



## GOLD LION ASSOCIATES, INC.

PROJECT MANAGEMENT & BUSINESS ANALYSIS  
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### INDUSTRY

Insurance

### ROLE

Senior Consultant and  
Business Architect

### CHALLENGES

TPA was processing approximately 7,000 to 10,000 medical claims (HCFA-1500 and UB-92) forms and associated correspondence per day. Their existing process for handling medical claims was mostly manual and people intensive.

### SOLUTION

Gold Lion Associates, Inc. and its associate, DAB Enterprises, Inc., recommend a Document Imaging Management System (DIMS) solution that would meet the performance goals of the TPA.

### BENEFITS

TPA expects to reduce its staff by 28 people or 35 percent. This translated in budgeted dollars: from \$2,514,470 to \$879,072, resulting in savings of approximately \$1.6 million the first year.

**A leading group benefit plan marketer and Third Party Administrator (TPA) needed the ability to process 7,000 to 10,000 medical claims (HCFA-1500 and UB-92) forms and associated correspondence per day, without increasing their staff.**

**Challenges** – A leading group benefit plan marketer and administrator (TPA) is a large provider of benefits administration to over 5,000 businesses throughout the nation. The company is responsible for processing approximately 7,000 to 10,000 medical claims (HCFA-1500 and UB-92) forms and associated correspondence per day. Their existing process for handling medical claims was mostly manual and people intensive. The following is an overview of the process that existed for claims processing:

**Mailroom** - Every day mail is received and separated into Brokerage and Benefit mail. If it is Benefit mail, the envelope is opened, identified, and filed on mailroom shelves. Each day the claims are gathered from the shelves and put into a folder for distribution by Claims Analysts. The folder is then sent to Pre-Processing.

**Pre-Processing** - Claims are received from the mailroom in the folder. Each Pre-Processor is teamed with a Claims Analyst. The Pre-Processor examines the cover sheet for the proper information. If everything checks out, the claim is Pre-logged into the claims system with the following information: SS#, Patient Name, Verify PPO, MR date, Document Code and Provider ID.

**Claims Analysis** - The majority of claims forms are viewed “on-line”. Claims with a “Green Flag” must be reviewed with their original documents. Major medical procedures must be flagged. There is a list of guidelines to be followed.

**Re-Pricing** - All in-house claims go to Re-Pricing. Pricing information is received from EDI feeds, spreadsheets and dialup.

**Claims Processing** - Two types of claims are processed: clean and dirty. Sixty percent of the claims are “clean” and can be processed within 2 minutes each. Forty percent of the claims are “dirty” and take 10 - 30 minutes to process. If claim is dirty, the information must be researched.

**Solution** – Gold Lion Associates, Inc. and its associate, DAB Enterprises, Inc., worked with the TPA to perform a financial analysis and recommend a Document Imaging Management System (DIMS) solution that would meet the performance goals of the TPA. Based on the financial study, it was decided that the scanning process would be performed in-house, while the Optical Character Recognition (OCR) and Validation would be out-sourced. Document images and associated indexes received are imported into the DIMS via custom interface module. The new scanning process consists of: Preparation, Scanning, Recognition/Validation and Release. A brief explanation of the new process is as follows:

**Preparation** - Document preparation begins in the mailroom and is very similar to the existing manual process. Benefits mail is opened, identified and sorted by document/form type: HCFA-1500 forms, UB-92 forms and correspondence. The forms are then inspected for suitability for scanning (legibility, staples, etc.).

**PROJECT SYNOPSIS**

This project took a look at the current processes and the current “Best of Breed” scanning and OCR technology to see what the feasibility is to automate the processing of HCFA-1500 and UB-92 forms along with associated correspondence. In addition, two implementation strategies were looked at, in-house vs. out-sourcing various processes.

The TPA decided to implement PaperFlow, for document capture, and Enterprise PaperVision for DIMS services from Digitech. This was an economic solution that met the TPA’s processing needs.

**IN ASSOCIATION WITH:**

DAB Enterprises, Inc., an information systems, services and technology solutions provider.

