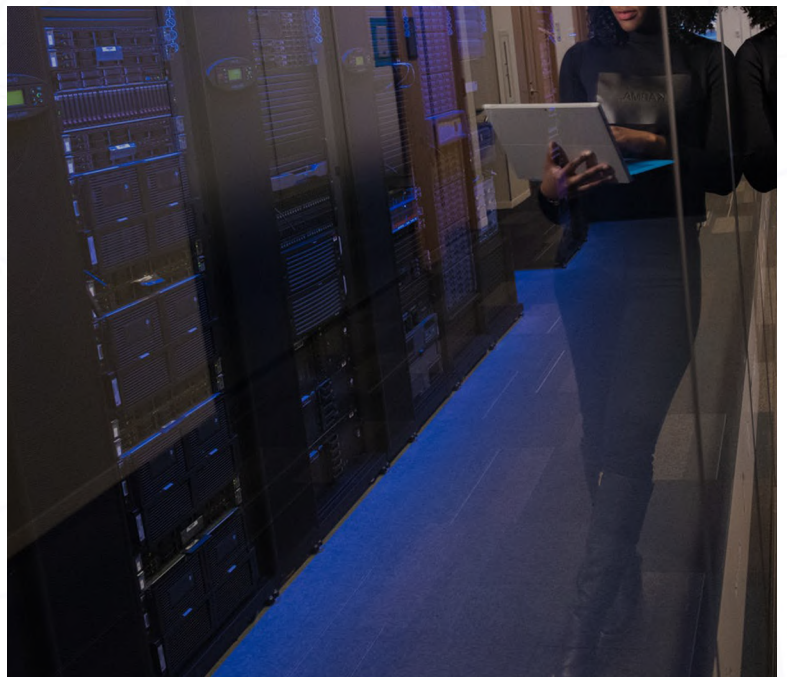


Significance of EDI solutions for Healthcare Intermediaries

Role of a Software Development Partner

Healthcare, like many other industries, is data-rich. Digital information gets generated in many ways and in varied forms. To leverage the potential it has to bring about a paradigm improvement in healthcare outcomes, it is imperative to devise ways to store, transfer, and access it in ways that are legitimate and convenient; and later analyze and act upon the insights that they offer. A strong infrastructure forms the cornerstone of this approach. And EDI (Electronic Data Interchange) forms one of its most critical components.



EDI refers simply to the general interchange of data via a software solution. However, there are different types and standards of EDI that can be applied within a chosen framework. For example, EDI types include:

- Direct EDI, or point to point -- A single connection between two points
- EDI via VAN -- An EDI handled across a managed Value Added Network
- EDI via AS2 -- Secure EDI delivered via internet access
- Web EDI -- EDI services conducted across a web browser

The different EDI standards that exist are

- EANCOM -- A widely used EDI standard in healthcare, construction, and publishing
- HIPAA -- A standard designed specifically for the North American healthcare system and based on X12 message sets
- Odette -- A European standard for EDI transmissions

Healthcare entities in the US and Canada predominantly use the HIPAA standard -- Health Insurance Portability and Accountability Act, enacted in 1996. Therefore it becomes necessary for all such entities to work with software development partners who are well versed in X12 based protocols.

Intermediaries and their dependence on EDI

The structure of modern healthcare necessitates that healthcare organizations work with intermediaries. This, of course, means sharing and collaborating across digital connections, often dealing with data that is highly sensitive and critical to the function of the healthcare entities. It is this proliferation of data, as well as its importance to healthcare, that makes EDI such a vital part of any organization's functioning.

Typically, intermediaries could be:

- RCM/Billing companies
- Clearinghouses
- Healthcare Information Exchanges
- Healthcare Training Providers
- Collaborative Bodies bringing together a number of healthcare providers
- Local Management Boards, or LMBs

These are a few examples of intermediaries the healthcare entities work with on an ongoing basis. The ecosystems that exist are generally wide and diverse, with huge amounts of information getting transferred back and forth, and often in real time. The significance of having robust EDI solutions is therefore quite high given that information exchanges form the basis of the collaborations that exist between the entities that make up an ecosystem. But this does not mean that the EDI solutions themselves are perfect. Nor does it mean that these solutions support all of the needs of the healthcare entities that deploy them. Let's have a look at some of the issues that exist.

