Optum Financial®

Case study

Moving providers to lower-cost electronic payments



Health insurers already understand the advantages of paying their providers electronically

Electronic payments are faster, more secure and more convenient than paper checks, and they eliminate a long list of check printing, mailing and banking costs and fees.

As a result, **most health plans already have strong electronic claim payment programs in place — especially for the in-network providers** they pay most frequently.

But for most insurers, out-of-network providers are a different story. Insurers deal with large numbers of providers who they pay infrequently, which presents a challenge to getting those providers to share sensitive bank information for ACH enrollment. As a result, most health plans still send expensive paper checks to most of their out-of-network providers. And because of the significant volume of these payments, they continue to drive up claim payment costs.

Developing a smarter payment approach for out-of-network providers

One regional health plan company in the eastern United States decided to tackle this out-of-network payment challenge head on.

Like most health insurers, they already paid most of their large, in-network providers electronically using ACH. However, they were still paying a significant number of out-of-network providers with expensive paper checks.

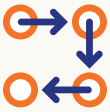
The result

In 2018,
66% of this insurer's payments were issued through ACH and 34% of their payments were issued by check.

In Q1 2022,
92% of their payments are electronic payments (made up of ACH and virtual card) and only 6% are check.

To address this disparity, the insurer and Optum Financial (VPay is now a part of Optum Financial) partnered to convert these out-of-network provider payments to more cost efficient electronic payments.

Optum Financial brought unique capabilities to the table that allowed them to:



Tap into a robust provider network that included payment histories and preferencing information for more than 2 million providers in the United States

This new source of data allowed them to identify which of their out-of-network providers accepted electronic payments from other payers.



Use this preferencing information to develop a strategic communication plan for out-of-network providers

The insurer rolled out this plan in phases with an initial, personalized communication going out to specific providers prior to the main launch, followed by sustained, ongoing efforts to enroll out-of-network providers for electronic payments based on their histories and preferences.



Take advantage of these advanced preferencing capabilities to actively encourage and move even the smallest out-of-network providers to less expensive electronic payments

This offered them personalized electronic payment options based on their unique payment histories and preferences. For example, if a provider had traditionally accepted electronic payments for smaller payments, this health plan could now easily offer that option as a fast, seamless transition from checks.



Expanding the benefits of electronic payments

To drive electronic payment adoption among dozens of little-known out-of-network providers, Optum Financial worked with a regional health plan insurer to:

- Leverage a network with 2 million providers to understand the payment histories and preferences of out-of-network payees
- Create a strategic communications plan to reach these providers with customized electronic payments options and easy enrollment
- Continue to use 1:1 preferencing to promote and drive electronic payment adoption among out-of-network providers

Achieving fast, meaningful results

As soon as the first communication went to out-of-network providers in 2019, this insurer saw an immediate 8% increase in ACH payments from 67% to 75%. Since then, this health plan has made impressive progress in understanding their out-of-network providers' payment preferences and using those insights to increase electronic payment adoptions.

Those direct savings are far from the only benefits. This health plan has also been able to significantly reduce costs by offloading most claim payment support questions to the Optum Financial award winning in-house call center while taking advantage of other cost savings and efficiencies.

92%

of all their payments are electronic payments , which has saved the health plan **over $2 million dollars a year. (Q1 2022)**

Get started with Optum Financial today

Optum Financial is ready to unlock similar savings and benefits for your organization. Learn how our payment solutions can offer you a Total Payment Solution that will boost electronic payment adoption – even among hard to reach out-of-network providers – and deliver the cost savings and other benefits that go with it.

VPay is now a part of Optum Financial. Case study began 7/19/2018 and results are as of Q1 2022.

Contact us

To learn how Optum Financial can streamline your payment process and reduce costs.

Call: **1-855-VPAY-USA (1-855-8729-872)**

Optum Financial®

Optum Financial is a registered trademark of Optum, Inc. in the U.S. and other jurisdictions. Payment solutions, including Optum Pay® and VPay®, are made possible by Optum Financial, Inc. and its subsidiaries (collectively "Optum") and their service providers. Banking services are provided by Optum Bank®, Member FDIC, and other financial institutions. Because we are continuously improving our products and services, Optum reserves the right to change specifications without prior notice. Patented technology protected by one or more patents. Additional patents pending.

© 2022 Optum, Inc. All rights reserved. 06/22 WF6682314 217363-022022