

**INGENIX®**

**A Cure for Health Care Payers'  
Paper Dependency**

Introducing Exante Electronic  
Payments and Statements Solution



## Introduction to Exante Electronic Payments and Statements

Exante Electronic Payments and Statements Solution is a complete, fully integrated electronic health care reimbursement and remittance delivery system that replaces today's inefficient and expensive paper-based process. It helps health care payers accelerate adoption of electronic reimbursement and remittance processes to gain greater efficiencies and achieve significant savings, while supporting providers as they make the transition from paper to electronic delivery.

### Payers Need a Cure for Their Paper Dependency

More than \$2 trillion is spent every year in the United States on health care, a substantial percentage of it in administrative overhead caused by handling paper-based claims and payments.

Processing paper-based payments causes a variety of problems. Administrative costs are high for the delivery of paper checks—the average cost of mailing a check and provider remittance advice (PRA) is between \$0.50 and \$1.50.

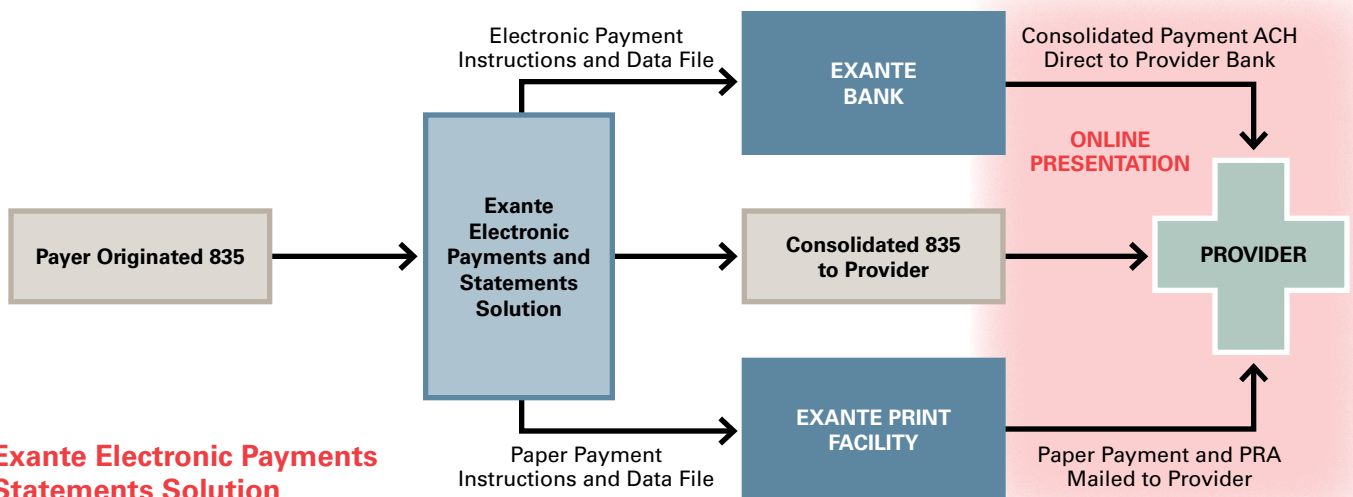
Payers can reap substantial benefits by moving to an electronic remittance and reimbursement solution. This white paper examines the payback that payers can achieve from the Exante Electronic Payments and Statements Solution.

The following pages describe the Exante Electronic Payments and Statements Solution and its business impact, and offer return on investment (ROI) business cases for three typical payer scenarios: a large, a medium-sized, and a small payer. These scenarios were developed to help payers gain an understanding of the efficiencies the Exante Electronic Payments and Statements Solution provides. Although the actual results seen by any individual payer may vary, these scenarios are good starting points for gaining an understanding of the kinds of savings payers can obtain.

### The Benefits of Using the Exante Electronic Payments and Statements Solution

The Exante Electronic Payments and Statements Solution reduces costs for payers, and increases their operating efficiencies. It is the only completely integrated, electronic remittance and reimbursement solution in the market today. Exante has both internal print and bank operations, but can also be bank and print agnostic, and can work with any partner (if the payer wants to continue with its current vendors). The Exante Electronic Payments and Statements Solution has been constructed to be extremely flexible to match the payers operating needs and goals.

There is also an upside to providers as well, including improved cash flow, the elimination of lost and stolen paper reimbursement checks, and the removal of inefficient processes. All of these benefits are available at no cost to



### The Exante Electronic Payments and Statements Solution

the provider. In addition, they save on lockbox banking fees, and can reduce or eliminate manual work steps, such as data entry. Providers also have online viewing, downloading and searching capabilities of 13 months of data.

