

EOBs Made Easier with OCR for AnyDoc™

Health insurance is a tricky business. While it is a great thing for patients as it allows them to alleviate the ever-rising financial costs of healthcare; the same cannot be said for the healthcare providers. Strict rules are in place that physicians and hospitals must follow in order to submit claims to insurance companies for payment. They must cross every 't' and dot every 'i' to ensure the claim is correct or the insurance companies will reject it.

And yet when it comes to the insurance companies, no set of guidelines is in place; each company likes to do things their own way. An insurance company issues a payment check to each healthcare provider, for the dozens, if not hundreds, of claims received from the provider. A remittance, also known as an Explanation of Benefits (EOB), is included along with the payment to explain which services and procedures are being covered. EOBs detail each procedure and how much is being paid per procedure for every patient. Some insurance companies are handling this electronically, but there is a large majority that still sends paper-based EOBs.

And not all EOBs are created equal. They all have different formats. It's not uncommon for an individual patient's information to vary in length from a few lines to several pages, depending on the number of procedures performed. An EOB may also consist of a single line per claim, one full page per claim, multiple pages per claim or multi-claim per page with longer claims running over from one page to another. A complete EOB remittance can range in size from a few dozen pages to several hundred pages for every check issued. And you thought it was tough to balance your checkbook?

To make matters even more difficult, each insurance company issues their own version of the EOB; there is no uniform standard to follow. In addition, each insurance company has its own procedure and diagnostic codes, format, rules and formulas. EOBs are packed with dense information often requiring small and difficult-to-read typeface. These factors make it difficult for the provider – even when utilizing trained human operators – to interpret the data into a meaningful format to capture.

It is vital for these physicians and healthcare providers to accurately capture this EOB information in order to balance the data to each individual patient and balance overall to the accompanying check. Only once the payment is balanced and posted can the healthcare provider bill the balance to a secondary insurance company or to the patient directly.

Providers can easily double their staff by hiring workers just to process these incoming EOBs. A much more cost-effective method is to either utilize software that automates the process or outsource this work to specialized agencies.

Doing Away with the Manual Method

One company that chose a more cost-effective method to process their paper EOBs is the Health Care Management Group (HCMG) of Silver Springs, MD. HCMG provides billing and practice management for physicians in the Washington D.C., Maryland and Virginia area. They have built their reputation on offering local healthcare providers the highest level of service with the quickest turnaround time for their payment processing.

Out of the dozens of insurance companies HCMG deals with on a daily basis, only two are able to send their payments electronically. All the remittances from the remaining insurance companies come in as paper documents that must be entered into HCMG's computer system for processing. These paper EOBs arrive daily via bank lock box and processed for payment posting department. EOBs were being manually sorted and distributed to billing staff. To complete the work, HCMG utilized a staff of more than 10 employees in their billing department dedicated solely to manually keying the information from the EOBs into their computer system and then creating and sending bills for the balances due. This manual process was a costly and time-consuming task.

"On average, it took us 10 days to manually process a paper EOB from the bank lock box to final posting. We were still providing our customers with a fast service, but as our company grew, we had to continually add new staff to keep up with the manual EOB data entry," says Ladan Rykiel, Chief Information Officer of HCMG. "We projected our business would keep growing but we realized we needed an alternative to hiring more and more people."

It turns out their answer was already close at hand.

The Solution:

A few years prior, HCMG had purchased OCR for AnyDoc™ document and data capture software, from Florida-based AnyDoc Software, Inc. Rykiel says, "We were using OCR for AnyDoc to automate charge entry." But it wasn't until members of HCMG Senior Management had a chance meeting with AnyDoc Vice President of North American Sales, Jeffrey Welan, that they realized it might also be the solution they were looking for.

According to Welan, "They were looking to automate the data entry from the paper-based EOBs they received. I told them OCR for AnyDoc had a module that could be added to their existing system specifically designed to process EOBs." Rykiel says, "We already had a solid

Industry:
**Healthcare Service
Bureau**

Company:
**The Health Care
Management Group**

Form Types:
EOBs

Applications:
**OCR for AnyDoc®
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Utilizing OCR for AnyDoc to process their incoming EOBs, The Health Care Management Group has been able to curtail their rising labor costs while increasing efficiency. **"The results have been incredible..EOBs are scanned, processed and posted to our system within 72 hours versus 10 days manually."**

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relationship with AnyDoc Software and we knew that if they said they had a solution, they could deliver it."

