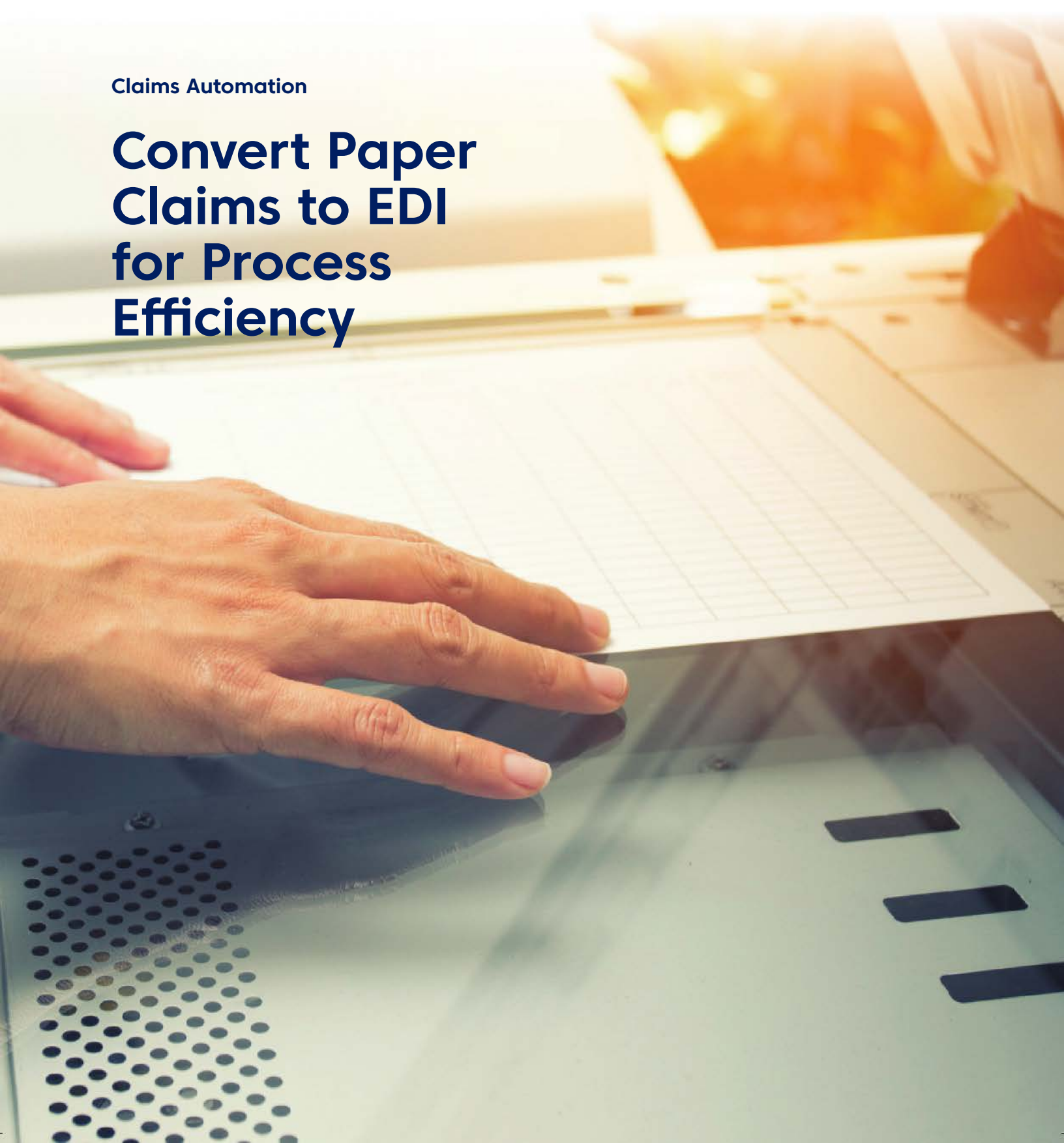**CHANGE HEALTHCARE**

Insight. Innovation. Transformation.

