

Insights in Claims Payment Processing

Pressing issues and opportunities for health plans

Get started

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The state of health care payments is transforming

The movement of money is crucial to making the health care system work. The current state of health payment systems shows that moving money is not simple, fast or error-free. **We need to change that.**

In July 2022, Optum commissioned a study with Schlesinger Group and GLG Insights that included 126 senior health plan executives.

Of the respondents:

34% were members of the C-suite.

34% were vice presidents.

32% were directors.

The survey explores how payment trends influence purchasing decisions and opportunities for payers in the coming years.



Key findings uncovered

- Where payers are in their payment strategies
- Top challenges and priorities
- Considerations when looking for the right payment solution

Streamlining processes will continue to play a key role in the coming years

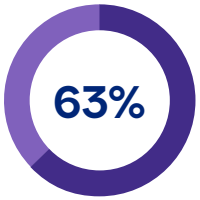
67%

of health plan organizations report that they are implementing a paperless claims payment system.

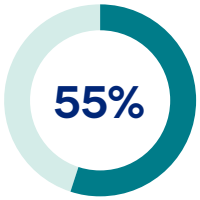
50%

say they have a strategy to streamline or automate their claims payment system but have not yet implemented it.

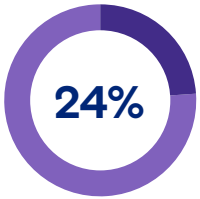
For those organizations that haven't yet implemented an automated claims payment solution, barriers exist. Payers report several factors that prevent payment delivery solution modernization from being a top priority:



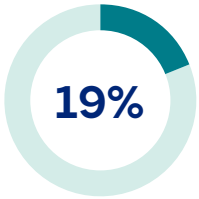
Resource constraints



Issues with migrating providers to a new solution



Low demand for change from business or providers



Lack of expertise or experience



"Elimination of paper is a key area for improving revenue and improving the customer experience."

– Midsize regional payer

Top challenges

Administrative burdens

This past year, the rise in patient volume and need for transformation caused high pressure and demand on health plans. While many payers are committed to enhancing their payment delivery systems, challenges reported by health plans may slow down their ability to streamline.

Biggest challenges include:



51%
Too many manual processes



48%
Administrative costs related to processing and delivery



"One of my biggest concerns is verifying that the amounts paid to providers are the correct amounts. I have been working in health care for over 20 years, and this has always been an issue."

– Midsize regional payer



Automating a payment system can help eliminate manual processes and reduce administrative costs.



Top challenges

Multiple systems

Juggling multiple payment systems is a challenge for many organizations.

60% of payers report using 2 to 4 tools to manage and deliver payments.

45% believe that integrating various claims payment systems and workflows would have the greatest impact on the payment delivery process.

"To be effective, we have to contract with 3 or 4 vendors. … The vendors have too many legacy systems, just as the health plans do."

– Health plan

Integrated payment systems communicate seamlessly with multiple payment processing services, making it easier to manage your payments. Integration reduces redundancy and tool usage, lowers operational costs, improves workflows and delivers a smoother customer experience.

Top priorities

Shift to value-based care

Our survey found that health plans' top priorities for 2023 include shifting to a value-based model (23%), lowering administrative costs (21%), and investing in automation and technology (17%).

67% of payers say the shift to a value-based model will have the biggest influence on payment delivery in the coming years.

The shift to value-based care will impact payment solutions, as health plans will have to look for solutions that help create a health care system that:

- Increases efficiencies
- Reduces waste
- Delivers better patient experiences



"Value-based contracting will become a larger piece of the market, and we need solutions that are ahead of this trend."

– National health plan

Top priorities

Provider experience

According to payers, **an improved provider experience offers the biggest opportunity to be differentiated in the market.** Most payers (72%) believe that the provider experience is extremely or very important when finding new partners and solutions to support their business.

The payment process is a driving factor in the provider experience, but few payers believe it's positively impacting the relationship. **Only 42% of payers believe the current solutions and partners they rely on are doing an excellent or good job in this area.**

Payers estimate that most providers (78%) prefer to get paid via EFT. However, paper check payments are still prevalent in many health care payer organizations, constituting one-quarter of all payments. And about **half of payers (48%) say that less than one-quarter of their payments are delivered electronically for out-of-network claims.**



Finding a payment delivery process that aligns the right payment method with provider capabilities should be the expectation when looking for a solution.

Finding a solution

According to health plan payers, the following are the biggest factors influencing purchasing decisions around claims payment tools:

- **49%** cost of implementation
- **39%** seamless integration
- **37%** ease of implementation



Health plan payers may also want to consider their need for a comprehensive payment integrity (CPI) tool when making claims payment purchasing decisions.

About half of payers believe a CPI tool could support several areas in their payment process, including:

54% overpayment identification and recovery

52% post-pay claims audits

53% fraud detection

50% pre-pay claims audits

47% claims payment delivery

When looking for the right payment delivery solution, consider those that:

- Deliver payments based on providers' preferences and capabilities
- Reduce or eliminate check-printing/mail costs



- Reduce administrative expenses
- Offer a portal with visibility into all payment transactions to help simplify reconciliation

For payers that can overcome the barriers to payment delivery modernization and prioritize its adoption, rewards can include increased provider satisfaction, reduced administrative costs, and a faster and more efficient revenue cycle.

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