

A series of overlapping triangles in shades of blue, green, orange, and red, arranged in a geometric pattern in the top right corner of the page.

Automating Enrollments to Reduce Administrative Waste in Healthcare

The case for eliminating paper-based data exchange between providers and payers

Overview

In 2010, the Affordable Care Act mandated reduction of paperwork and administrative costs, in order to address steadily rising U.S. healthcare costs. Yet, nearly a decade later, the healthcare industry still relies heavily on paper-based communications and records. There has been progress in digitization of patient-facing and clinical information with the widespread adoption of electronic medical records (EMR) and electronic health records (EHR), but administrative processes, including provider data management, remain highly inefficient. Administrative waste – particularly sending paper enrollments back and forth between providers and payers to get providers paid – is a significant drain of resources and time for already-stretched healthcare organizations.

Currently, providers manually enroll with each of their payers for common services like Electronic Funds Transfer (EFT), Electronic Remittance Advice (ERA), or Electronic Data Interchange for Claims (EDI). All payers need the

same information from providers, but each requires the data to be sent in a different format. In response, Madaket developed a “common application” – a web-based software as a service (SaaS) platform – that allows providers to enroll with many payers in one application, saving time for providers and overcoming payers’ long struggle to develop a common standard for managing provider data.

With advances and integration of technology, healthcare organizations can now move from paperwork to “digitalwork.” Increased efficiencies allow providers to spend more time with patients and get paid faster. And, payers have the opportunity to dramatically reduce the number of enrollment status inquiries from providers. Through its platform, Madaket Health has created paperless data exchange to help healthcare organizations reduce administrative burden and improve provider-payer relationships.

The Status Quo

Manual Processes, Delayed Payments

In 2017, healthcare payers processed more than 13.9 billion administrative transactions – forms completed, claims submitted, payments given – with healthcare providers.¹ On average, patients visit their doctors just 4 times per year, yet the administrative functions related to those visits come down to 42 transactions per patient, per year, in the U.S.^{2, 3}

These administrative transactions contribute \$300 billion in costs annually, making up 15% of healthcare spending – largely due to time-consuming, manual processes.⁴

These administrative services include common enrollment transactions, like Electronic Funds Transfer (EFT), Electronic Remittance Advice (ERA), Electronic Data Interchange for Claims (EDI), Claims Status Inquiry (CSI), and Eligibility Verification (EV), which are necessary for doctors to be paid efficiently for their services.

In the current system of processing these transactions, all healthcare providers joining a health plan network “enroll” with payers to bill for services and receive payment, triggering the need for EFTs, ERAs, and other enrollment information that facilitate the exchange of administrative data. Until this information is accurately sent to, accepted, and processed by the payer, the provider cannot be reimbursed for services they provide to patients. Additionally, whenever a provider or practice’s administrative data changes, such as address, banking information, or new health plan product, enrollment updates need to be re-sent to payers.

Enrollment by the Numbers

There are more than **968,000** providers in the U.S....

... and more than **4,000** payers.

A provider does business with **25** payers on average.

13.9 billion administrative transactions each year

30% of providers change their enrollment affiliations each year

More than **25%** of provider contact information changes each year

Each manual transaction costs **\$4.40** more than its electronic equivalent

Each form takes an average of **8 minutes, and up to 30**, to complete.

Payers reject **20%** of forms due to errors.

It can take up to **6-8 weeks** to complete an enrollment with one payer.

1 2017 CAQH Index

2 Commonwealth Fund, Average Annual Number of Physician Visits per Capita, 2014

3 United States Census, National Population Totals 2017

4 2017 CAQH Index



Submitting these forms can be onerous. To further illustrate, the following steps represent the typical process for a provider to enroll with a payer:

1. Find and understand payer enrollment procedures.

On average, providers do business with 25 payers. Across the different transaction types (e.g. EFT, ERA), that makes for countless forms to download from payer websites, phone calls to make about the latest procedures, and more time-consuming activities.

2. Correctly complete enrollment forms. Enrollment forms are usually two to four pages long, but some are as long as 10 pages. Reports suggest that providers spend an average of 8 minutes, on each form, and in some cases up to 30, but rarely can medical staff complete a form in a single sitting. It can take days or even weeks to gather the information to complete a form. Payer requirements also change frequently. Starting, stopping, and restarting paper forms are common headaches.

3. Manually submit enrollments. The largest payers in the U.S. still require providers to send information by mail or fax; these are cumbersome and costly methods of delivery. Not only do medical staff spend time manually sending papers, packages are often lost or received in illegible format, and have to be re-sent. It can often take up to a full year for a medical staff team member to learn the ins-and-outs of dealing with different payers. Additionally, many of these are done by hand; the repetitive and manual nature of enrollments leave plenty of room for human error, even with experienced staff.

4. Check enrollment status. After sending paperwork, providers cannot easily check on the status of their enrollments. In a period of weeks or even months, staff will make numerous inquiry calls to payers, often being told that their submissions were lost or rejected due to error. Meanwhile, providers are treating patients without receiving the correct reimbursements.

