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Whitepaper

Deliver a seamless patient experience

Strengthen payer-provider collaboration by transitioning to digital solutions

To the consternation of some healthcare and insurance professionals, this past August, the Centers for Medicare and Medicaid Services (CMS) launched a drive to turn doctors' offices into "fax-free zones" by 2020. The initiative is part of a larger effort by CMS to expedite the flow of information among patients, providers, and payers, and to give the measure some teeth, CMS Administrator Seema Verma announced that providers who fail to replace faxes with electronic record access will have their reimbursements reduced.

Why the full-court press? "Healthcare providers are in a 1990s time warp, where doctors are faxing patient records and medical staff are manually entering results into [electronic health records] and hospitals are handing out data on CD-ROMs," Verma declared in support of the initiative. "The reality is that once information is freely flowing from the patient to the provider," CMS' Administrator added, "the advances and coordinated, valuebased and patient-centric care will be even greater than anything we can imagine today."[1]

The CMS blitz to replace fax machines with more automated systems has met with some resistance, especially from physicians offices that are habituated to the use of this antiquated technology. By one private firm's estimate, faxing accounts for about 75 percent of all medical communication.[2]

Although it frustrates doctors, nurses, researchers and entire hospitals, they have relied on faxing for nearly thirty years now, so it continues to survive. "I think you're seeing consumers [and] employers increasingly frustrated about the current state, and really expecting better healthcare quality and outcomes, lower cost, and a great service experience." notes Patrick Conway, CEO of Blue Cross Blue Shield of North Carolina. "I think one of the challenges facing the healthcare industry is the need for a much more seamless and digital consumer experience that's tailored, based on people's needs and their healthcare needs." Technology is only as fast as its slowest point. Paper forms, contracts, and documents are the quicksand that bogs down both patient care and provider business. There are many in the healthcare and insurance fields who see the CMS effort as a welcome opportunity to improve the state of the payerprovider relationship. That relationship has been badly stressed by the continued reliance on antiquated, manual technologies such as fax.

> **"Healthcare providers are in a 1990s time warp."**
>
> **Seema Verma**
> CMS Administrator

1 "Verma Paints Future of Idyllic Interoperability That Is Far from Today's Reality," The American Journal of Managed Care.
2 "The fax of life: Why American medicine still runs on fax machines," Vox.

Manual processes: Costly, inefficient and risky

Costly indeed. The 2016 Council for Affordable Quality Healthcare (CAQH) Index report on healthcare's adoption of electronic transactions, puts the administrative costs of closing data gaps between payers and providers at nearly of $300 billion per year – or about 15% of all healthcare expenditures by some estimates.[3]

The CAQH report blames a significant portion of this expense on the use of resource intensive manual processes to conduct business transactions between providers and health plans – including phone calls to verify patient insurance coverage, mailing claim payments and the faxing of authorization forms, patient records and other necessary documentation.[4]

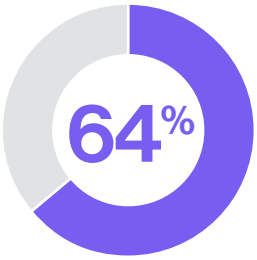
Faxing is a time consuming and dated way to execute agreements, especially if important information is missing or not included in the initial payload. For instance, Health Plans and Providers leverage fax technology to manage the appeals process for Part D of Medicare – a fifteen step process that includes workflow and capturing important clinical information. Between the physicians, pharmacists, patients, whereby health plans have to respond to the appeal within seven days (or within 72 hours if the patient's health is in harm's way), it's incredibly difficult to capture these faxes accurately to kickstart an approval and decision process.