Payers send their adjudicated claim payment files to Exante in a HIPAA ANSI X-12 835 format. A single 835 data file drives both print and electronic transaction processing. The file is then validated against HIPAA 835 formats and rules, and is split between compliant and non-compliant claim payments.

The Exante Electronic Payments and Statements Solution next runs the payer file through a consolidation engine to combine multiple payments to the same provider into one payment. The electronic remittance advice (ERA) is delivered to the provider directly or alternatively through a clearinghouse company, or returned to the payer.

Payers can deliver payments in multiple ways to Exante Bank—funds can be transferred via automated clearing house (ACH) or electronic funds transfers (EFT). Exante Bank then breaks the transfer down to the provider level and payments are electronically transferred to provider's bank account.

The ERA contains the EFT reference number, that helps the provider tie the ERA with the EFT allowing for easier reconciliation of payments. Provider access to ERA and payment information is via a single sign-on (SSO) through the payer's Web site, enabling closer communication between provider and payer.

The Exante Electronic Payments and Statements Solution is a completely integrated, electronic solution that processes print payments as well as electronic payments. Paper payments are sent to Exante's print facility, and the resulting paper payment and provider remittance advice (PRA) are mailed to the provider. Print transactions are efficiently processed from the print facility, which processes 1.2 billion images and mails more than 250 million pieces annually.

## Key Benefits of the Exante Electronic Payments and Statements Solution

The Exante Electronic Payments and Statements Solution helps payers accelerate the adoption of electronic remittance and reimbursement processes, driving greater efficiency and yielding estimated administrative cost savings of 20% to 50% compared to paper-based transactions.

For payers, the average cost of mailing a check and provider reimbursement advice (PRA) is between \$0.50 and \$1.50. The Exante Electronic Payments and Statements Solution eliminates unnecessary expenses such as banking fees, postage, printing, manual labor processes, raw material holding costs, and calls related to the status of checks. Voided/returned checks can be eliminated, in addition to the process and expense of reissuing the check.

Contact center costs can also be reduced. Missing, late, lost, or inaccurate checks and confusion about the status of claims can lead to increased calls to contact centers. These types of calls are longer than typical "quick answer" calls. This means that not only is call volume increased by these problems, but the average resolution time of each call is longer as well. The Exante Electronic Payments and Statements Solution can dramatically reduce call center costs because it reduces issues related to problems with checks and claims status.

Exante's large enrolled provider network ensures that payers will see immediate results. More than 42,000 provider Tax Identification Numbers (TINs) are already enrolled in the Exante Electronic Payments and Statements network, and thousands of new ones sign up monthly. Between eight and 10 million claims and more than \$1.5 billion in electronic fund transfers (EFT) are processed monthly. Thus, payers who sign up can quickly activate many high-volume providers and achieve immediate cost savings. For most payers, between 20% and 40% of claims originate from providers already enrolled.

Exante has spent three years and millions of dollars building its network, and it continues those efforts today. Toward that end, Exante offers comprehensive provider enrollment services and partners with payers to identify and target new enrollees. As Exante continues to bolster their provider network, the Exante Electronic Payments and Statements Solution is able to offer increasing administrative cost savings opportunities to payers.

Alternative products in the market solve the ERA and EFT pieces of the solution separately. The real challenge in developing any electronic remittance and reimbursement solution is to integrate ERA and EFT. Having separate ERA and EFT solutions does not help providers, and can actually increase the difficulty of reconciling payments. Only a truly integrated solution can drive down administrative costs.

## Administrative Expenses Reduced by the Exante Electronic Payments and Statements Solution

Paper

Postage

Manual labor

Printing equipment

Floor space

Raw material holding cost

Banking fees

Voided / returned checks

Claim status call inquiries

Calls related to voided, lost, and stolen checks

Vendor account management cost

## The Business Case for the Exante Electronic Payments and Statements Solution

Exante collaborated with an independent research organization that specializes in ROI and cost-benefit analysis to perform an objective study of the financial returns generated by the deployment of the Exante Electronic Payments and Statements Solution. The organization examined the ROI and the financial impact under three scenarios: a large, a medium-sized, and a small payer group. For the purposes of this study, a large payer group was defined as one with 1.5 million members. A medium-sized payer group was defined as one with 750,000 members. A small payer group was defined as one with 150,000 members.

The three scenarios should be used as general guidelines only. There is no guarantee that any particular payer will recognize the exact benefits as detailed in this white paper. But each scenario represents a good starting point to gain an understanding of how a payer may benefit.

