



CAROLINAS HEALTHCARE SYSTEM

Case Study

Client:

Carolinas HealthCare System
(CHS)

Challenge:

Reduce costs associated with transactions of patient eligibility and benefit verification information

Solution:

CSC DirectConnect, a flexible open-source system that uses the Internet to connect providers and payers directly with no transaction fees

Results:

An estimated \$300,000 in annual savings, improved data architecture flexibility, a more controllable user interface and easier expansion to new or alternate carriers

Health System Cuts Costs with Online Billing

CSC's DirectConnect online system, which connects healthcare providers and payers, goes live at Carolinas HealthCare System.

As fast as technological advances revolutionize the practice of modern medicine, the latest IT solutions are also enhancing behind-the-scenes processes for major U.S. healthcare systems.

Verifying patients' insurance eligibility is one example of a task that is often inefficient for many medical providers. While the eligibility checks are essential to reveal a variety of health plan specifics, to do them electronically often requires a costly transaction fee-based process which includes billing and follow-ups.

CSC's DirectConnect allows many of our healthcare clients to transmit millions of transactions and billions of dollars worth of claims at much lower costs than traditional clearinghouses or payer portals. The solution recently went live at Carolinas HealthCare System (CHS), the largest healthcare system in the Carolinas, and the third largest public system in the nation. Cut costs, not care CHS viewed DirectConnect's open-source, Internet-based delivery model as the best solution to reduce a costly fee-based transaction process for their operations, comprising over 4,900 licensed beds and supporting more than 800 physicians.

The solution went live in December 2008. It leverages HIPAA (Health Insurance Portability and Accountability Act) and CAQH (Council for Affordable Quality Healthcare) Committee on Operating Rules for Information Exchange (CORE) transaction standards without per-transaction fees, eliminating the need for a middleman in the health transaction exchange, lowering costs to verify eligibility, deliver claims, follow up on billing and receive electronic remittances.

"Our challenges were cost and timing of responses from carriers," says Jim Burke, IT director at CHS. "We used a local vendor prior to CSC, and DirectConnect is similar to our "old way" of doing things, but allows us to access the data at a lower price point and uses a model where we have more control over the interface and the message contents."

DirectConnect gives users the flexibility to control how they communicate with insurance carriers in real time. The revenue cycle-enabling solution is not only cost-effective, but also simplifies transactions compared to CHS's old model.

For example, DirectConnect members use eligibility and benefit verification to automatically verify insurance coverage for their "no-touch" claims, such as reference labs and ambulance transport. Claim Status Inquiry through DirectConnect allows sites to follow up on every inpatient and outpatient claim to ensure it was delivered to the correct payer and is in processing for payment.



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—Jim Burke, IT Director at CHS

About CSC

The mission of CSC is to be a global leader in providing technology-enabled business solutions and services.

With the broadest range of capabilities, CSC offers clients the solutions they need to manage complexity, focus on core businesses, collaborate with partners and clients, and improve operations.

CSC makes a special point of understanding its clients and provides experts with real-world experience to work with them. CSC is vendor-independent, delivering solutions that best meet each client's unique requirements.

For 50 years, clients in industries and governments worldwide have trusted CSC with their business process and information systems outsourcing, systems integration and consulting needs.

The company trades on the New York Stock Exchange under the symbol “CSC.”

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“It is a significant financial benefit to our organization and will become more significant as we add other providers to the network,” Burke says, estimating an annual savings of \$300,000. “Besides cost savings, we now have more flexibility in data architecture, more direct control over the interface, and easier expansion to new or alternate carriers.”

Our work with the New England Healthcare EDI Network (NEHEN), a multi-entity collaborative of payers and providers in Massachusetts, broke the mold and forms the core for this solution. While much of the same infrastructure was used, the CHS implementation shows the value of DirectConnect for even single organizations as well, says Laurance Stuntz, who leads DirectConnect for CSC.

Over the past 10 years, other clients reusing the software and our vast healthcare revenue cycle process and EDI implementation expertise include Partners Healthcare, Blue Cross/Blue Shield of Massachusetts, Children’s Hospital in Boston, Boston Medical Center, Tufts-New England Medical Center and NYU Medical Center.

“We take the information learned and software developed from previous projects and use it to help our new clients save a lot of money,” says Stuntz. “The savings come from eliminating transaction fees and from labor savings gained through automating previously manual tasks. With a transaction fee model, the problem clients run into is that their costs go up and up as they expand their use of the solution. Ours is a fixed price — [the client] pays for the software and support and it comes as one embedded subscription model. They don’t have to retrain their users to use this. It sits behind the scenes and makes it easier and faster for those using the core systems to communicate with their payers.”

Visit www.csc.com/directconnect.