Claim denials, prior authorizations, patient eligibility and other utilization management issues represent another costly administrative burden for both payers and providers. According to Becker's Hospital Review, denied claims for large hospitals (250-400 beds) can run as high as 7% to 10%, making this a significant source of revenue leakage.[5]

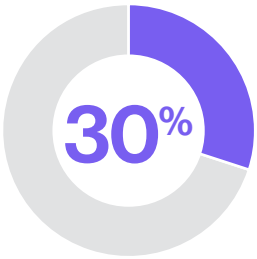
Prior authorization delays are pervasive. A 2018 AMA survey of 1,000 physicians found that nearly two-thirds (64%) must wait at least one business day for a prior authorization decision from an insurer, with nearly a third (30%) forced to wait three business days or longer.[6]

$300B

cost per year in the healthcare industry due to manual inefficiencies



64% of patients must wait at least one business day for a prior authorization decision from an insurer



30% of patients are forced to wait three days or longer for a prior authorization decision from an insurer

3 2016 CAQH Index Report.
4 McKinsey on Healthcare, The Journey to a New Tomorrow: A conversation with Patrick Conway, MD, President and CEO, Blue Cross and Blue Shield of North Carolina.
5 "Average claim denial rate for large hospitals, by region," Becker's Hospital CFO Report.
6 "Survey: Patient clinical outcomes shortchanged by prior authorization," AMA.

The entire prior-authorization process is extremely time consuming and labor intensive. According to the AMA survey, medical practices request a weekly average of 29.1 prior authorizations per physician, which take an average of 14.6 hours – or nearly two full business days – to process. To sustain this administrative burden, about a third of physicians (34%) rely on staff members who work exclusively on the data entry and other manual tasks associated with prior authorization. Most of these processes are manual, compounding the inefficiencies. Both payers and providers spend large blocks of time reviewing prior authorization requests and communicating essential information by phone, fax and snail mail. This delays treatment for patients, adds to the administrative workload, and inevitably results in errors and oversights, resulting in coverage denials. Of these, an astonishing 90% are preventable, according to the best practices firm the Advisory Board, which attribute most denied coverage to the inefficiencies of manual claims processing.[7]

$6.84 **per transaction could be saved for payers and providers with fully-electronic prior authorization processes.**

Simply from the standpoint of processing efficiency, CAQH estimates that providers could save more than $3.20 per transaction and health plans could save at least $3.64 per transaction, if they abandoned fax and phone and adopted a fully-electronic prior-authorization process.[8] These costs can add up quickly when payers have to process hundreds of thousands of transactions a day.

Fax has other shortcomings as well. Fax machines are vulnerable to hacking, putting providers at risk of HIPAA violations;[9] insurers relying on legacy systems contribute fraud losses to inefficient and unsecure data sharing practices.[10] All of which brings us back to CMS and its anti-fax campaign. The initiative is part of a larger push to drastically reduce the time-consuming manual processes that weigh so heavily on the payerprovider relationship. By pressuring healthcare providers and insurers to adopt more automation, CMS hopes to dramatically improve both industries' productivity and pare down their cost structure. But what kind of automation does improving the payerprovider relationship require?

7 "An ounce of prevention pays off: 90% of denials are preventable," Advisory Board.
8 "Want to rid healthcare of fax machines? First standardize prior authorization," Healthcare Finance.
9 "Faxploit: Sending Fax Back to the Dark Ages," Check Point Research.
10 "Data quality, legacy systems impact insurance fraud fighting," Digital Insurance.

A digital system of agreement

Both the insurance and healthcare industries have invested billions in new digital technologies. These include systems of record (SofR), such as customer relationship management (CRM), electronic health record (EHR) and electronic medical record (EMR), and systems of engagement (SofE), including marketing automation and professional collaboration applications. But what these companies have neglected until now are their systems of agreement (SofA), and CMS is signaling that the wave of digital transformation that is coursing over both industries now needs to wash over these as well.

A system of agreement serves as the connecting point for the systems that comprise a SofR and a SofE and touches just about every business function. Agreements are different from other types of documents in that they often involve legal commitments and can be subject to regulations governing how they are signed, recorded and retained. These rules may differ from one type of agreement to the next and may be subject to different regulations, so automating the agreement and digitizing patient data require its own specialized systems.

