Joint Venture Convinces Providers To Conduct Business Online

In less than two years, a Florida company has been able to convince almost half the physicians and all of the hospitals in that state to conduct their business on the Web rather than by phone or fax. More than one million transactions a month are now sent electronically, saving payers millions of dollars a year.

The secret to this success is that two major health plans in the Florida market are working together to get providers to use a common portal, rather than pursuing their own proprietary Web sites. Providers are more likely to use a single site that can handle a large share of their work than numerous sites, the payers have found.

The company providing the common site is Availity, LLC, based in Jacksonville, Fla. It is a joint venture between Blue Cross and Blue Shield of Florida and Humana. "We do transactions electronically over the Internet and make it much easier for the providers, especially the physicians' offices, to very rapidly send their transactions to the insurance companies," explains Julie Klapstein, Availity's CEO.

Providers can use the firm's portal to get eligibility and benefits information on patients, check the status of claims, send claims electronically, refer patients to specialists, and receive authorization for hospital services. "It is much easier to do it if they can just go onto Availity's Web site and do it in a minute, instead of having to use the phone and wait for the answer," she says.

Manual transactions cost insurers $15 on average, she says, but the cost of an electronic transaction is in the range of 25 cents to 35 cents.

That means the potential savings are enormous, if enough providers can be convinced to use the Web.

One of the difficulties that providers face in making the transition, Klapstein says, is that there are so many different Web sites for them to use. If each payer has it own site, staffers have to learn how each one works, which is a big barrier to using them, she says.

But Availity allows physician offices to access multiple health plans in one place. Together BCBS and Humana have 36 percent of the Florida market, she says, which means that the plans have enough critical mass to make it worthwhile for providers to use the jointly-owned portal. "Instead of providers only being able to do a few transactions and then having to go to a different Web site to do a few more, they can go to one place," says Klapstein.

Availity also offers help with technical issues and does batch transactions of claims, she adds, so the providers only have to use one vendor. The service is now being used by 18,000 out of Florida's 40,000 physicians, and all 208 hospitals in the state.

The joint venture between the payers has allowed them to market the common Web site to providers much more effectively than they could on their own, Klapstein continues. "The providers see one face, whether it be Availity, whether it be Blue Cross, or whether it be Humana, we are all marketing Availity," she says.

If payers in other states want to duplicate the success that has been achieved in Florida, the major players in a market should get together

behind a solid vendor with quality staffing and act quickly to gain critical mass, Klapstein advises.

If each provider sticks with its own Web portal, chances are that none will be successful, she emphasizes. "Humana and Blue Cross had their own Web portals before Availity and they were proprietary. They were not nearly as successful as they are combined."

Providers have clearly shown that they want to do most of their business on one Web site, Klapstein says. "If everyone gets together, the providers will use it."

Does joint operation of a Web site mean the health plan will lose its brand identity? Not at all, she says. When providers access the Availity Web site they must first choose which payer to do business with, she explains. "The payer's brand is right on the screen. It does not go away. As they get into the system, we are actually connected to the payer's backend systems in a seamless manner."