



# Measuring CORE ROI: an IBM Study Update

CAQH Administrative Simplification Conference  
September 25, 2008



# Agenda

---

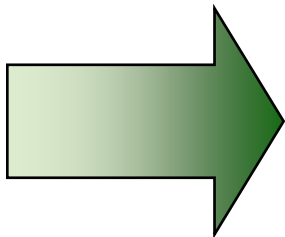
- Goals and Objectives
- Anticipated Benefits
- Approach
- Target Market Areas
- Status



# Objectives of CORE Measures of Success

---

1. Quantify benefits of CORE Phase I rules
  - By stakeholder type that can receive CORE certification, measure specific impact
    - Financial
    - Non-financial
    - Unanticipated outcomes
2. Develop objective case studies
3. Share experience and benefits realized by early adopters of CORE



## **Goal:**

Promote market adoption of CORE rules

# IBM recognizes CORE's value in promoting administrative efficiency in the healthcare ecosystem

---

## **As a large employer with a self-funded benefit plan**

- Need to keep costs down to maintain global competitiveness
- Desire to maintain high quality, appropriate care
- Recognize administrative simplification as a method to achieve these goals

## **As a corporate citizen**

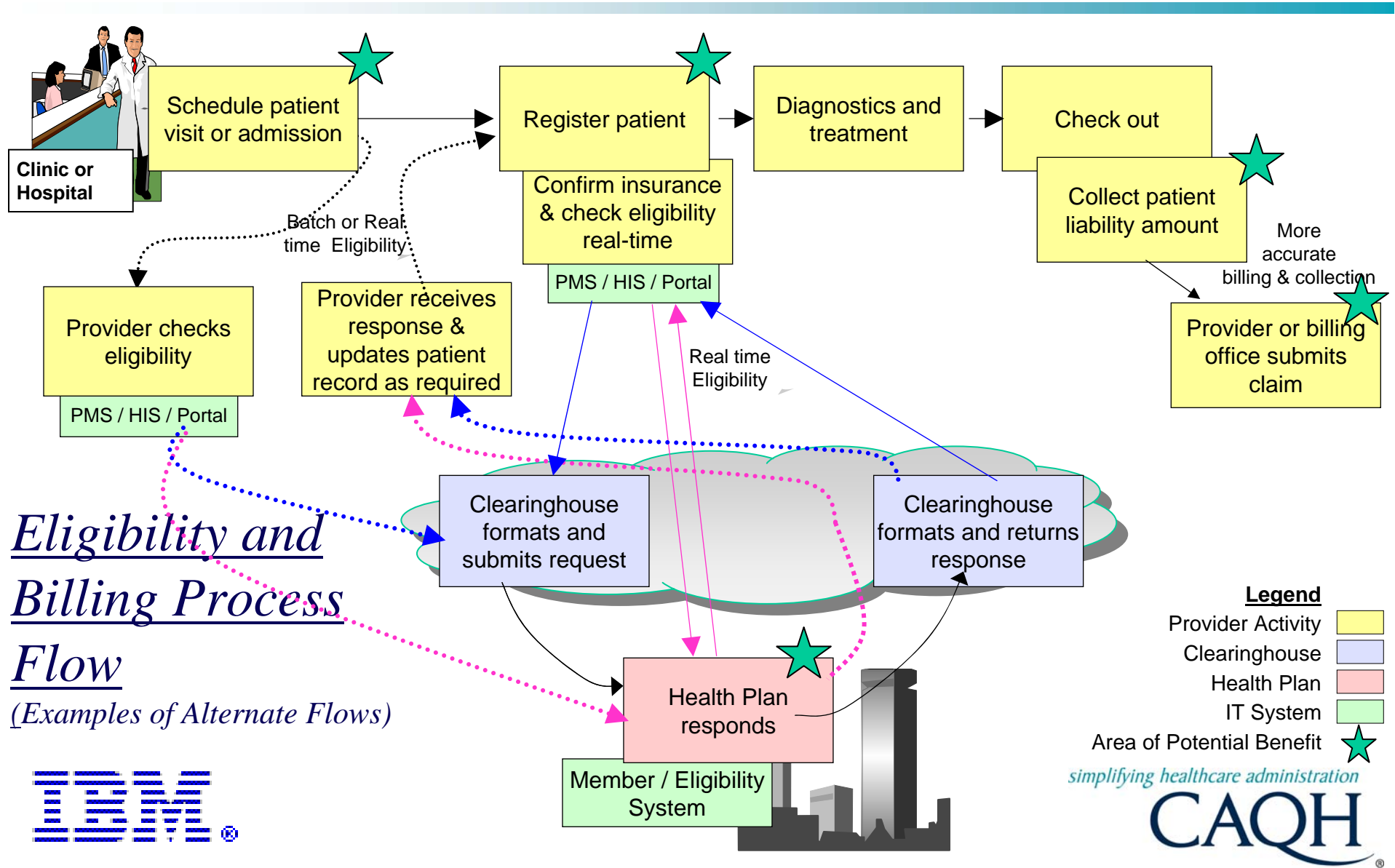
- Promote and encourage innovation in healthcare
- Support administrative efficiency and transparency in the US healthcare market

## **As a healthcare solutions vendor**

- Work with clients from all segments of healthcare industry to streamline processes and modernize systems
- Look for leading practices and point solutions that can be leveraged
- Seek partners and alliances with compatible organizations so that together we can help our clients achieve their goals



