Repricing in terms of claims

Contracting with Hospitals, Pharmacies and Labs

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ASSIGNMENT 2
TIMINGS – 2PM TO 3:30PM, BIRD LIBRARY
GROUP 6

Context

Healthcare Self-Insurance and Consulting Group provides self-insurance services to a variety of clients including Universities and organizations. With increasing customer base and provider network, group has decided to provide further advantages to customers by repricing the claims. Repricing is the process of reducing the original claims received from hospitals, pharmacies and labs, based on a contract signed by the insurance group and the provider network for a discount. When the cost of visit is reduced, customers will see this as the "repriced amount" on the explanation of benefits that the insurance company mails. Generally speaking, a repriced amount is a good thing for consumers, because it means that consumers get more value for health care dollars.

In-order to implement repricing system, group has decided to develop and install an IT system as part of it's new repricing department to store and manage data about different provider networks, pharmacies, labs and hospitals and their corresponding discounts. Hence, when a claim is filed by any hospitals/pharmacies/labs in provider network, the repricing system together with IT department and finance team will apply the discounts, and generate and deliver new repriced claim to self-insured customers.
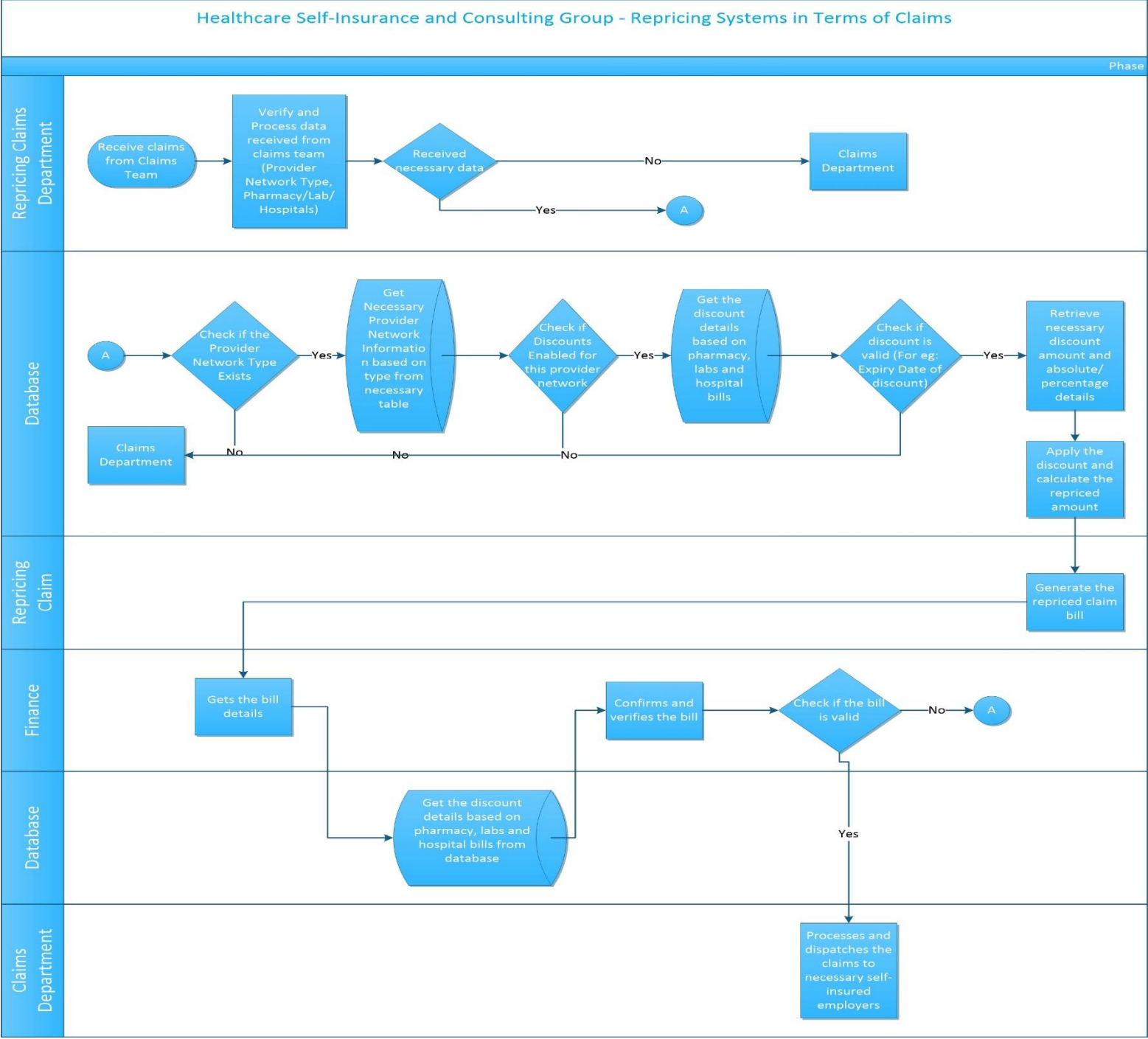
SWIM LANE DIAGRAM

