

Oracle Insurance Revenue Management and Billing for Healthcare Payers

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Introduction

Looking back a decade, the industry landscape appeared much easier for healthcare payers to navigate. Change came gradually, market share was high, and product offerings were simple. In recent years, unprecedented changes in legislation, competition, and new offerings and market segments have turned the industry on its head. Planning cycles are shorter, volatility prevails, and adaptability is the new imperative.

As healthcare payers analyze their business processes and IT infrastructure, the vast majority are finding themselves constrained by aging and inflexible legacy billing systems, which limit their ability to capitalize on new markets, respond to competition and legislation, and improve operational efficiency. This has led many healthcare payers to consider replacing their existing billing systems with a modern, rules-driven enterprise solution that delivers insurance-specific functionality—and can yield both short- and long-term benefits.

Unlike other major IT projects, billing projects are able to rapidly generate significant return on investment (ROI). This makes sense when we consider that the easiest way to increase revenue is to target the system directly responsible for billing and receiving revenue. Billing projects can rapidly reduce processing expenses, improve cash flow, and increase customer satisfaction. A modern real-time billing system with electronic bill presentment and payment (EBPP) capability leads to a reduction in late payments and increases your cash on hand. This faster bill generation and delivery also translates to more accurate billing and hence happier customers, as lag time is reduced. Automation of cumbersome, manual processes, such as detail reports that support the invoice and cash application, can reduce clerical expenses while speeding up revenue recognition. Automation of the collections process, through automated dunning letter generation and workflow management, can translate to enormous and immediate gains. This is particularly significant as Health Plans shift business from the group to individual market. A mere 1% improvement in collections for a payer with a billion dollars of annual revenue will pay off 10 million US dollars annually.

While billing may not always be an explicit requirement when a new customer selects a healthcare payer, cumbersome or inaccurate billing can quickly lead to customer dissatisfaction, increasing customer churn and creating difficulty selling additional insurance products into existing accounts.

Deploying a modern billing system, such as Oracle Insurance Revenue Management and Billing for healthcare payers, can play an integral role in helping healthcare payers increase business agility, brand awareness, reduce costs, and better serve their customers.

Oracle Insurance Revenue Management and Billing for Healthcare Payers

Oracle Insurance Revenue Management and Billing for healthcare payers is uniquely positioned to provide healthcare payers the enterprise billing solution they need to match billing capabilities with business requirements. This is a best-of-breed solution that helps healthcare payers to meet their short and long-term strategic billing requirements. It provides healthcare payers with the ability to generate accurate, auditable billing across multiple lines of business, both group and individual. The solution supports web-based billing for all lines of insurance products and includes flexible payment options and payment reconciliation tracking including the subsidy payments from Federal and State Exchange customers.

Features Overview

Billing initiatives can help by replacing multiple, high-maintenance legacy systems with a single, comprehensive system that provides a full 360-degree view of your customers, and by consolidating various distribution channels. Oracle Insurance Revenue Management and Billing features include automated processing to reduce or eliminate manual processing, support for on-line bill presentment and payment, and collections management. These and other features help healthcare payers provide timely, accurate and informative bills. Additionally, the system's open architecture helps reduce IT integration, maintenance costs and implementation timelines. Oracle Insurance Revenue Management and Billing also supports an inventory of standard management reports and facilitates the automation of exception reporting through work management and workflow processes. With the real-time data and workflow management of Oracle Revenue Management and Billing, nightly manual reports are largely a relic of the past.

The following chart highlights some key capabilities of Oracle Insurance Revenue Management and Billing for healthcare payers, which help healthcare payers to address their goals.

BUSINESS GOALS FOR INSURANCE COMPANIES

	REDUCE OPERATIONAL EXPENSES	IMPROVE CUSTOMER SERVICE	SUPPORT GREEN INITIATIVE	IMPROVE CASH FLOW & REVENUE	GROW BUSINESS
Business Based Billing Processes	X	X		X	
Account-Centric Processing	X	X	X	X	X
Online Billing	X	X	X	X	
Virtual Billing File	X		X		
Business User Configuration	X				
Support for Multiple Payment Sources	X	X		X	

Features by Category

The backbone of Oracle Insurance Revenue Management and Billing consists of three primary modules: billing, payment processing, and collections. Within each of these modules lie workflow and work management processes to tailor systems to specific business and customer service needs. Workflow systems automate processes to increase efficiency. Work management processes assign tasks to individuals or individual roles and then monitor the task completion process.

