Case Study

University of Michigan Health System streamlines the tracking of insurance payments

The University of Michigan Health System (UMHS) is a healthcare provider with a large network of facilities and services, including the University of Michigan Medical School and its Faculty Group Practice, clinical services offered by the School of Nursing, and the Michigan Health Corporation, a legal entity that helps facilitate partnerships with other businesses. Headquartered in Ann Arbor, the system has more than 120 clinic locations throughout Michigan and in northern Ohio. Each year it treats more than 1.5 million outpatients and provides at least 43,000 hospital visits, conducts medical research, and educates medical professionals.

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Business Needs

Lean Process Improvement Strategy for capturing insurance card information

Historically, the UM system relied on plastic insurance cards to identify and record the insurance policy information of customers. But the sheer volume of paperwork created by this system became increasingly problematic. Typically, plastic cards were photocopied. These paper copies, which were stored in filing cabinets, were used for all aspects of the insurance cycle, such as verifying decisions made during telephone registrations, determining the accuracy of payments, and for resolving data discrepancies and ensuring that all payers had accurate information.

University officials felt that they had to find a solution to digitize and expedite the handling of customer insurance information. “We wanted to enhance our customers’ experiences, streamline our processes, and reduce waste,” says Cynthia Danko, Business Systems Analyst, Sr. for the University of Michigan.

“In particular, the old system of recording paper-based card information led to situations where claims were not properly processed—or not paid at all.”

Solution: fi-6130 scanners

The University of Michigan Health System chose to digitize a scanning and imaging solution using Fujitsu fi-6130 scanners. These compact, sheet-fed document scanners have duplexing capability and can scan up to 80 images a minute in monochrome and 60 images in color.

The scanners are used with an in-house patient arrival application, which works with the Fujitsu scanners to digitally capture and record the appropriate customer information for each card. The software uses metadata to facilitate storage and search functions, and uses powerful security features to protect the confidentiality of records. The software scans to standard formats, including TIFF, PDF, and JPG, and provides functionality for importing and storing electronic records.

The initiative began with a pilot project that allowed team members to program, test, and update a workflow process to ensure that all scans and image processing was working properly. The project ultimately included the purchase of 200 Fujitsu scanners, with most of them deployed to clinics throughout the University of Michigan Health System. The project was fully deployed by mid-2011.

Benefits: More accurate tracking of payments, customer information

The deployment of the Fujitsu scanners and a web browser connected to an in-house Clinical Business Workflow application has resulted in a significant decrease in the amount of erroneous information getting into the University of Michigan Health System, says Danko.

“Prior to implementing this solution, the validation of insurance information was a manual process that typically required photo copying card information and housing that information in paper files,” Danko says. “Insurance cards are the main collateral that come through our system. This solution has proven to be great for processing this critical information.”

The University tracked several different parameters during the rollout of the solution to gauge its effectiveness. When half of the scanners were deployed in production, the University was scanning more than 4,300 cards per month. During peak periods after full deployment, the system takes in more than 14,000 scans each month.

In November 2011, after all scanners were in use, the University recorded 546 corrections to insurance information, including updates to information about payers and plan codes.

“Although we did not tie our statistics directly to dollar amounts, we validated that the level of rejected claims were definitely reduced,” says Danko. “We have determined there is also an additional return on investment in the solution because of our ability to challenge underpayments by viewing network affiliations that are printed on insurance cards.”

University of Michigan benefit snapshot:

- Increased verification of commercial insurance plans. Commercial insurance has the most variability in contact information, provider networks, and conflicting logos on the cards. A detailed scanned image helps to deal with those issues.
- Quality assurance, feedback, and training are improved by having images of actual cards to reference.
- Improved efficiency in working registration related edits and rejections.
- Reduced time spent by University of Michigan Health System billing and registration staff in determining if discounts taken by payers are appropriate.
- Easy and fast to provide payers with a copy of a customer's card to help in resolving enrollment issues. In the past, there was no easy method to deliver that information without asking the patient to provide a physical card.

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