Figure 1 Healthcare self-insurance and consulting group - internal processing of repricing claims

Healthcare Self-Insurance and Consulting Group – Contracting with Hospitals, Pharmacies and Labs
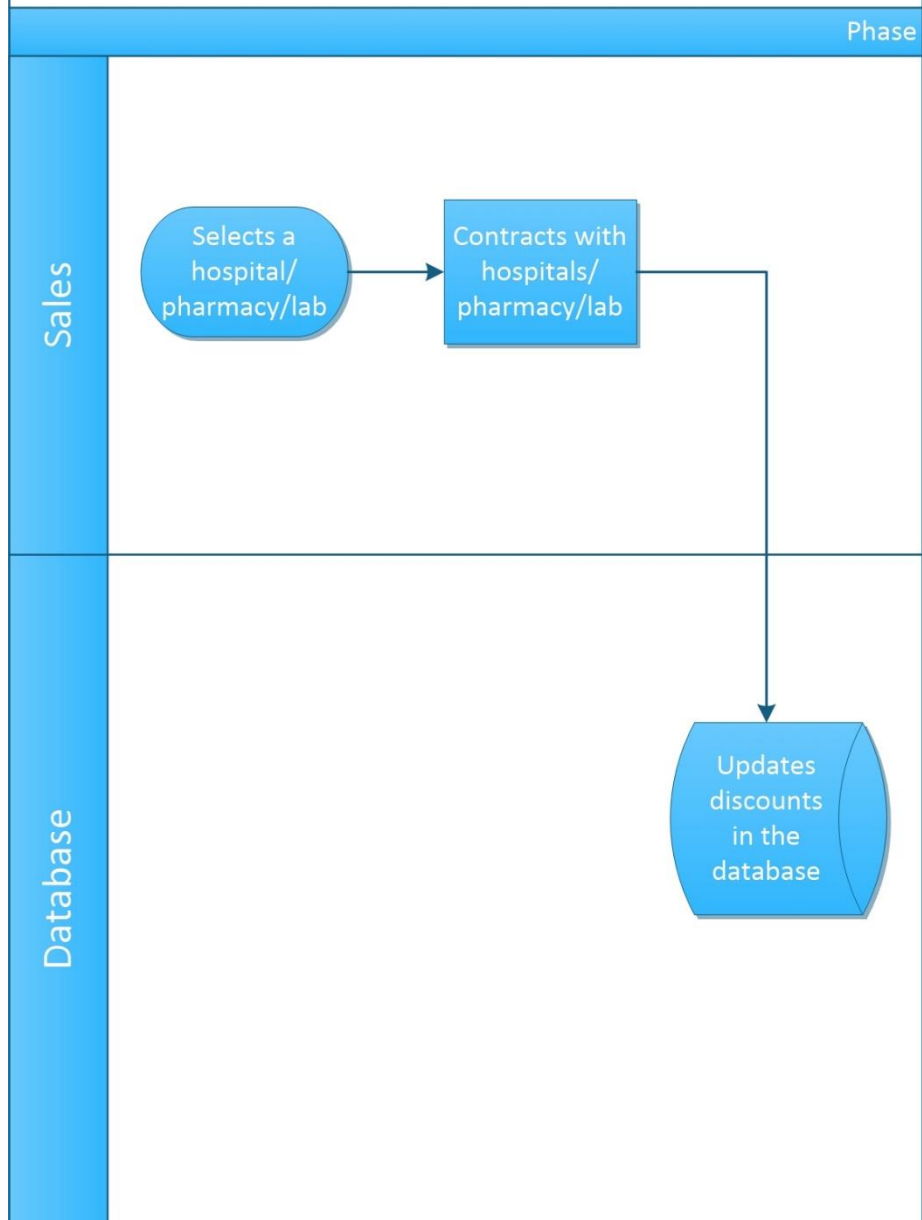
Phase