Whatever the task, Oracle Insurance Revenue Management and Billing accepts input from disparate sources, processing that input according to a uniquely configured set of rules and delivering output in the form of a single consolidated view of each customer.

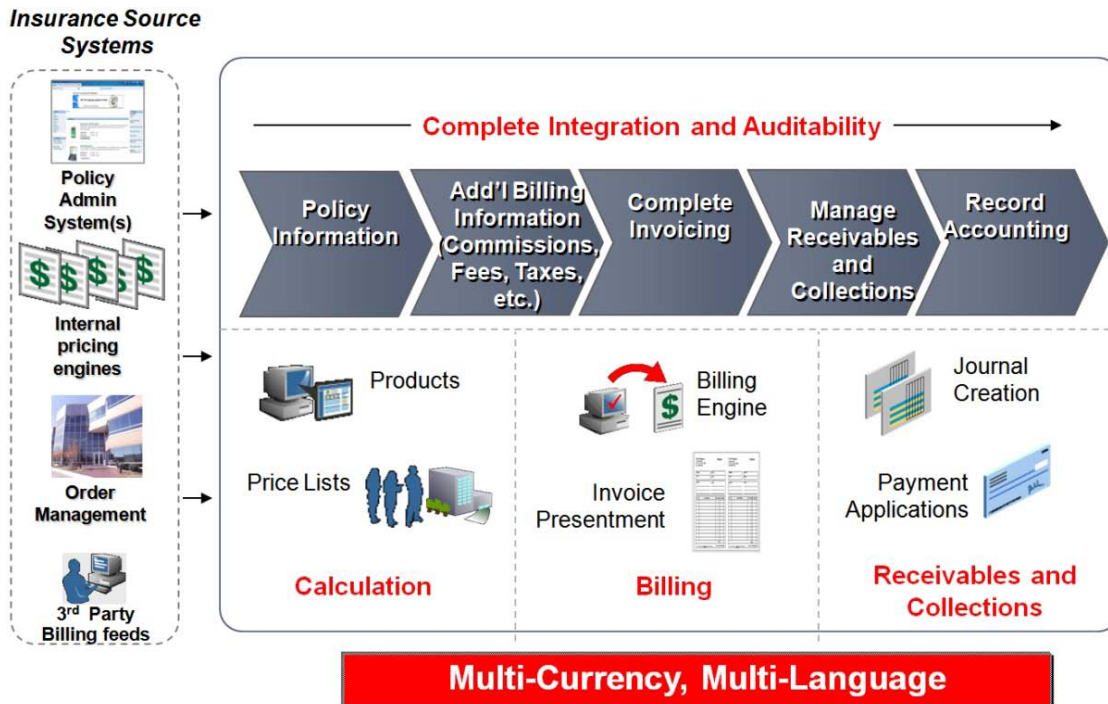


Figure1: Oracle Insurance Revenue Management and Billing for Healthcare Payers High Level View


Billing

The customer bill is a healthcare payer's primary touch point with its customers; historically, it has also been one of the biggest single sources of frustration for customers.

For healthcare payers, Oracle Insurance Revenue Management and Billing supports individual, group, list, or split billing, as well as government subsidies, such as Federal and State Exchange based subsidies and Medicare and Medicaid billing in the US. The system also supports electronic presentment of customer bills through various delivery mechanisms, such as web portals or email.

Automation features allow healthcare payers to manage flexible payment schedules for different customers or products—such as nine months for school districts, quarterly payments for dental, or monthly for health. A robust calculation engine supports the addition of fees, taxes, health & wellness or other pass-through charges. Because healthcare payers often have different brands with distinct traits to its products, distribution channels can be branded to deliver appropriate standard or customer specific messaging along with the customer bill, irrespective of delivery mechanism.

