healthcare payments and currently processes over \$600 per second.

Additionally, the company maintains a 24/7/365 technology and operations infrastructure, and is compliant, certified and audited at the highest levels for both healthcare and payments. Focused on its payer and channel partner relationships, InstaMed has consistently experienced over 100 percent growth since it was founded in 2004.

Table 1
INSTAMED PROFILE

Headquarters	Philadelphia, PA
Other Locations	Newport Beach, CA
Solution Name	Claims Settlement, Transaction Gateway, Provider Payment Assurance
Solution First Launched	2007
Number of Users	30 health plans/payers and over 200,000 providers
Industry Verticals Targeted	Focused only in healthcare, targeting the customer segments of payers and providers

Solutions Overview

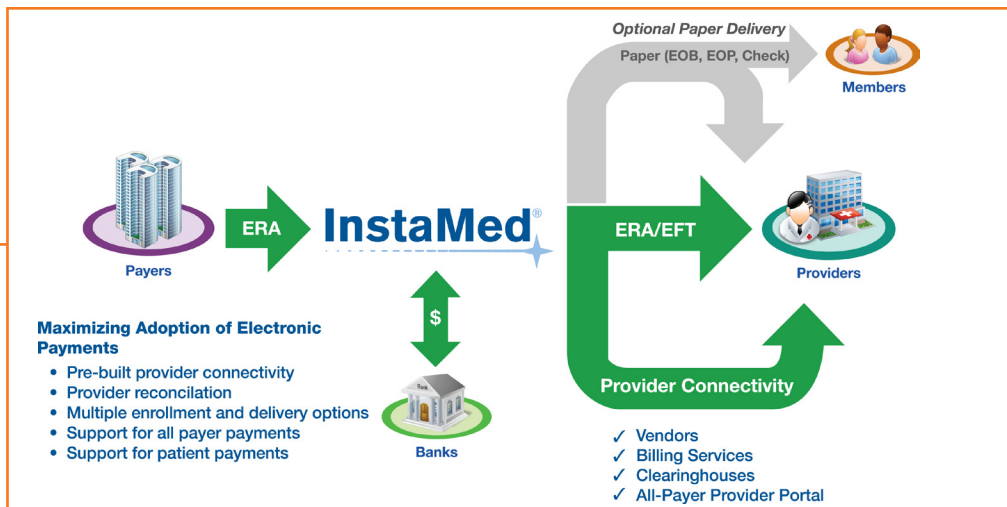
InstaMed connects payers, providers and members with healthcare clearinghouse, eligibility, estimation and payment transactions on a single, integrated network. InstaMed enables payers to disburse payments at a lower cost with fewer incidents of fraud, providers to get paid more efficiently and members to experience a simple, convenient and secure way to pay.

InstaMed's Claims Settlement solution simplifies the settlement and disbursement processes by offering payers a single interface for the delivery of Integrated ERA/EFT™, paper checks and explanation of payment/benefits to providers and members. Payers can accelerate electronic transaction adoption with InstaMed's Transaction Gateway, which offers real-time and batch support for healthcare transactions. InstaMed also addresses the challenges of identifying and collecting member responsibility with the Provider Payment Assurance solution, which gets providers paid, reduces bad debt and accelerates member payments. The current and continually expanding InstaMed Network can be accessed by the payer immediately, to connect with providers, practice management vendors, billing services and clearinghouses, to enable rapid electronic adoption of ERA/EFT.

Figure 1

**Solution
Functionality
Overview:**

Claims Settlement



Interaction with Other Financial Platforms

InstaMed can interact and accomplish system integration to any number of enterprise resource planning (ERP), accounts payable (AP), claims management or other host systems through InstaMed Connect, the healthcare industry’s first fully integrated and open application programming interface (API). InstaMed Connect enables healthcare payers, providers, system vendors and industry participants of all kinds to integrate with the InstaMed Network. The current print output file can be sent to InstaMed, with InstaMed handling all facets of delivering the payment and remittance information to the provider via electronic or paper means; this offers a very simple migration path for payers. Additionally, InstaMed handles delivery to members.

Cost Reduction and Controls

Through electronic claims reimbursement (ECR) automation, InstaMed reduces operational costs to deliver payments electronically to providers. For additional cost reductions, InstaMed offers the ability to aggregate payments across multiple plans and/or employer groups and enable business rules to aggregate and schedule payments to providers. ECR automation drives provider satisfaction by reducing the challenges of complex and bifurcated enrollment processes and reconciliation of payments. Additionally, ECR simplifies the payment process for members with easy-to-read, consistent EOBs. For historical reporting and convenience, InstaMed maintains a minimum of two years of transactions online and a total of seven years for archival and compliance purposes.