Sales

- Selects a hospital/pharmacy/lab → Contracts with hospitals/pharmacy/lab

Database

- Updates discounts in the database

Figure 2 Healthcare Self-Insurance and Consulting Group - Contracting with Hospitals/Pharmacies/Labs and updating Internal IT systems
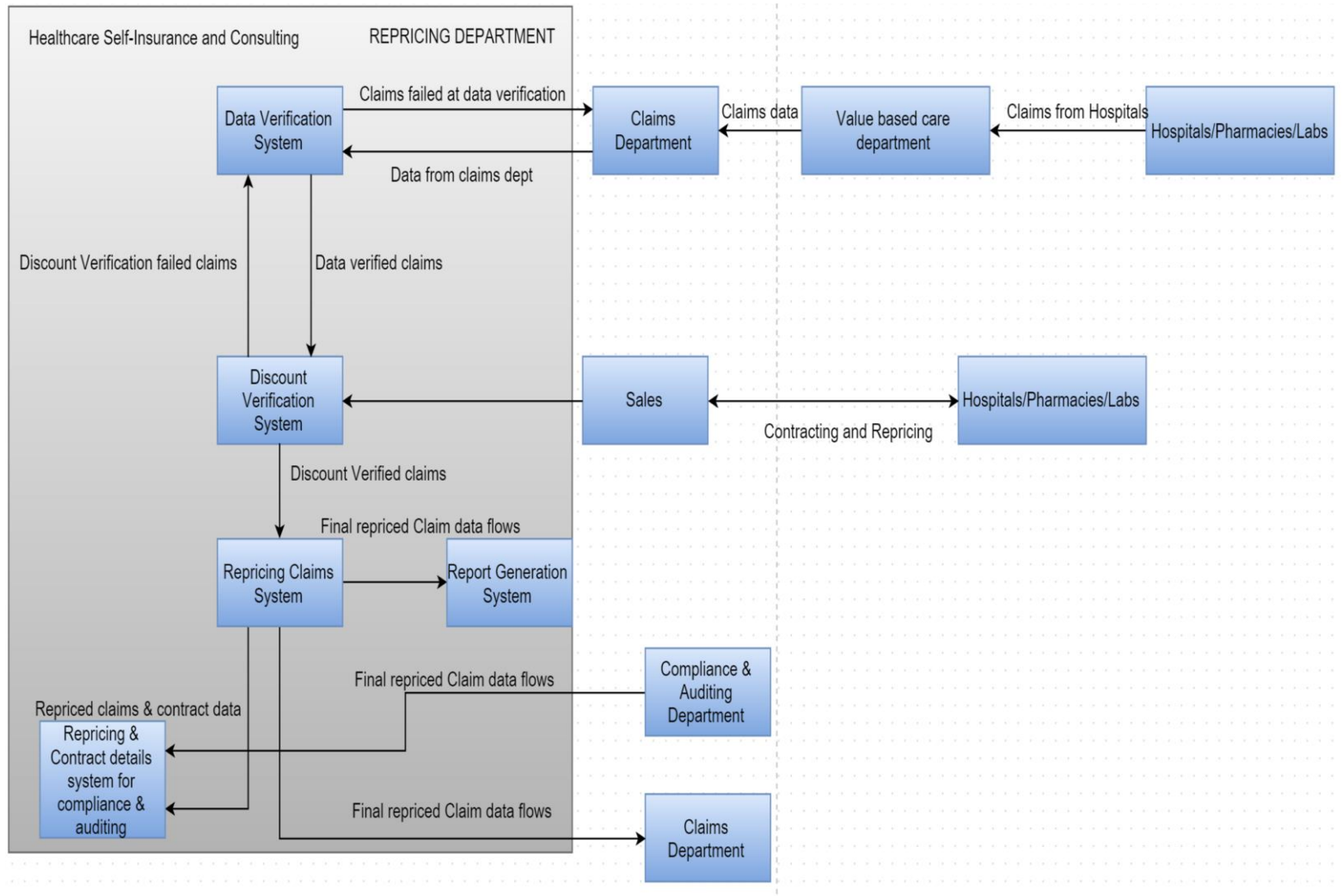
DATA DEPENDENCY DIAGRAM

Figure 3 Healthcare Self-Insurance and Consulting Group - Data flow between internal and external departments

The above diagram shows data flow between various departments internally and externally of Healthcare Self-Insurance and Consulting Group.

Departments & Systems:

Internal Systems to Repricing System:

1) **Data Verification System** – This system checks whether necessary data are available for all the claims processed and entering into repricing department from claims department.
2) **Discount Verification System** - This system processes the claims by checking the discounts applicable to claims using data obtained from claims.
3) **Repricing Claims Processing System** – This system processes the claim further by applying the discounts and loyalty points applicable.
4) **Report Generation System**– This system processes the repriced claims to generate reports for customers as well as stakeholders.
5) **Repricing and Contract details system for compliance and Auditing**– This system enables auditing department to view repriced claims, original claims, and contract details for auditing purpose.

External Department:

1) **Hospital/Pharmacy/Labs** – Data flows from these external departments in the form of claims and also, discount details as part of contracting with sales department in group.
2) **Claims Department** – This department processes original claims and sends it to repricing department.
3) **Value Based Care Department** – This department processes claims from hospitals/labs/pharmacies and checks whether they are value based.
4) **Sales** – This department negotiates with hospitals/pharmacies/labs for making contracts regarding allowed amount.
5) **Compliance & Auditing Department** – This department takes data from **Repricing and Contract details system** for auditing purpose.