Automation Arrives:

To retrieve the data, a scanner is used to convert the paper EOBs into computer-readable images. OCR for AnyDoc software then goes to work executing dynamic form removal, image enhancement and character regeneration to make the image as clean as possible. The software then literally reads the data from the page utilizing multiple recognition engines that give it the highest data accuracy rate possible. These technologies maximize the readability of the data, allowing the system to work at peak efficiency to facilitate EOB processing.

One of OCR for AnyDoc's main benefits is how it sharply reduces the problems associated with the manual entry errors due to human error. OCR for AnyDoc also automatically propagates each header (patient name, account number, etc.) and footer (subtotal and total information, etc.) to each detail line to create a complete record for every line of data – something not always found on paper EOBs.

Rykiel says, "AnyDoc did a great job and they were a pleasure to work with. They already knew so much about EOBs and what our requirements would be for processing. They were even able to show us how to automate some aspects we didn't even think were possible." HCMG learned how the OCR for AnyDoc solution could be used to not only eliminate manual data entry of EOBs, but also how it can cut processing time and ensure the EOB balances to the accompanying check each and every time.

"OCR for AnyDoc's auto balancing feature is one of the reasons our EOBs can be posted so quickly," says Rykiel. The OCR engine allows the system to investigate the entire page before extracting and balancing claim information. In order to ensure that no lines are missed and the check paid is equal to the EOB, an automated balancing system identifies each sub-group and cross checks the sub-totals to the grand total. Any out of balance result causes the system to re-check the data before alerting a human operator for review. Any errors can be quickly located and corrected.

"The results have been incredible. Our main goal was to curtail our rising labor costs. Not only was our OCR for AnyDoc system able to do that, but it's even helped us increase our efficiency tremendously while giving us an overall increase in the accuracy of our data. EOBs are scanned, processed and posted to our system within 72 hours versus 10 days manually," says Rykiel. "Once the software was installed, we were able to reduce our payment posting staff immediately. And we were able to move those people from data entry to other positions in our company.

Storage Woes:

Speed and staff weren't the only concerns for HCMG; storage was also an issue. "Because we're located in the Washington D.C. area, office space is an expensive commodity," says Rykiel. "The sheer number of paper EOBs we received on a daily basis required us to utilize many filing cabinets for storage." EOBs are kept on hand for secondary billing opportunities, questions and for future reference.

If a question arises regarding a paper EOB, it used to take about 20 minutes for employees to get up from their desk, find the correct filing cabinet and pull the correct EOB. That is, if it wasn't already being used by another employee, waiting to be re-filed or worse yet...misfiled.

Welan says, "One of our main goals is to help customers automate processes in all areas of their company, not just data entry." Welan told HCMG about AnyDoc's document storage and retrieval software, BROKERit™. Rykiel says, "One tremendous advantage we have using OCR for AnyDoc over our old manual method is that once we scan the EOBs, there is no need to store the paper physically on site. It can now be accessed directly from the BROKERit system. No more stacks of paper on the desk and no need to pull and re-file documents."

And BROKERit can retrieve data based off an individual patient name and number. Even when there are multiple pages of data, BROKERit goes directly to the patient record requested. "Everyone has BROKERit on their desktop PC so no one needs to get up and search through paper records anymore," says Rykiel. HCMG employees can pull up the image of any EOB right from their desktop computer in seconds. They can even e-mail a copy if needed.

The Future:

Rykiel says, "We are very aware that the Health Insurance Portability and Accountability Act (HIPAA) is going into effect soon – after several years of delay – and we want to be ready for it." Welan adds, "By scanning their paper EOBs and storing the images in BROKERit, HCMG is already well on their way to being HIPAA-compliant."

Rykiel has been evangelizing the benefits of HCMG's automated solution to the smaller healthcare providers in her area. "With our automated solution we can very easily act as a service bureau to other businesses which provides benefits for us all."

HCMG is also finding ways to grow their business internally. "With our increased efficiency, we can add another step of analysis to ensure the insurance companies are issuing correct payments at the time of scanning and put into motion an appeal process before payment is posted to the patient account.

And HCMG isn't done yet. To improve the process even more, AnyDoc is getting ready to unveil the next generation of its EOB processing software. The current method utilizes a template that tells the software where to locate the data on the page. The latest advancement only needs to know what data you want to capture and it will automatically determine its location and retrieve it.

Welan says, "The strongest feature about our new solution is the automated wizard. The wizard allows simple step-by-step setup of the software to tell it exactly what data to look for. No more messing around with templates. Each and every EOB can be scanned and have the data automatically captured." HCMG can't wait. "We've already volunteered to be first on the list to get the new version," says Rykiel.

For more information on The Health Care Management Group, visit www.hcmg.net.

For more information on AnyDoc Software's complete line of automated document and data capture software solutions, visit www.anydocsoftware.com.

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