5. Back to square one. About 20% of enrollments are rejected due to errors, forcing medical staff to start the process of finding, completing, and submitting forms all over again.

If providers work with billing agents or other intermediaries, these vendors face the same cumbersome enrollment processes. Many payers interfacing with third parties may still require providers to perform some of their own tasks, inhibiting the efficiencies of the intermediaries and necessitating that providers re-submit the same forms multiple times per year.

The results of these manually-processed transactions are heavy. Lack of timely enrollment or information updates can lead to denied claims, missed referrals and delayed payments, meaning providers do not get paid and in many cases have to pause services.

The unnecessary pain points also mean that providers are missing out on dollars and time better spent. Some reports estimate that 1.1 million labor hours per week could be saved using electronic transactions over manual ones.²



Existing Solutions to Automate Enrollment Fall Short

Government mandates have pushed for administrative transactions, including enrollment, to be done electronically for a long time. The Health Insurance Portability and Accountability Act (HIPAA) of 1996 outlined requirements for electronic data exchange in healthcare, including payer-provider administrative transactions.¹ In 2010, the Affordable Care Act expanded on these requirements calling for further adoption of electronic payments and claims communication between providers and payers. Additionally, moving from manual to electronic transactions could save both providers and payers \$9.4 billion per year and help to curb rising health spending.²

Despite federal regulations and potential savings, progress in total adoption of electronic administrative functions has been slow. Some entities consider PDF and email submission of manually-filled forms to be “electronic.” As a result, many transactions remain split between the paper and digital worlds. Remittance advice (ERA) is only done fully electronically 56% of the time.³ And, 86% of providers still receive paper checks from at least one of the payers they work with.⁴

Many solutions, including payer portals and third-party vendors, have been used to bridge the technology gap and help address administrative waste. Yet, in most cases, current solutions only shuffle the waste, rather than reduce it.

To push the industry closer to reducing manual and inefficient administrative processes, a neutral party is needed with true technology competence to build a one-stop solution. Only an easy-to-use, smart offering that addresses provider pains and benefits payers can spur widespread adoption and finally shift the industry away from manual enrollments.

Most current solutions leave gaps:

Systems not designed to meet provider needs.

Existing solutions do not focus on provider pains because often the payers have been designing the systems. Facing so many rules and regulations, providers should be given a tool they can trust, not something that’s forced upon them or charged to them. 17% of providers incur fees from payers using third-party vendors for electronic payments.⁵

Limited payer participation. Getting more than 4,000 payers to build a single platform for managing provider data is a significant challenge. So far, voluntary payer adoption of existing enrollment solutions has been very low. And, without full payer participation, providers have been reluctant to learn new systems.

Piecemealed information. Online portals, verification services, and other solutions have lightened the load, but in many cases are still not sufficient and only serve to make larger pieces of the piecemealed process. In most cases, exchanges of provider data still go through several touch points before reaching the end user.

Technology not compelling enough. As one healthcare industry insider acknowledged, “We’re 20 years behind the rest of the world in terms of technology.” Automated enrollment solutions on the market today have clunky user interfaces, limited data management capabilities, and still require payers to manually re-key the provider data they receive.

1 CMS HIPAA Transactions Overview, Modified July 26, 2017

2 2016 CAQH Index

3 2017 CAQH Index

4 Instamed, Trends in Healthcare Payments Report, 2017

5 MGMA Press Release, September 8, 2017



The Madaket Solution

A New Solution Built for Now and the Future

A successful solution that can become the industry standard for provider-payer data exchange must meet the following criteria:

Communicates with all industry players.

A single platform must connect to the more than 986,000 providers and more than 4,000 payers across the U.S.

Easy to use. Providers have enough complexity in their daily lives without the burden of manual payer enrollments. A simple, single form that new users can learn in a matter of minutes – not months – simplifies payer-provider communication.

Builds up to greater efficiencies over time.

Today, most payers have yet to change their technology systems to more efficiently process enrollments. Even so, an automated enrollment service saves providers the hassle of dealing with individual manual enrollments. As more providers adopt this approach, payers have greater incentive to upgrade their technology. Imagine a future where enrollment data is communicated between providers and payers on a machine-to-machine basis; no more paper and no more manual keying of data.

EDI Enrollment: Faster, More Accurate Enrollment

Burdened by the magnitude of the administrative waste problem, Madaket has built a solution aiming to reduce administrative waste, improve payer-provider relationships and free up healthcare resources for what's most important: the care.

plan ID	plan name	ERA	EFT	EDI	CSI	EV
36381	Aetna	●	●	○	○	○
27490	Cigna	●	●	○	●	○
01378	Humana	●	●	●	○	○
53478	Blue Cross Blue Shield of MA	●	●	○	○	○
20667	Medicare of MA Part A	●	●	○	●	○
12801	Medicaid of MA	●	●	●	○	●

CANCEL ENROLL WITH ALL



Madaket's technology solution has been applied to its flagship product – EDI Enrollment – to dramatically simplify the way providers and payers begin and maintain their relationships. Instead of following the manual, error-prone procedures, Madaket users benefit from:

Lists of all payers and common electronic enrollment types. Madaket maintains an updated database of all provider information, enrollment form library, and payer procedures. Users check the boxes for the payers and enrollment types (e.g. EFT, ERA) they need, and click "Enroll." Madaket then sends the right data to all the chosen payers—whether it's 5, 50, or 500.

