

REALMED CORPORATION

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# Meaningful Use of Administrative Services

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## About RealMed

Through the past decade, RealMed's healthcare administration tools have become some of the most widely used in the industry. Along the way, our services have become the leading solution for providers and payers to manage their healthcare transactions. We never wanted to settle for being just another clearinghouse. We wanted to be the revenue cycle management solution, built by payer specifications and provider needs.

Today, RealMed continues to offer new and convenient solutions that serve the needs of providers, payers and patients. The efficiencies created by RealMed's enhanced workflows automate many routine provider office functions and reduce payer administrative burdens resulting in reduced operating costs.

- RealMed services all types of providers, from small practices to large academic medical centers, including Duke University Health System and Johns Hopkins Medicine, as well as other specialty and primary care providers all over the U.S.
- RealMed connects and supports more than 2,000 payers and more than 25,000 providers with national and regionally based teams that provide individualized customer support. For groups larger than ten providers, RealMed provides in-office consultations three to four times a year at no additional charge.
- RealMed's payer teams have built complex healthcare information exchanges, consumer –directed, health-plan services, and claim-system integrations, which result in fewer provider phone calls, fewer appealed claims by members, and lower operating costs for the health plan.
- RealMed facilitates industry compliance. Our translators, filters and compliance management tools ease migration to new standards, such as HIPAA, NPI, 4010, 5010 and ICD-10.

For more information, visit [www.realmed.com](http://www.realmed.com)

## Purpose

The purpose of this document is to help healthcare providers better understand the subject of Meaningful Use as it relates to insurance-related administrative services, revenue cycle management and interoperability with other healthcare systems. This document should also help providers gain a better understanding of how the use of RealMed’s services can assist in the provider’s compliance with the administrative objectives of the Meaningful Use requirements. This document also serves to clarify that as a RealMed client, you should not have to change your processes for administrative transactions to another vendor in order to comply with Meaningful Use guidelines.

## Incentives for complying and penalties for not

Congress passed legislation allowing eligible healthcare providers to receive up to \$44,000 under Medicare incentives and up to \$63,000 under the Medicaid incentives provided they show Meaningful Use of “certified” EHR/HIT technologies. Providers have until 2015 to show Meaningful Use of a “certified” EHR system before they start to be financially penalized. Providers not qualifying as a “meaningful user” of a “certified” HIT/EHR will see a 1% reduction in Medicare fee schedule payments starting in 2015, a 2% reduction in 2016, and a 3% reduction in 2017 and subsequent years.

## A staged approach to implementing Meaningful Use and its compliance criteria

The implementation of Meaningful Use objectives and criteria is will be rolled out in 3 stages:

- Stage 1 compliance criteria will be finalized and become effective starting 2011
- Stage 2 compliance criteria will be finalized and become effective starting 2013
- Stage 3 compliance criteria will be finalized and become effective starting 2015

Providers can qualify for compliance with Stage 1 criteria and start receiving incentive payments starting in 2011. The important thing to remember is that a provider can wait until 2015 to comply with Meaningful Use criteria, but at that time the provider would have to show compliance with all 3 stages of Meaningful Use criteria that have been specified over the 5-year period. So, the longer the provider waits, starting in 2011 to implement Meaningful Use criteria, the more criteria they have to comply, with less time to implement it. It would be wise to start to comply with the stages of Meaningful Use criteria as they are finalized and released over the 5-year period.

## Examples of the currently proposed objectives for Meaningful Use of EHR/HIT technology

As of the writing of this document, the criteria for Meaningful Use of an EHR/HIT has still not been finalized. But from the proposed criteria released in recent federal documents, we can start to see the details of these evolving criteria. Note that for each stage of criteria there are specific “objectives” to be met and ways to “measure” those objectives. These objectives and measures will be summarized later in this document. The guidelines on how to report these measures and who to report them to have not been publicly determined.

## Stages and Criteria

- **Stage 1 Criteria:**

**The primary goal of Stage 1 is to get more clinical information stored electronically in coded industry standard formats.**

**Meaningful Use criteria focuses on:**

- Electronically capturing health information in a coded format.
- Using the information to track key-clinical conditions.
- Communicating that information for care coordination purposes.
- Implementing clinical decision support tools to facilitate disease and medication management.
- Reporting clinical quality measures and public health information.
- Checking eligibility of over 80% of the provider’s patient visits.
- Submitting claims electronically for over 80% of the provider’s claims.

- **Stage 2 Criteria:**

**The primary goal of Stage 2 is to expand upon Stage 1 criteria by encouraging the use of Health IT for continuous improvement of quality at the point of care.**

- The exchange of information in the most structured format possible, such as:
  - Electronic transmission of orders using computerized-provider order entry (CPOE).
  - Electronic transmission of diagnostic test results needed to diagnose and treat disease.
  - May consider applying criteria more broadly to both inpatient and outpatient hospital settings.
- Other provisions of Medicare and Medicaid law.

