

Health care technology

How Internet technology helps health insurance companies provide better service and minimize costs

Internet technology has advanced at a rapid pace, and more people have access to it than ever before. It makes sense, then, that progressive health insurance companies would use it to provide better information to their members and their members' doctors.

"Providing better health care to members has been one big advantage of this technology. The other has been reducing administrative expenses," says James S. Slubowski, chief information officer and vice president of Enterprise Operations for Priority Health in Grand Rapids. "This helps health insurance companies run leaner and keep expenses down for all parties involved in the health care process to ensure health care remains affordable for everyone."

Smart Business spoke with Slubowski about how this burgeoning Internet technology has allowed health insurance companies to provide better service to their members and streamline operations.

What kinds of investments are being made by health insurance companies today to reduce administrative costs?

First of all, information management and analysis must be a core competency of any leading health insurance company today. It should be able to provide extensive data about its members so multiple health care providers can securely access this aggregated data, wherever the care was delivered. Whether this information has to do with hospitalization, drugs, emergency room visits or anything else, the health insurance company should assemble it and make sure it's accessible by the member's doctor.

Any health insurance company worth its salt should be investing in technology that can adequately house this type of information and allow it to perform core business functions, including enrolling members, sending out information such as ID cards, paying hospital and doctor bills on time, and providing clinical reporting to physicians regarding members. It's also vital to provide Web site tools that members can use to maintain healthy lifestyles, understand health care costs and manage diseases.



James S. Slubowski
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How does this technology improve health care and lower medical costs?

The technology reduces administrative expenses and expedites core business functions. Here's one example: Priority Health paid 5.1 million claims last year, 86 percent of which were received electronically — compared to only about 30 percent 10 years ago. Being able to process claims from hospitals and physicians electronically now is paramount because it eliminates errors and rework caused by rekeying. It simply ensures they're received accurately the first time. Specific health plan software processes those claims automatically so hospitals and physicians receive their payments faster.

From a medical standpoint, by using Web tools for members and physicians, quality indicators or programs can be provided to make sure that the best care is delivered, targeted to the patient's needs. For instance, a health insurance company can make sure that diabetic patients have their eyes checked every year. It can push information to doctors, telling them if their patients need certain care. These reminders are also sent

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to members to make sure they're maintaining a healthy lifestyle and managing chronic diseases.

Technology also allows us to share the quality scores of physicians and hospitals so members can make selections based on those scores. Cost information can also be shared to make price transparency a reality. More members today have out-of-pocket costs, co-pays or deductibles, so sharing this 'price tag' information allows them to know in advance what certain procedures will likely cost. Also, members can check their health with an appraisal tool that gives them a health profile and prompts them to ask questions when they see their doctor. It's all about controlling risks for diseases.

Should employers be concerned about their employees' personal health information being kept electronically?

They need to be aware but not worried. Health information is processed under federal laws and the Health Information Portability and Accountability Act (HIPAA). Both providers and doctors consider members' health information as protected. Health insurance companies have to make sure it's protected and only the right people have access to it, so it's well guarded.

What other value does this new technology allow health insurance companies to offer to its members?

It allows us to summarize holistic health information about a member, incorporating elements such as health risk appraisals, pharmacy data, physicians' data and lab data. This information is secure and available for members to review online so they can be engaged in their health status and costs. Leading health insurance companies consolidate this information and work with members' doctors to ensure that the best care is delivered at the best time. They also promote wellness by making it easier for their members to lead healthy lives. <<

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