Agreements have a lifecycle and it consists of four phases

1/ Prepare the necessary documents to support regulated and non-regulated agreements

2/ Sign those documents in a simple, legally-valid manner

3/ Act to fulfill the signed agreement's terms and automatically route patient data to various systems

4/ Manage and retain the agreement so that it can be retrieved, reported on, and accessed as appropriate

By modernizing their system of agreement, both payers and providers can dramatically reduce their cost structure

Currently insurers and providers are still relying on manual procedures to achieve these ends. Numerous phone calls, emails and office meetings are needed to prepare an agreement, which then must be physically delivered as a paper document to be signed. The information and data contained in the agreement must be manually entered into other SofR and SofE systems, before it can be acted on, and managing the document is treated as an administrative task that can easily cause delays and result in errors.

A modern system of agreement helps organizations automate and connect the entire agreement process so that:

Where it once was accepted that turning around an agreement could take days or weeks, the new expectation becomes hours or even minutes.

When a complex agreement entails numerous steps, the cost of preparing the necessary documents can be reduced by a factor of five or even ten by eliminating unnecessary hands-on steps. Taking paper and print out of the equation drops the total cost even further.

New providers can be onboarded more quickly, accelerating the health network's rate of growth and improving patient outcomes.

The risk of legal missteps and falling out of compliance is significantly reduced.

The level of medical staff and employee satisfaction rises as the agreement process is streamlined and they become less burdened by rote tasks and 'busy work.'

Saving valuable time for both staff to spend more time with patients and for patients to receive the care they need. Once patient data is digital and available across screens, they are easily able to access their information and more easily complete processes like payment forms and patient assistance programs.

How modern systems of agreement connect and automate the entire agreement process

A modern system of agreement provides these benefits by serving as a hub that connects and coordinates all the other systems that support the agreement process and automates the workflow between them. To prepare an agreement, for example, employees can select a HIPAA-approved template and automatically pull data from a CRM and other systems of record to automatically generate a prior authorization form in Microsoft Word. This would then be routed to the appropriate parties for their comments, approval, and signatures.

Document recipients would be identified and electronic signatures gathered in accordance with the applicable laws and regulations. Depending on the type of agreement, this might necessitate having the parties sign in a certain order or present government-sanctioned IDs via video conference.

If the agreement calls for an initial payment, it could be collected during the signing process and transferred to the appropriate account. Other actions triggered by an agreement, such as scheduling a patient for a procedure now that prior approval has been received, are automatically put into motion.

Once completed, the agreement would be securely stored electronically, where it could be searched for using AI-driven tools and retrieved by authorized parties. Reports on fulfillment status, turnaround times, patient outcomes and various other gauges of the agreement's completion would be automatically generated.

A modern system of agreement will also address a wide spectrum of legal, security and privacy concerns, such as providing options for properly authenticating document signatories and generating court-admissible evidence; adhering to security standards like ISO 27001 and privacy protocols such as HIPAA and the European Union's GDPR. It will also be easy to deploy and easy to use.

Get to know the DocuSign Agreement Cloud™ and remove impediments to a more productive partnership between payers and providers. It offers more than a dozen applications and more than 350 integrations, covering the entire agreement process – from preparing and signing to acting on and managing agreements.

By securely sharing timely and accurate data with the Agreement Cloud, healthcare providers and insurers are able to subdue their costs, reduce their claim denials, strengthen their regulatory compliance and significantly improve outcomes for their patients, partners and customers.

Contact us to learn more.

About DocuSign
DocuSign helps organizations connect and automate how they prepare, sign, act on, and manage agreements. As part of the DocuSign Agreement Cloud, DocuSign offers eSignature: the world's #1 way to sign electronically on practically any device, from almost anywhere, at any time. Today, more than 500,000 customers and hundreds of millions of users in over 180 countries use DocuSign to accelerate the process of doing business and to simplify people's lives.

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