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Enhancing Efficiency with Advanced Provider Payment Systems



Introduction

A healthcare system balancing increased demand for care and a reduced workforce needs to unlock new efficiencies to maintain and sustain daily operations.

Paper-based processes remain a part of healthcare payments and pose significant inefficiencies. Handling paper checks involves several steps, including printing, mailing, receiving, and manually processing checks, all of which introduce opportunities for delays and errors. Additionally, checks must be manually reconciled with accounts, further consuming time and resources. These manual practices disrupt the revenue cycle, with checks being particularly vulnerable to fraud and theft. Fraudsters can easily alter or counterfeit checks, leading to significant financial losses.

Transitioning to payer-sponsored electronic fund transfers (EFTs) introduces its own set of challenges. Providers must manage multiple enrollments and portals, creating a fragmented and complex payment landscape. This results in administrative burdens and potential security risks. Additionally, inflexible delivery options and outdated technology limit the integration into existing workflows and optimization of cash flow, especially since disparate systems hinder a provider's ability to gain insights about their overall business workflows and performance. Managing exceptions and resolving discrepancies remains time-consuming, requiring extensive administrative effort.

Adopting a consolidated electronic claim payment system can streamline these processes, enhancing productivity, ensuring faster transactions, and improving payer relationships. This approach reduces administrative burdens and supports financial stability and operational efficiency.



By choosing the right technology partner and digital systems, providers can ensure that claims processing is both quick and accurate.

The cost of complexity

Administrative complexity and staffing shortages are creating significant operational challenges for healthcare providers. A reduced workforce facing increasing workloads cannot keep pace with demands, threatening the financial stability of healthcare organizations.

The [CAQH 2023 Index](#) highlights that administrative complexity costs the healthcare industry \$89 billion annually. Transitioning to fully electronic transactions could save \$18.3 billion, about 5% of these costs. Despite the overall increased adoption of electronic workflows across key administrative functions, providers' transaction processing time has risen by 14% and electronic claims payments adoption has declined year-over-year.

Staff shortages in revenue cycle management (RCM) severely impact financial stability. According to [MGMA](#), insufficient staff leads to increased days in accounts receivable (A/R), a rise in denied claims, decreased productivity, and missed revenue opportunities. In 2022, 56% of medical groups reported unpaid claims backlogs, and claim denials rose by 17% during the pandemic.

These challenges extend to not-for-profit hospitals, which saw a 17% decrease in cash on hand and a reduction of 44 days between 2021 and 2022, according to [Fitch Ratings](#). Addressing administrative complexity in healthcare payments can significantly enhance efficiency and financial health.

Ultimately, a reduced workforce handling more tasks results in prolonged revenue cycles and increased financial pressures on healthcare providers.

As healthcare continues to evolve, the need for modern payment systems becomes more critical.



Digital transformation of payments

Digital transformation has emerged as the top priority for healthcare organizations. According to an [IDC InfoBrief on health technology investments](#), 53% of clinical and clinical IT leaders list digital transformation as their organization's top priority, followed by cost reduction (35%).

Considering the state of healthcare payments, digital transformation is urgently needed to help streamline revenue cycle management. [Data from J.P. Morgan](#) indicates that most providers receive their payments from payers through electronic fund transfers (85%), followed by paper checks (70%) and virtual cards (51%). Additionally, a majority of providers (83%) expressed a preference for receiving payments via electronic fund transfers.

Eliminating paper checks will go a long way toward reducing time to payment and avoiding an increasing criminal threat. [Potential check fraud incidents tripled](#) between 2018 and 2022, constituting more than one-third of all fraud cases at financial institutions in 2023. Last year, the Financial Crimes Enforcement Network [issued an alert](#) that criminals were targeting mail to commit check fraud.

Switching to payer-sponsored electronic funds transfer (EFT) can significantly reduce the risk of check fraud and initiate digital transformation in healthcare organizations. EFTs use encryption and secure payment gateways, which help protect against unauthorized access and fraud associated with paper checks.

However, this transition is not without its challenges. Healthcare teams often need to manage multiple logins for various payer portals, increasing the risk of banking information vulnerabilities and administrative burdens. These fragmented systems require extensive time and effort to handle multiple data and payment points, and resolving issues often means contacting each payer individually. As a result, while payer-sponsored EFTs enhance security, they may still fall short of being the most efficient solution without further consolidation and streamlining of processes.

Modernizing healthcare payments

The transition from paper-based processes to consolidated electronic claim payments presents a significant opportunity to streamline revenue cycles and enhance the financial operations of healthcare organizations. By choosing the right technology partner and digital systems, providers can ensure that claims processing is both quick and accurate and significantly improve productivity through centralized access to payments and data from a network of payers. This consolidation speeds up the payment process and minimizes the administrative burdens associated with manual check processing and managing multiple electronic fund transfer portals.

As healthcare continues to evolve, the need for modern payment systems becomes more critical, underlining the importance of integrated technology solutions that support financial stability and operational efficiency in healthcare.



Adopting a consolidated electronic claim payment system can streamline processes, enhancing productivity, ensuring faster transactions, and improving payer relationships



How Zelis can help

Zelis is not just a solution; it's your strategic partner in transforming how your healthcare organization manages claim payments. With the Zelis Payments Network, you can access a robust platform that simplifies and accelerates the claim payments and remittance data across 450+ payers. You can learn more about the Zelis Payments Network [here](#).

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