Claims Automation

Convert Paper Claims to EDI for Process Efficiency

Inspiring a Better Healthcare System

Managing paper claims is expensive, resource intensive, and it inhibits the adjudication process. The Change Healthcare Claims Automation solution helps increase efficiencies by capturing paper claim data and transferring it to an electronic format, streamlining the entire claims process. We offer:

- **Streamlined paper-to-EDI processing and conversion**. Our Claims Automation solution leverages existing formatting and communication protocols for convenient, accurate, and timely delivery of claims.

- **Extended services**. We offer multiple front-end, added-value services, including clinical code editing and data scrubbing.

- **Transparency**. Our web portal provides complete visibility into all EDI claim transactions.

Claims are complete and ready for adjudication when delivered to you.

Our Claims Automation solution is compatible with all claim types and attachments, and it supports auto-adjudication

Mail Room Services

We offer three options:

Full mail room

- Payer mails to the U.S. Post Office near our mailroom facility
- Mail received twice daily
- Claims and other documents are prepped, sorted, and scanned according to customer specifications
- Paper stored for 30–60 days, then destroyed by Iron Mountain

Partial mail room

- Customers maintain their mail room operations
- Payer preps and sorts claims and other documents
- Payers mail claims to us to be scanned
- Paper stored for 30–60 days, then destroyed by Iron Mountain

Remote scan

- Customers maintain their mail room and scanning operations
- Payer preps, sorts, and scans claims and other documents
- Payer transmits claims to us electronically via secure FTP

Data Capture, Indexing, and Verification

Our Optical Character Recognition (OCR)-based data-capture application is engineered specifically for processing paper claims and other documents, whether they're printed in black or red ink. The system is architected for remote processing so the core application runs within our data center while data entry and verification is distributed to our remote sites over dedicated, secure connections via an Exchange server model.

The system utilizes dual OCR voting engines to help ensure high accuracy levels, and it incorporates a wide array of claim-specific rules and edits, such as ICD-10 and CPT-4 code-table lookups to further validate and support accuracy.

Data validation and document indexing is performed both onshore and offshore. Because rates for onshore processing are significantly higher, approximately 75% of data verification is performed offshore. We offer customers the opportunity to split their work between the two locations if certain lines of business require domestic processing. For 'Per Member-Per Month' (PMPM) pricing, processing is 100% offshore.

Data Quality is Managed and Monitored Via Two Processes:

QA includes:

- A sample of claims are reviewed daily by an operator
- Operations staff are monitored to help ensure keying accuracy
- Keying errors are corrected prior to data being uploaded to the payer

QM includes:

- A sample of each customer's claims is reviewed monthly
- Every claim field is validated whether it's been keyed by operator or captured by OCR
- Results reported to customers are used for monitoring SLAs

Image Storage and Retrieval

We offer a web-based image storage and retrieval service. The images are accessed via a browser-based application that provides intuitive, easy-to-use graphic interfaces to make searching and retrieval of documents fast and easy. Images of claims and other documents may be stored on our servers indefinitely or for the time specified in the customer agreement.

Most of our larger customers have their own internal image repositories. In these cases, we provide a daily feed of image and index files for loading to the customers' internal systems. We have several specification options for the index and image file, and we've worked with customers who use a wide array of different image storage and retrieval systems.
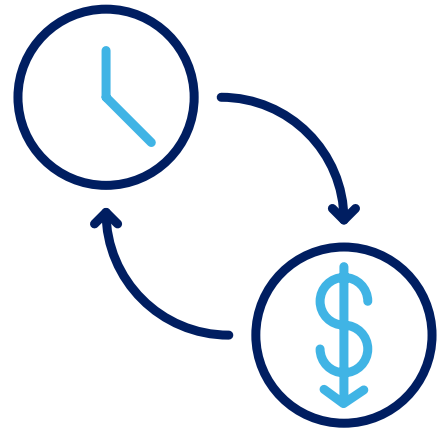
Our Claims Automation solution streamlines claims processing, helps increase efficiencies, and helps reduce costs.