Problems Associated with EDIs in Healthcare

High Cost	Many healthcare providers find the high cost of using an EDI solution to be prohibitive. These organizations find themselves working with generic solutions which do not wholly support their requirements, simply because the cost of tailoring a solution is too high.
Lack of Transparency	When it comes to generic solutions, it is not always easy for healthcare organizations to ascertain where their data is going and how it is getting used. While intermediaries and EDI solution providers are bound by the laws of the land regarding data protection, this lack of transparency is a cause of concern.
Low Speed	Healthcare organizations need to be able to quickly send and receive data, in real time in many cases, even while working on collaborative projects. This cannot be accomplished if the EDI's transfer speed is slow.
Scalability Issues	As data volumes increase, the strain placed upon an EDI solution grows, directly impacting its functionality and speed. Healthcare organizations are designed to scale and grow so as to provide more individuals with the care and services they need. An EDI solution is expected to keep pace with it.
Lack of Compatibility	It is important for healthcare organizations to be agile and flexible, and this means working across multiple devices. If an EDI solution is not able to support this kind of cross-device capability, this is a serious problem for organizations seeking to grow and diversify their offerings.



An intermediary can provide a powerful function for a healthcare organization it works with. But let's not forget that the EDI solution is its point of contact with this organization. If the solution falls short, so does the intermediary and what it can potentially offer. In this context, working with a software development partner becomes highly critical for intermediaries if they are to effectively support the organizations they work with; in terms of functionalities, security and scalability.

The Relevance of a Software Development Partner

To explain the same, it is important to first and foremost examine some of the key functions performed by these intermediaries, and the role of an EDI has in each of those.

Insurance Eligibility Verification

When an individual needs treatment, the treatment needs to be funded, for which insurance eligibility needs to be quickly assessed and approved. This means data transfer and verification via the EDI needs to be prompt and reliable so as to not delay the treatment. If the solution is inadequate, the intermediary will find it difficult to complete its function, healthcare providers may miss out on payment, and eligible patients may be left waiting for treatment. No one desires to face such situations.

Claims Processing: Generation, Submission, Status Check

After the eligibility is verified, a claim still needs to be processed by the intermediary. As there are a number of steps within this action, there are several potential hurdles too where data can get stuck. Transparency is the key here. Without an EDI solution that can provide the desired levels of transparency, all parties are likely to be left in the dark. The healthcare provider, for example, won't be certain in terms of what the next steps would be. The patient ofcourse would have to deal with some unnecessary anxiety.

Payment Processing : Insurance Payment Posting & Tracking

Once everything is approved, treatment begins. But there is still work left to be done on the intermediary side. For instance, payments need to be posted and tracked so that healthcare entities, many of which are operate on tight budgets, can receive the funding they need to continue treatment.

Referrals and Authorizations

Healthcare is and always has been a collaborative endeavor. Healthcare entities provide treatment within their areas of expertise and refer patients to others, e.g. specialists, everytime there is a need. This is where the EDI needs to be working at its maximum efficiency to expedite the process and making it possible for patients to access care that they need, without facing unnecessary hassles or other forms of operational delays. Collaborating entities also need to be able to quickly access patient notes and data, helping them to stay legally compliant while providing optimal care to the patient.

Coordination of Benefits

We have already established the importance of collaboration between various Healthcare entities and intermediaries in their endeavor to provide adequate care to patients. This is manifested once again in the coordination of benefits.

A cloud-based EDI, which is fully integrated into the systems of the relevant intermediaries and healthcare entities, enables seamless coordination. This, in turn, can be updated in real time to ensure that the patient has the most streamlined route to the care they need, ensuring precision and accuracy as well as time and cost savings.



What should an Ideal Software Development Partner be like?



The above examples demonstrate the importance of an EDI to intermediaries as well as to healthcare entities these intermediaries serve. It is only by working with the right software development partner, that it can be ascertained that an EDI solution developed is tailored-made to meet the exact needs of all the stakeholders concerned. Besides that, the ability of the partner to address issues and concerns as they arise and offer quick responses is invaluable, since the ecosystem that is served is such that every second that is lost is precious and involves human lives.

Typically, an ideal candidate for a software development partner is expected to be able to offer the following:

- HIPAA 5010 EDI transactions
- Interfacing with RCM service providers
- Rejection analysis
- Compliance validation
- Interactive dashboards and reporting
- Secure cloud-based data storage and collaboration options
- Full integration with the systems hosted by the intermediary and by healthcare providers
- In-depth support and consultation to ensure that all needs are covered
- High connection speeds, even at higher traffic volumes
- Scalable services that grow alongside demand
- Multi-device compatibility and collaboration
- Real-time interactivity and collaboration

If you are keen to know more about the role that a software development partner plays in connecting healthcare providers and intermediaries via powerful EDI solutions, get in touch with our team today.

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