Implementing these IT initiatives moves payers toward automation

By: Joanne Galimi
Managed Healthcare Executive

Real-time transactions, Web site investment, CRM solutions and DM evolution are areas to consider

The past 18 to 24 months have been the trial-and-error period for payer automation. The implementation of e-transactions between payers and providers, consumers and purchasers has been slow because of the challenges of integrating them with back-end applications, historically poor data management, slow trading-partner adoption and a volatile and relatively young vendor market. Corporate commitment and strong business management will be more important to success than simple technology adoption. The following are the critical areas that will move payers toward increased automation.

Real-time transactions

Real-time healthcare processing is a strategy, not an IT initiative. The business and IT components require internal and external alignment of multiple contributors; no single IT vendor can independently deliver a real-time processing environment. All major payer vendors of administrative applications are pursuing application redesigns and enhancements to support more automated and flexible core-processing environments. But until the second quarter of 2003 at the earliest, there won't be a vendor application for payers with a complete, tested technology platform supporting high-volume straight-through or real-time processing.

Web site development

To move beyond basic and Level 2 Internet initiatives, most payers should expect to at least double their investments. Without a significant increase in historical budgets, only 20% of payers will be able to execute Level 3 Web sites by year-end 2002.

Customer Service Solutions

Internet solutions for healthcare customers have evolved separately from customer self-service (CSS) applications, resulting in some functionality redundancy or inconsistency in these two technology markets. Consolidation and partnerships to broaden functionality and integrate Internet self-service with other CSS and customer relationship management (CRM) initiatives will evolve through the first half of 2003. Vendor partnerships and acquisitions are under consideration, and some payers report internally developed (or through development partners) initiatives that integrate Internet self-service with their CSS and CRM initiatives.

CRM Adoption

The rise of consumer-driven healthcare, as well as the increased consumer demand for accurate and timely issue resolution, will force payers to implement CRM-related technologies to streamline processes and increase customer satisfaction. Payers should prioritize the adoption of CRM-related applications and technologies within the context of their CRM strategies and their degree of risk-acceptance, and how the applications and technologies might positively affect productivity, contribute to customer intimacy, or make an enterprise more proactive by addressing customer needs.

Disease Management Evolution

Extending disease management at a lower cost will be a key factor in medical expense management and payer profitability. Because traditional care management strategies such as pre-certification are falling out of favor, payers are turning to nurse-based DM programs. But the clear danger of adopting technology to support patient self-care and monitoring is that the cold, impersonal approach will lead to some patients "falling through the cracks," resulting in poor outcomes. The challenge is balancing technology with human intervention.

Payers must put their heads down and focus on automation initiatives including technology, business-process changes and trading-partner readiness. Short-term strategies should include initiating business-process changes, improving data management and increasing user adoption of automation technology.