Improve Accuracy and Productivity

Reporting

Our web-based reporting tool provides customers with real-time status and closed-loop reporting for every document that flows through our system. Customers can view the volume of claims received and status of claims from scanning to upload.

The daily volume can be reconciled to the claim level, and the reporting tool provides drill-down capability to the claim-detail level. You can also track our turnaround time to help ensure agreed-upon service-level guarantees are being met.

Reject/Return Letter Service

We offer the optional service of returning rejected paper claims to providers with letters explaining the reason for rejection. Customers determine the reject logic used.

Hardware, Software, Databases

Scanners. We use high-speed scanners for processing large volumes of paper.

Workstations. Our data-entry personnel use purpose-built computers. For security purposes, nonessential software and open Internet access are removed.

Servers. The servers used for processing are multiprocessor AIX or Windows servers, utilizing clustered software for redundancy. Our Transform server and SQL database server software consist of seamlessly integrated and independently scalable modules built on the IBM AIX platform utilizing RS/6000 servers for maximum stability and scalability. All disk storage is on a redundant IBM Enterprise Storage Server (Shark) with more than nine terabytes of managed RAID disk. The entire server-processing software for Transform is independently scalable for throughput, speed, and systemwide configuration and processing.

Network. The network of the Change Healthcare Data Center infrastructure consists of Cisco concentrators, firewalls, and switches. These have fail-over licenses and hot standby units. To help ensure no single point of failure, our WAN lines utilize shared backbone providers in Nashville and Memphis, Tenn.

Driving Results Across the Industry

Shared Success

As of May 2022, 80 clients across 180 plans use Claims Automation. We process more than 1 million paper claims per month.

Our customers who have transitioned to Claims Automation by Change Healthcare have seen up to a 30% reduction in costs. In addition, 100% of the claims are processed within 48 hours, with 99%+ data accuracy.

Driving Cost Savings for a Blue Cross Blue Shield (BCBS) Organization

Challenge: A BCBS organization from the northeast, who has been a Change Healthcare customer for more than 15 years, was looking to reduce the costs of their mail room operations.

Solution: We recommended outsourcing their mail room classification process to apply automation. The client now successfully scans claims without manual classification.

Benefits for Our Client:

- Ability to dedicate part of their mail room staff to more value-added tasks
- Reduced hardware and software costs
- Eliminated the cost of their Disaster Recovery Hot site to have a mail room backup location
- Achieved approximately $150,000 in yearly cost savings
- Improved turnaround times

Reducing Operations Costs for a Midwest Payer

Challenge: A new payer client from the Midwest was looking to reduce their operations costs and were having difficulties sustaining operations due to the cost of manual processes related to declining paper-chain volume.

Solution: We recommended outsourcing their operations from the mail room to the creation of the 837-file ingested by the EDI process. After migrating their operations to Change Healthcare, they now have only one connection for all claims submitted electronically or on paper.

Benefits for Our Client:

- Improved turnaround times and data accuracy
- Ability to track their paper claims in real time and check their WIP, TAT, and accuracy data 24/7 through our VISION Web portal
- Reduced the volume of paper claims and increased their EDI volume by partnering with Change Healthcare to incentivize providers to submit claims electronically
- Reduced their process cost to approximately $300,000 per year