A detailed business analysis of the solution reveals the following highlights, based on a five-year study period:

- A large payer group can gain a cumulative, projected five-year net benefit of \$5,057,227 with an ROI of 46% and a payback period of two months.
- A medium-sized payer group can gain a cumulative, projected five-year net benefit of \$5,015,130 with an ROI of 66% and a payback period of two months.
- A small payer group can gain a cumulative, projected five-year net benefit of \$967,455 with an ROI of 57% and a payback period of nine months.
- In all three scenarios, the benefits are driven by the reduction of paper-based costs, such as paper, envelopes, and stamps; a reduction in costs to void and reissue checks; and a reduction in the number and complexity of calls to contact centers.

## Overall Assumptions

For the purposes of this study, we have assumed that for each payer group, 25% of the providers are already enrolled in the Exante Electronic Payments and Statements network, and that number will grow at a 30% compound annual rate.

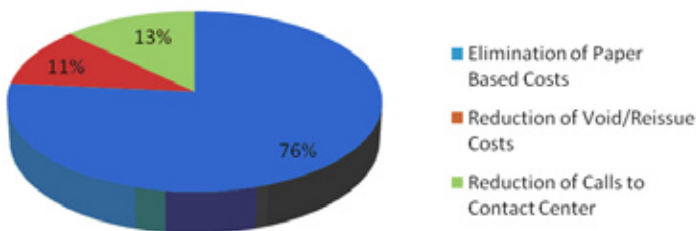
## Large Payer Group

A large payer group is able to benefit from economies of scale, and therefore is able to drive down its administrative costs per claim, compared to smaller groups. As a result of deploying the Exante Electronic Payments and Statements Solution, a large payer group can gain a cumulative, projected five-year net benefit of \$5,057,227 with an ROI of 46% and a payback period of two months. The individual benefits break down as follows:

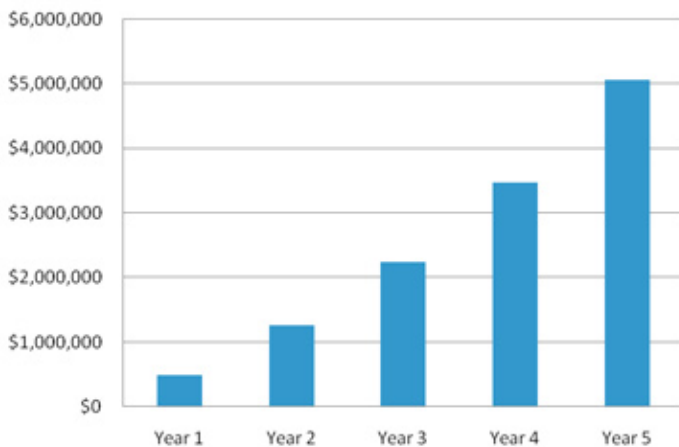
- A projected, cumulative five-year savings of \$12,208,185 due to the reduction of paper-based costs.
- A projected, cumulative five-year savings of \$1,715,928 due to reductions in costs related to voiding and reissuing checks.
- A projected, cumulative five-year reduction of \$2,034,698 in contact center costs.

The following charts provide a detailed, five-year analysis.

### Five-Year Net Benefit = \$5,057,227



### Cumulative Net Benefit



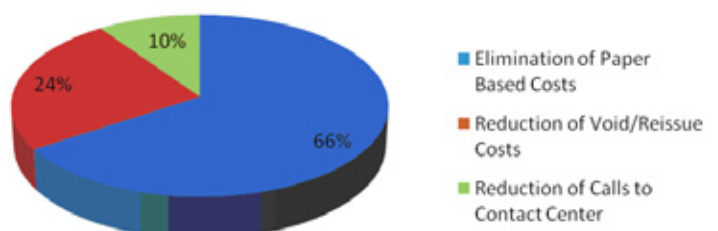
## Medium-Sized Payer Group

As a result of deploying the Exante Electronic Payments and Statements Solution, a medium-sized payer group can gain a cumulative, projected five-year net benefit of \$5,015,130 with an ROI of 66% and a payback period of two months. The individual benefits break down as follows:

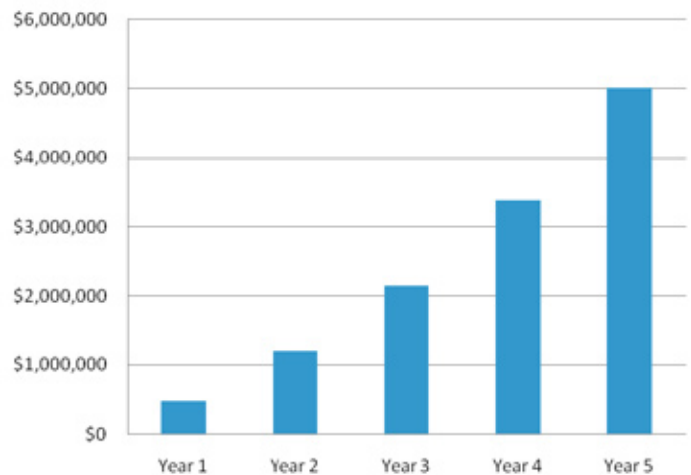
- A projected, cumulative five-year savings of \$8,260,872 due to the reduction of paper-based costs.
- A projected, cumulative five-year savings of \$3,093,351 due to reductions in costs related to voiding and reissuing checks.
- A projected, cumulative five-year reduction of \$1,220,819 in contact center costs.