- **Stage 3 Criteria:**

**The primary goal of Stage 3 is to promote electronic exchange of healthcare information and improve access to information to impact quality of care.**

- Gaining access to comprehensive patient data.
- Improving population health.
- Promoting improvements in quality, safety and efficiency.
- Focusing on decision support for national high priority conditions.
- Providing patient access to self-management tools.

## Meaningful Use Objectives and Measures

Listed below are some examples, but not a complete list for Stage 1. For each objective there will be required reporting of clinical quality measures and specific measures verifying compliance with Meaningful Use objectives that must be sent to the compliance entities of both federal and state agencies in order to qualify for incentive payments.

### Examples of Stage 1 Objectives:

- Implement drug-drug, drug-allergy, drug-formulary checks
- Maintain an active medication list for at least 80% of all unique patients
- Maintain an active medication allergy list for at least 80% of all unique patients
- Record specified detailed demographics data for a least 80% of all unique patients.
- Record and chart changes of specified vital signs for over 80% of unique patients.
- Record Smoking status of patients 13 years or older for over 80% of unique patients.
- Incorporate clinical lab-test results into EHR as structured data for at least 50% of all clinical labs tests results ordered.

### And specifically in regards to administrative transactions

- **Electronically check insurance eligibility for at least 80% of all unique patients.**
- **Electronically submit insurance claims for at least 80% of all unique patients.**

**Your practice management system and clearinghouse can help you achieve these objectives and report on the measures.**

## How do RealMed's products and services help providers comply with Meaningful Use objectives?

RealMed's products and services help providers comply with Meaningful Use objectives through performance of required transactions and reporting.

RealMed is the "Best in KLAS" for providing all payer revenue cycle management services. We provide all payer services for **eligibility and electronic claims submission** in order for providers to meet the **80% patient eligibility verification** and **80% electronic claim submission** measures required to comply with Stage 1 Meaningful Use objectives. In addition, a provider sending all of its claims through RealMed has patient eligibility checked automatically for over 90% of the claims. This allows the provider to meet both the electronic claims submission and eligibility verification measures by just processing its claims through RealMed's services. RealMed can provide data in order to create reports for federal and state agencies to verify a provider's compliance with Meaningful Use criteria related to administrative services. RealMed provides batch eligibility services to allow providers to send files containing patient's demographics to RealMed in order to check eligibility. RealMed can also provide eligibility services that PM systems can call to check eligibility from within their systems. Also, since RealMed focuses on **Revenue Cycle Management** and **Administrative Services**, we have become a "best of breed" for these services.

## What are the reasons you should stay with RealMed for administrative services?

There are several reasons why RealMed adds value beyond the basic Meaningful Use objectives.

RealMed already provides services that allow the provider to meet Meaningful Use objectives as related to **patient eligibility verification** and **electronic claims submission**. RealMed will be able to provide the verification reporting data for eligibility and electronics claims submission for the provider to report to the specified federal and state compliance agencies. Many basic clearinghouse service providers, which simply broker the claim and eligibility information between provider and payer, may not be able to provide the required reporting, requiring physician practices to track and report measures on their own. Also, RealMed provides services that go beyond basic electronic clearinghouse functionality. Electronic claims submission and eligibility verification were added as objectives late within the drafting of the Meaningful Use criteria. We expect that the demonstration of Meaningful Use will continue to extend into the use of **Revenue Cycle Management** services because these services are a large and important part of a provider and hospital workflow and represent a significant part of the overall healthcare infrastructure.

## Interoperability as part of Meaningful Use and the "certification" of HIT/EHR technologies

Part of the certification process for HIT/EMR systems is to show an ability to **interoperate** with other healthcare systems using the industry standard clinical-coding format and HIPAA-compliant ANSI X12 transaction set (837 Claims, 270 Eligibility, etc.). If a current or potential HIT/EMR vendor has passed HIT/EHR certification, then it has the technical capability to allow the provider to use RealMed's **clearinghouse** and **revenue cycle management** services. If the certified HIT/EMR vendor states that a provider must use one of its **clearinghouse services** or use its **preferred clearinghouse vendor** in order to comply with Meaningful Use objectives, this is a false statement. Providers should work with a HIT/EMR vendor that allows the provider to select the clearinghouse vendor it prefer and not be limited to the choices offered by the vendor. If a HIT/EMR vendor does not allow its customers access to itsr product's **interoperability** services, it will greatly limit the ability of the provider to select from "**best of breed**" services for **Revenue Cycle Management, Payment Assurance, Patient Liability Estimation, Decision Support Services** and others. An example of this would be a HIT/EMR vendor who would attempt to require a provider to use its basic claims clearinghouse services over the providers current use of RealMed services, even though RealMed ranked as the 2009 'Best in KLAS' Claims and Clearinghouse services\* in the healthcare industry.