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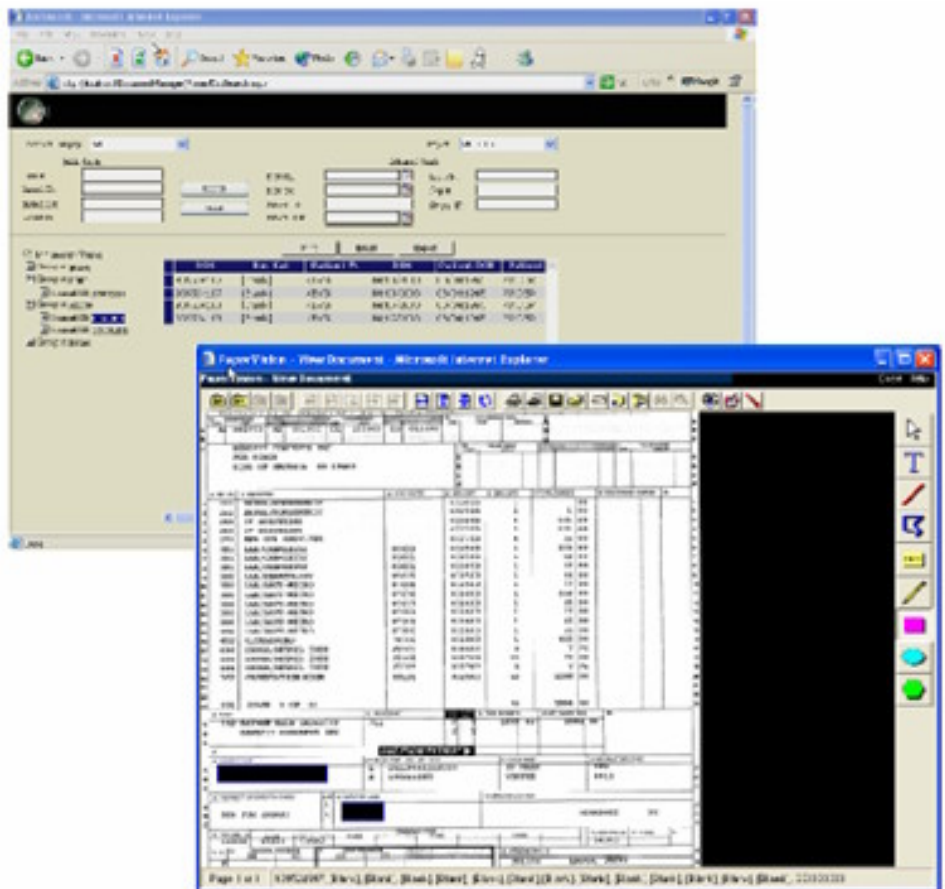
**Scanning** - Documents are fed through the scanner and processed by outsourcer’s scanning software. When processed, the documents are stored in a temporary folder on the scan server.

Information pertaining to the documents being scanned is stored in a database on the scan server. This information will be input into the DIMS on a nightly basis using PaperVision’s Import function.

**Recognition/Validation** - The next step occurs when copies of the documents are transmitted to the outsourcer for Optical Character Recognition (OCR) and Validation. When the validation is completed, the outsourcer sends the completed indexes to the Company in the form of ASCII text files.

**Release** - The final step is to process the ASCII files received from the outsourcer to update the indices in the DIMS and the TPA’s claims management system.

The DIMS combined the back-end imaging system support functionality with an intuitive, powerful graphical user interface for searching, retrieving and managing documents.



**Business Benefits** – Benefits were both financial and operational. The TPA’s Return on Investment savings gained from implementing a document/data entry system is based on staff reductions. As stated earlier, the TPA expects to reduce its staff by 28 people or 35 percent. This translated in budgeted dollars: from \$2,514,470 to \$879,072, resulting in savings of approximately \$1.6 million the first year.

Processes time was decreased while at the same time allowing the Company to increase the volume of HCFA 1500 and UB-92 forms from 8,000 to 12,000 a day without any increase in staff.