# Benefits may be realized in verification and downstream processes



## Eligibility and Billing Process Flow

*(Examples of Alternate Flows)*



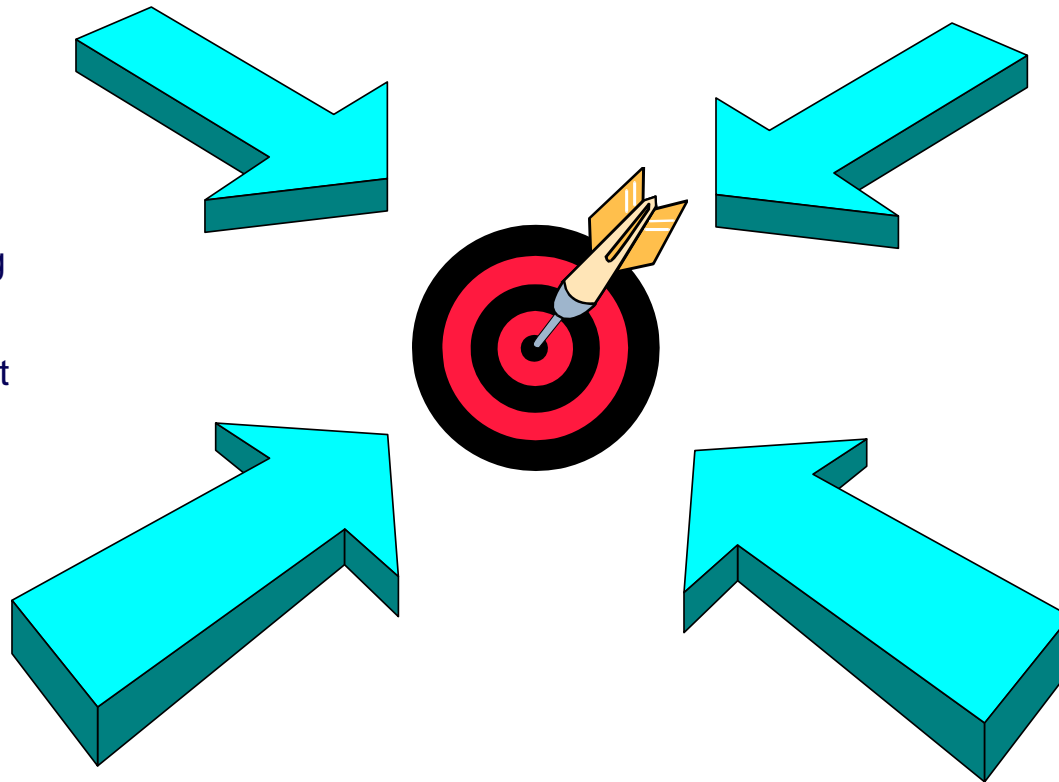
# CORE Phase I: Expected Impact

## Decrease Administrative Costs

- Call center
- Registration
- Claims processing/billing
- Mail room
- EDI management

## Increase Satisfaction

- Partners
- Patients
- Staff



## Meet Patient Expectations

- Wait time
- Personal financial responsibility

## Improve Financial Measures

- Reduced denials
- Improved POS collections
- Decreased bad debt
- Reduced cost

# CORE Benefit Measure Examples

---

## **Health Plans**

- Cost savings from provider shift toward less costly electronic eligibility verifications
- Decreased call center volumes
- Reduced claim denials and rework related to eligibility/ benefits
- Improved member and provider satisfaction

## **Clearinghouses/Vendors**

- Increased transaction volumes
- Decreased call center volumes
- Revenue enhancement due to new customers and/or increased transaction volumes
- Improved customer and staff satisfaction

## **Providers**

- Quicker registration and lower costs due to increased use of electronic eligibility verification and real-time transactions
- Improved cash collection at time of service
- Decreased customer service calls and due to missing/ incorrect insurance info
- Reduced claim denials and rebilling due to incorrect insurance info
- Reduced bad debt and collection expenses
- Improved patient and staff satisfaction
  - Simpler, predictable process
  - More accurate and timely estimates of patient financial responsibility
  - Less rework



# CORE Measures Study Approach

---

- Perform cost / benefit analysis
- Capture and analyze performance metrics for 3-month periods prior to and following CORE Phase I adoption by the health plan
  - Expenses of adoption
  - Administrative costs
  - Customer/partner/staff satisfaction
  - Financial results
- Gather data from participating CORE-certified health plans and their selected providers and clearinghouses
  - Three health plans
  - Three clearinghouses
  - Three or more providers (still recruiting)
- Supplement quantitative data with qualitative experience and interviews





# Target Market Areas

---

## Target market areas were selected based on several criteria

- Required Criteria
  - Health plans participating in the study are active in the market
  - Market is served by CORE-certified clearinghouses
- Desired Criteria
  - Market share of CORE-certified health plans is 40% or greater
  - State or regional initiatives to lower healthcare costs or improve efficiency and effectiveness of healthcare transactions

## Selected markets represent diverse regions

- California
- North Carolina
- New York
- Texas



# Status

---

- **Data gathering is underway**
- **Analysis is beginning now with early data submitted via agreed-upon MS Excel data collection tool**
- **Some preliminary results**
  - Substantial adoption of real-time verifications
  - Steady/declining cost of electronic eligibility requests while cost of phone requests are rising in concert with wage rates
  - Some RFPs to vendors are including qualification questions about CORE certification
- **Results will be available in 4<sup>th</sup> quarter**
  - CAQH website
  - Reach out to CORE participants
  - Present at conferences
  - White paper



*simplifying healthcare administration*

CAQH<sup>®</sup>

[www.CAQH.org](http://www.CAQH.org)