

MNeConnect: Meeting The First State-Mandated Complete Transition to Standardized Electronic Data Interchange In Healthcare Industry



Problem

On August 21, 1996, the Health Insurance Portability and Accountability Act was signed into law. This legislation aimed to reform healthcare by increasing the industry's use of electronic technology in order to create a standard set of data formats that would streamline the exchange of healthcare information throughout the industry.

Although HIPAA was enacted a decade ago, enforcement has lagged, due in part to enormous variation among institutions and oversight boards in the way the regulations are interpreted and applied – and due to the high cost of implementing the necessary technology that would standardize data exchange and streamline back-office operations. But failure to adopt new technology has proven to be equally, if not more, expensive. In fact, by 2018, national health care costs are expected to reach \$4.4 trillion – accounting for just over one-fifth of the GDP – largely due to the transfer of health information through outdated, error-prone administrative practices. These practices include redundant data entry, repeated filing of claim forms, and collection efforts once claims are rejected.

The Challenge: How Can Small Providers Meet the Minnesota State Mandated E3 Initiative?

Minnesota has become the first state in the nation to require all health care providers to electronically submit insurance claims to health plans, using a single set of data standards. The law, referred to as the E3 Initiative [Electronic Claims, Eligibility, ERA], has required plans and providers to electronically exchange information about patients' eligibility for insurance coverage and benefits, as well as payment remittance advice. While other states have initiated efforts to streamline healthcare administration by implementing electronic infrastructure to parts of their legacy systems, Minnesota is the first to issue a statewide mandate, a move that could reduce costs by more than \$60 million in 2009 alone (or eight percent of Minnesota's health care budget).

The singular focus to adopt a law has required health plans, along with state agencies, to ask: How can providers adapt their current administrative systems without a complete overhaul of their information infrastructure? What logistical problems will the new technology create? Will the benefits of compliance outweigh the investment costs? The Minnesota Council of Health Plans (MCHP) sought to implement a solution that would meet the needs of both small providers and large facilities, taking into account disparate levels of access to technology and funding.

Solution

Through a rigorous process of competitive bidding, MCHP selected IGI, a healthcare information technology solutions provider, to offer health care providers MN E-Connect (www.mneconnect.com), a web-based portal solution powered by IGI's ORBIT® software that allows all health care stakeholders in Minnesota to seamlessly comply with the new provisions of the law. The web service, which opened for provider registration on May 15, 2009, is offered at no cost to providers, and may be used by any provider, regardless of size.

IGI presented a solution that met the state's critical requirements: MN E-Connect is easy to use, even for providers who have limited technical resources — and can also meet the needs of rapidly changing physician offices, hospitals and payer systems. The technology is straightforward, cost-effective and interoperable, which was key: many health plans were already conducting electronic billing transactions — ORBIT® provides access to payer systems regardless of data formats or legacy systems in place. Thus, even though only eight health plans were part of MCHP initially, as many as 15 have now signed up to be part of this initiative. Since the launch of MN E-connect in May 2009, over 13,000 providers have registered to submit claims electronically, perform online eligibility checks and receive remittance advices electronically from the payers.

ORBIT® has allowed the providers to meet all the three requirements of the E3 initiative. Specifically, the following major features have been implemented:

- Access to direct data entry forms that are identical to industry standard forms
- Batch upload of 837 files that are viewable in Direct Data Entry screens
- Patient information database to eliminate redundant and time-consuming data entry
- Diagnoses and procedure code lists that are integrated into the system
- Sophisticated backend rules engine (including payer rules) that flags errors before the claim is sent to the payer, thus reducing rejection rates and ensuring faster payments
- Online eligibility verification of patients
- Electronic remittance advice from payers to providers

ORBIT® software's adaptable platform and partnership with IGI has not only helped Minnesota successfully implement E3 initiative but has also allowed the state healthcare stakeholders to prepare the framework to pursue other healthcare IT initiatives including e-prescribing, electronic health records, credentialing, and health information exchanges (HIE).



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