Below are the detailed features and benefits that InstaMed offers to payers:

Claims Settlement:

- Enables the delivery of Integrated ERA/EFT™, paper checks and EOBs to providers and members to cut costs
- Connects payers to vendors, billing services and clearinghouses on the InstaMed Network, offering unmatched provider adoption
- Enables bulk and online provider registration for rapid adoption
- Delivers immediate support for the transition to 5010
- Supports same-day processing on submitted transmission
- Offers automated email confirmation for transactions

Transaction Gateway:

- Offers clearinghouse services such as real-time and batch support for Claims, Estimation, Eligibility, Claim Remittance and Claim Status to accelerate electronic provider adoption
- Delivers immediate support for the transition to 5010

Provider Payment Assurance:

- Combines Eligibility, Estimation and Payment solutions in the Provider Portal
- Allows the Provider to connect with a network of over 3,000 Payers
- Solves the provider's challenge of collecting member responsibility
- Offers Members payment convenience and clarity

InstaMed offers flexibility in delivering paid claim information to the provider through the following vehicles:

- Integrates with the provider's practice management system to support automated posting
- Delivers to the provider's billing service
- Delivers to the provider's existing clearinghouse
- Delivers to the All-Payer Provider Portal (InstaMed Online) where information can be downloaded in a machine-readable format, or viewed in a human-readable format
- Delivers via mail, including alternative mailing options such as overnight or expedited mailing

Through these advanced payer solutions, InstaMed has generated the following results for payers:

- Savings of up to 60 percent of operational costs
- Savings of up to 35 percent of printing and mailing costs
- 30 percent provider adoption of electronic payments in three months

Implementation, Training and Orientation

With numerous years of enterprise-level project management experience in Fortune 100 companies, InstaMed's Professional Services team is equipped to manage complex projects with various stakeholders and multiple workstreams to prevent stumbling blocks in an ECR implementation. The implementation process is organized to leverage existing materials – such as a project charter, statements of work, project plans, implementation guides and online support tools – with clearly defined, easy-to-understand deliverables in order to reduce the cost, risk and effort associated with a large-scale implementation. The average range for an implementation is approximately 8 to 12 weeks.

The first phase of the implementation process focuses on the technical integration, which includes an assessment of the project requirements, design, configuration and testing. Each payer's unique requirements are considered, while a best practices approach is exercised. The timeframe of this phase varies based on the complexity of the project scope (e.g. numerous source system integrations, many source bank accounts and custom requirements). Other factors include the payer's timeframe, resource commitment and desired deployment objectives.

Once the technical integration is complete, the rollout phase begins with a series of activities focused on identifying and training the pilot provider accounts. After the pilot "go-live," InstaMed offers ongoing training for the pilot accounts to ensure provider adoption of the solutions and electronic payments. During this phase, InstaMed closely monitors provider transactions to prepare for the full-production launch and wide-spread provider adoption.

The final implementation phase is the full-production launch, when solutions are made available to all accounts. During this phase, InstaMed offers ongoing training and customer support as well as marketing programs to promote provider adoption.

Fee Structure and ROI

Overall, InstaMed's fee structure is based on the value derived from reducing printing and mailing costs and increasing provider adoption of electronic transactions, which significantly reduces the payer's overall costs. This fee structure and pricing model aligns well with payer objectives to increase adoption of electronic transactions to reduce costs. The pricing model is transactional and is not based on software licensing, or services revenue, so very little upfront expenditure is required from the payer, which, in turn, accelerates ROI.

As the medical loss ratio (MLR) requirement in the Affordable Care Act pushes for lower payer administrative costs, payers can realize immediate benefits by increasing provider adoption of electronic payments through InstaMed, with minimal payer resource involvement. Depending on the payer, scope, implementation and go-to-market approach, a positive ROI can be achieved within one quarter, and the average time to achieve a positive ROI is six months.

Future Development

InstaMed is uniquely positioned economically to continue to focus on provider connectivity through integration with practice management vendors, billing services and clearinghouses, enabling payers to accelerate provider adoption of electronic payments. InstaMed also combines healthcare clearinghouse and member payment solutions that address payer and provider business problems and further promote provider adoption. Moreover, InstaMed is privately owned and self-operated; therefore, InstaMed controls its own development cycle and has the ability to respond quickly to the changing environment of healthcare payments. This flexibility and control over its own development will allow InstaMed to continue its high rates of growth and customer satisfaction.