The following charts provide a detailed, five-year analysis.

### Five-Year Net Benefit = \$5,015,130



### Cumulative Net Benefit



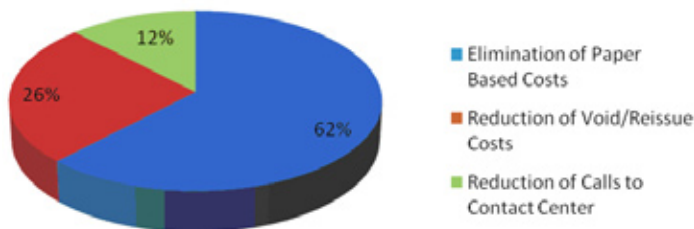
## Small Payer Group

As a result of deploying the Exante Electronic Payments and Statements Solution, a small payer group can gain a cumulative, projected five-year net benefit of \$967,455 with an ROI of 57% and a payback period of nine months. The individual benefits break down as follows:

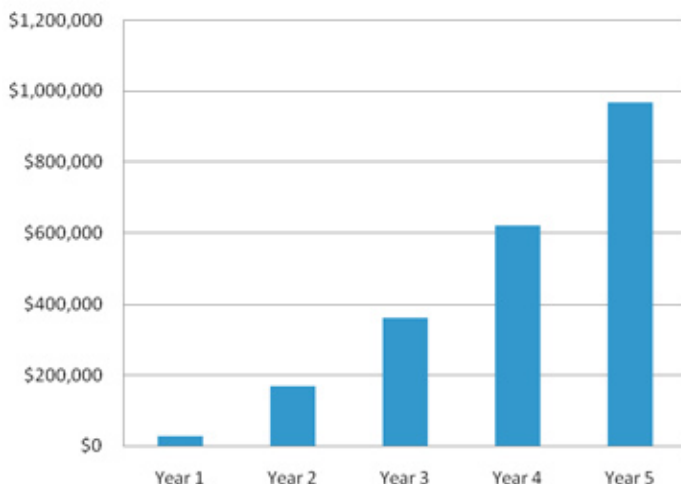
- A projected, cumulative five-year savings of \$1,652,174 due to the reduction of paper-based costs.
- A projected, cumulative five-year savings of \$679,711 due to reductions in costs related to voiding and reissuing checks.
- A projected, cumulative five-year reduction of \$325,552 in contact center costs.

The following charts provide a detailed, five-year analysis.

### Five-Year Net Benefit = \$967,455



### Cumulative Net Benefit



## Summary

The Exante Electronic Payments and Statements Solution helps payers accelerate the adoption of electronic remittance and reimbursement processes, driving greater efficiency and yielding material administrative cost savings. It significantly reduces administrative costs related to the delivery of paper checks, and reduces contact center costs. Migrating providers to the Exante Electronic Payments and Statements Solution saves payers between 20% and 50% in administrative expenses compared to paper-based transactions. In addition to these benefits, payers also improve provider relations and the overall provider experience, by satisfying the market demand for an electronic remittance and reimbursement solution.

A detailed business analysis of the solution, based on a five-year study period, shows that a small payer group can gain a cumulative, projected five-year net benefit of \$967,455 with an ROI of 57% and a payback period of nine months. A medium-sized payer group can gain a cumulative, projected five-year net benefit of \$5,015,130 with an ROI of 66% and a payback period of two months. A large payer group can gain a cumulative, projected five-year net benefit of \$5,057,227 with an ROI of 46% and a payback period of two months.

## More About the Exante Electronic Payments and Statements Solution

- The Exante Electronic Payments and Statements Solution is a completely integrated, electronic remittance and reimbursement solution
- Payers can save between 20% and 50% in administrative expenses compared to paper-based transactions
- Payers can expect to migrate between 20% to 40% of their provider network to the Exante Electronic Payments and Statements Solution immediately
- Exante has the largest provider network, with more than 42,000 TINs, and thousands of new ones signing up monthly
- Exante actively recruits paper-based providers to the Solution and has spent three years and millions of dollars building its network
- The Exante Electronic Payments and Statements Solution processes more health care payments than anyone: eight to 10 million claims and more than \$1.5 billion in EFTs are processed every month

**Call us today at 1-800-765-6034 to learn more about Exante Electronic Payments and Statements Solution**

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