As legislation changes, markets evolve, and new products appear, a flexible billing system is necessary to stay competitive. Consider the rise of high-deductible health plans, Medicare supplement plans, and the Exchange based individual plans. These market changes were due to increasing costs, the high number of uninsured, increasing retired population, and increasing customer education and consumerism, among other reasons. To stay competitive,



healthcare payers must be nimble enough to adapt their billing systems to these new products and market segments, without incurring significant new IT expenses. Oracle Insurance Revenue Management and Billing provides configurable business rules that allow new products and processes to be added in minutes for dollars rather than in months, for millions.

For Example...

Oracle Insurance Revenue Management and Billing for healthcare payers can be configured to implement workflow, eliminating the need for paper-based processes and increasing efficiency. This results in fewer mistakes, reduces manual effort allows healthcare payers to focus on other value-additive activities.

For example, Oracle Insurance Revenue Management and Billing can identify an approaching expiration date and generate correspondence to your customer. Correspondence can follow an automated sequence, with specific tasks assigned as needed. Exceptions can be built into these automated processes, which assign specific tasks to users or user roles. Workflow rules also can be established to generate correspondence when a customer's debt exceeds established tolerance level.

From a customer service perspective, the benefits are clear. With Oracle Insurance Revenue Management and Billing in place, customers see one bill with all of their information aggregated as a single account. And when a call to customer service is required, customer service agents see a consolidated account invoice schedule: the same, 360-degree view of the customer's entire account, allowing them to respond to questions and concerns more quickly and efficiently.

Payment Processing


Oracle Insurance Revenue Management and Billing's payment processing features include a full cashiering engine that supports the upload and application of multiple third-party payment systems—such as online payment portals—as well as direct debit and lockbox payments. Oracle Insurance Revenue Management and Billing also includes an EBPP framework for integrating with existing customer web portals to facilitate faster payment and reduce printing and postage costs. The system is fully credit card and mobile payment enabled. A full cashiering engine and automated cash application rules allow a single payment to be applied across several accounts, or several payments applied to a single account. Further, both one-time and recurring payments are supported.

A contacts engine can generate automated letters, emails and other communications such as cancellation procedures or credit notice—all of which can be tailored to the healthcare payer's customer base and demographics.

The system supports complex cash application rules for processing unidentified payments; payments can be automatically transferred from suspense to the appropriate account. In addition, Oracle Insurance Revenue Management and Billing will supports funding of overpayments. Workflow rules can be established so that excess funds can be held in suspense and applied to future receivables, or refunded directly to the customer.

For Example...

Workflow systems can be put in place to apply payments to multiple accounts, or to deal with financial authority processes. For example, if a billing customer service representative initiates a refund beyond his or her level of financial authority, work management processes generate a message to the representative's supervisor (or to the appropriate level) to also authorize the refund before continuing



Credit and Collections

Oracle Insurance Revenue Management and Billing provides comprehensive, hands-off credit and collections monitoring and service. The system monitors each account's debt and compares it to configurable company rules. These debt rules can be tailored, based on the company's client base or customer demographics.

Financial terms can be established for customers to help them manage their debt. When debt rules are broken, the system determines what activity to initiate, then pushes processes through all appropriate steps until debt is repaid, payment terms are agreed, or until a coverage is cancelled or referred to an outside collection service. Oracle Insurance Revenue Management and Billing can then follow the debt all the way through the write-off process.

To further simplify customer service, the system supports scripting for collections or billing inquiries; agents are prompted with scripted questions to prompt customers and improve outcomes of these critical interactions. Automated responses, such as standard dunning letters, are sent on time without manual input. For exception cases, users can flag accounts for manual review and to stop the automated dunning process from applying to key customers. This provides the flexibility that payers are used to now, while adding efficiency and eliminating missed collections opportunities.

For Example...

A customer's account has a monthly balance of \$1,000, but only \$800 is received for several consecutive months. Cash management workflow rules dictate which accounts the short payment is applied to, based on the healthcare payer's priorities. Then, additional workflow rules initiate correspondence to the customer, which escalate until the account is brought into balance.

Conclusion





Billing represents a significant portion of a healthcare payer's daily workload and can also be the majority of customer interaction points throughout the customer's experience with the payer. Implementing an adaptive billing solution offers healthcare payers the opportunity to greatly reduce expenses, increase revenue, and improve customer service.



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Hardware and Software, Engineered to Work Together

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