\*2009 Top 20 Best in KLAS Awards: Software & Professional Services" report, © 2009 KLAS Enterprises, LLC. All rights reserved. www.KLASresearch.com

**Providers are not required to use a PM/EMR/EHR/HIT vendor's eligibility and claims services in order to comply with Meaningful Use objectives.** To meet Meaningful Use objectives, a provider must be able to report that they **verified eligibility for over 80% of their patient visits** and that they **submitted over 80% of their claims electronically to payers**. The HIT/EHR vendor's products only have to be able to produce the objective and measure verification reports in order to meet the criteria of a "Certified HIT/EHR Technology" and these reports can be created without having to use eligibility and claims services of HIT/EHR vendors. RealMed can produce Meaningful Use compliance reports for insurance administrative services.

The major healthcare standards organizations are moving toward requiring PM/EMR and revenue cycle/EDI clearinghouse vendors to implement coding and format standards that allow different systems to interoperate with each other in order to create a more collaborative healthcare environment. For instance, HIPAA requires that the exchange of claims information be translated to the HIPAA 4010 837 claim format (and soon to be 5010) when it is sent to a payer in order to be compliant with the HIPAA standards. Modern PM/EMR systems should be capable of transmitting and receiving eligibility and claim information from any clearinghouse or revenue cycle management system that supports these HIPAA compliant standards. Having a PM/EMR that supports the exchange of HIPAA 4010-based transactions allows the provider to select a clearinghouse or revenue cycle management company that provides them with the best service.

**Providers should be wary of vendors who try to contractually bind them to their own offerings.**

**What are the disadvantages of moving to an all-inclusive solution**

New healthcare services such as **Patient Liability Estimation, Contract Management, Decision Support Services, Patient Kiosks, and Health Information Exchanges** are adopting industry standard formats such as HL7, X12N, etc., as a way for a provider to send and receive clinical and administrative information to and from its applications and services. An all inclusive/closed PM/EMR/EHR/HIT solution that is not capable of allowing providers to communicate with third-party vendors of these new services will prohibit the healthcare practice from using “**best of breed**” services. With all-inclusive solutions, the provider is limited to services that the vendor offers to them. Also, many of the integrated “clearinghouse” services that all-inclusive solutions offer provide only basic functionality and providers moving to these services and away from RealMed will likely see a dramatic drop in the savings they had realized by using the wide variety of services of the **RealMed Revenue Cycle Management** services. In addition, since RealMed received the highest rank in KLAS for customer service, it is highly likely that a provider will also see an overall drop in the quality of the support it receives from an all-inclusive-solutions vendor.

The healthcare industry and standards organizations are moving to create a healthcare environment that allows a wide variety of hardware and software applications from various vendors to **intercommunicate** and **interoperate** with each other. If a provider is using or moving to a PM/EMR/EHR/HIT vendor that is not working toward supporting these industry formats and standards, it will greatly limit the provider’s ability to add additional services from other vendors to better support their patients. A provider could be locked into only selecting the services offered to them by their primary vendor and not be able to fully take advantage from a company like RealMed that offers superior services and additional functionality. The same provider could also be giving up access to the RealMed services and support from which it has benefited.

**Savings realized from moving to an all-inclusive HIT/EHR front-end vendor could translate into losses in time and money on the claims processing back end**

If an "upgrade" or move to a new certified HIT/EHR solution requires the provider to use the basic “clearinghouse” services of the HIT/EHR vendor, the provider could see a loss of its ongoing monthly savings it realizes by using RealMed’s revenue cycle management system. The potential savings from the new HIT/EHR front-end solution could be reduced or completely offset by the elimination of the current savings from using RealMed’s services. Providers utilizing RealMed’s features, functionality, automation and enhanced workflow, reduce their overall administrative expenses by reducing staff time, paper claim processing, phone calls and manual intervention which overall result in a practice savings of up to \$18,000dollars per physician per year based on real world customer studies.

<b>RealMed features that produce ongoing provider savings</b>	
<p><b><u>Eligibility</u></b>                      Time Saved from making phone calls                      Ineligibilities Avoided                      Bad Debt Avoidance</p>	<p><b><u>Claims and Errors</u></b>                      Rejects Prevented to Payer                      Savings from Error Reductions                      Savings from correcting claims in RealMed                      Reduction in paper sent to payers</p>
<p><b><u>Claim Status</u></b>                      Hours Saved from eliminating manual status checks                      Savings from Auto-Status Checks                      Time Saved from making phone calls</p>	<p><b><u>Patient Statements</u></b>                      Updated address checking                      Preventing mailings w/ bad addresses                      Time saved on phone calls</p>

Postage Saved
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**Are there HIT/EMR vendors that work well with RealMed's system?**

Yes, RealMed is constantly contacting and working with PM/HIT/EMR vendors to provide a higher level of integration between our systems. These integrations result in additional enhanced workflow and cost savings to providers. Our list of supported systems and technology partners is constantly growing and providers can review our current listings at the following links.

Supported systems - <http://www.realmed.com/Supported-PM-Systems-2.aspx>

Technology partners - <http://www.realmed.com/Partners-Technology.aspx>