Updating an Aged Platform for a Large West Coast Payer

Challenge: A large payer on the West Coast was using an aged platform to process claims and incurring additional costs due to significant manual processes.
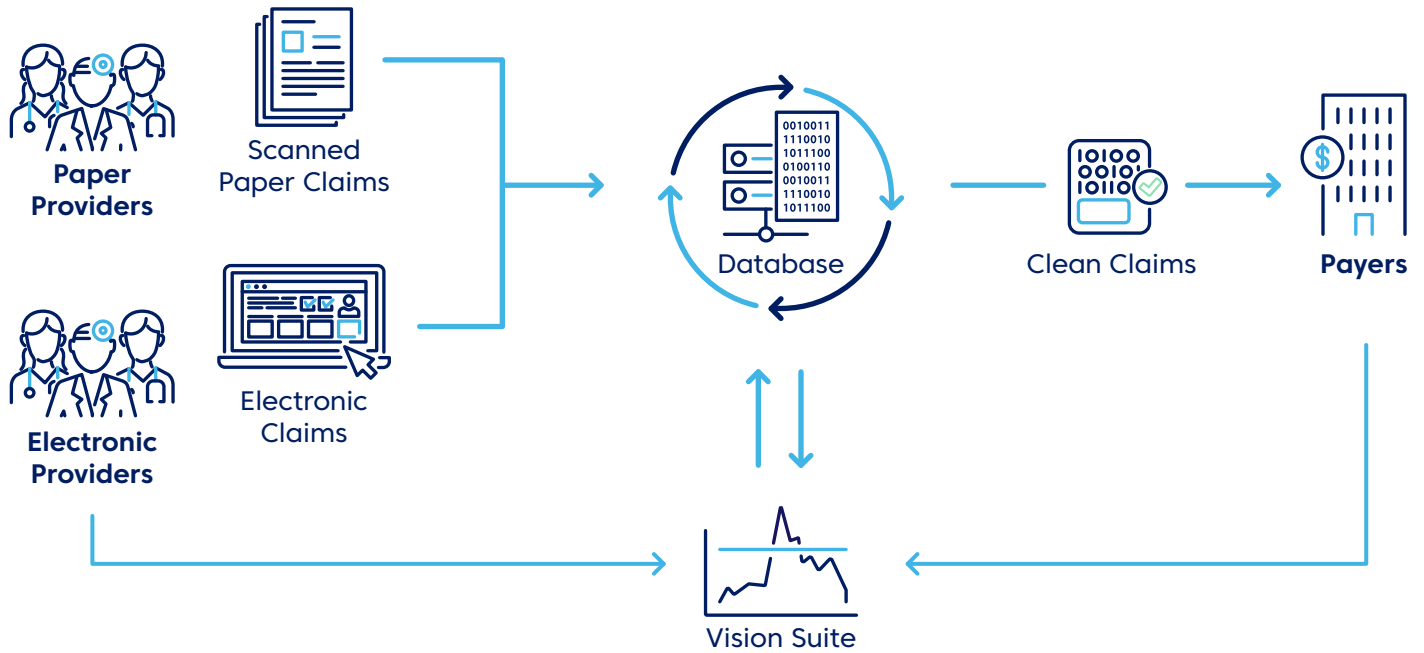
Solution: We propose migrating this client's process to the TRANSFORM system. By completing this migration, the customer was able to add automation to their data-extraction process (OCR extraction) and automate most of their business rules, reducing manual tasks and significantly improving their turnaround times and data accuracy.

Benefits for Our Client:

- Ability to access a single connection for their EDI and paper to electronic data workflows, as the client was already utilizing our EDI services
- Reduced P23 process costs by approximately 30%
- Improved turnaround time and data accuracy
- Ability to track their paper claims in real time with the Change Healthcare VISION web portal and better reporting tools

Functional Architecture

Change Healthcare's core processing systems for our Claims Automation solution are located within our Nashville, Tenn., data center. The remote processing sites utilize local exchange servers to process the scan and data-entry jobs and submit and return them to our data center, where we complete the data processing and export process.

Paper Providers → Scanned Paper Claims → Database → Clean Claims → **Payers**

Electronic Providers → Electronic Claims → Database

Database ⇅ Vision Suite

CHANGE HEALTHCARE

Insight. Innovation. Transformation.