User-friendly web-based forms. The Madaket team worked closely with providers to develop a solution that solves their problems. The Madaket portal features intuitive design, easy-to-understand data fields, picklists, and automatic error detection. Filling out forms is now faster and error-free. New enrollments and changes to enrollment information take just a few clicks.

Improved payer-provider relationships. Cutting down frustrating, manual work for providers and payers frees up time on both sides. With fewer follow-up calls and requests to re-submit information, provider-payer relationships become easier.

Madaket works with payers and clearinghouses to deliver its solutions to providers. As of August 2018, Madaket processes more than 50,000 EDI enrollments per month totaling to more than 1.5 million EDI enrollments since inception.

"Madaket brings something new to the market that isn't available to providers from any other vendor. Having all enrollment information go through a single website and all the forms get pre-populated with our providers' data has been a big improvement."

– Stephanie Phillips Manager, Medical Staff Services, Reliant Medical Group

Core Features & Benefits

- ✓ Simple user interface with one enrollment form for all payers
- ✓ Works with third-party billing agents and intermediaries
- ✓ No need to find current forms from payer websites
- ✓ All updated payer requirements in one place
- ✓ Cut out faxes and overnight mail
- ✓ See enrollment status after submitting
- ✓ Less time training medical admin staff
- ✓ Builds toward fully digital provider-payer data exchange
- ✓ Faster enrollments
- ✓ Fewer delayed payments



Key advantages of the Madaket platform:

Fully digital, time-saving transactions. Medical staff fill out a single digital enrollment form, once. The system sends this data to all the payers required by the provider. Madaket stays up to date on the latest payer requirements, so providers no longer have to spend time tracking payer changes.

Helps both providers and payers. The Madaket enrollment portal was designed to benefit payers, providers, and intermediaries equally. Madaket can connect any provider with any payer in the U.S.

Expert team with a proven track record. Having solved similar administrative inefficiencies in other industries, Madaket continues to draw on the expertise of its team to build and expand its robust, secure SaaS solution that is easy to use and meets key healthcare business needs.


What's Next?

The inefficiencies of administrative transactions don't end with EDI Enrollment. Madaket also has a Payer Enrollment product and is executing on its roadmap to introduce other tangential services that support administrative waste reduction throughout the revenue cycle.

In the future, as payers embrace more of the technological advances Madaket is offering, the industry can reap even more benefits. Our vision for the industry is twofold.

1. We envision all payers and providers on one system. Through our partners, Madaket connects with more than 65,000 medical groups, representing 28% of the market utilizing the Madaket platform to access every form for every payer they need, making it the most widely-used platform in the industry.
2. We envision fully automated data exchange. Providers enter data with just a few clicks on Madaket's portal every day; payers simply need to enable back-end, digital data retrieval. We have more than 4,000 payers integrated with our platform. And as we grow our database, we will achieve greater efficiencies and a truly paper-free, machine-to-machine data exchange system.

As payers, providers and everyone in between continue to adopt this common platform, administrative transactions will take minutes instead of months to process, the industry will press toward the \$9.4 billion in annual savings, and lessened administrative burden will free up healthcare resources for what's most important: patient care.

Current Landscape	 madaket
✗ Manual — Find, understand, and send unique forms to many payers every year	✓ Automated — One online form, list of all payers, and a single button to enroll with all payers
✗ Slow — Up to 6-8 weeks for an enrollment with one payer due to errors and other delays	✓ Fast — Days to a few weeks for successful enrollment
✗ Frustrating — Repetitive process that requires many months of training to learn	✓ Convenient — Modern, web-based portal with provider-centric features
✗ Unclear — Providers and payers spend lots of time on the phone following up with submissions	✓ Clear — Real-time insight into enrollment submission status
✗ Wasteful — Providers devote too much time to non-essential administrative tasks	✓ Efficient — More time for staff to concentrate on patient needs and care



Learn More

The Madaket solution is available today through major healthcare intermediaries.

Contact Karl Rabke at karl@madakethealth.com to learn how your organization can create a paper-free healthcare administration environment.

About Madaket

Madaket Health streamlines healthcare's payer-provider enrollment and payment processes, among other transactions. With its SaaS-based solution, Madaket ensures that enrollments are processed more efficiently and effectively than the manual, error-prone processes commonly used in the industry. Madaket's technology targets the billions of dollars in administrative waste in order to reinvest in care delivery. Founded in the shared Harvard Square workspace of, and supported by, Koa Labs in 2012, Madaket is led by a team of innovative entrepreneurs, technologists, and healthcare professionals with a proven track record of reducing waste and improving processes.

To learn more, visit madakethealth.com.

www.madakethealth.com

