A Medical Banking Briefing for the World Bank

John Casillas
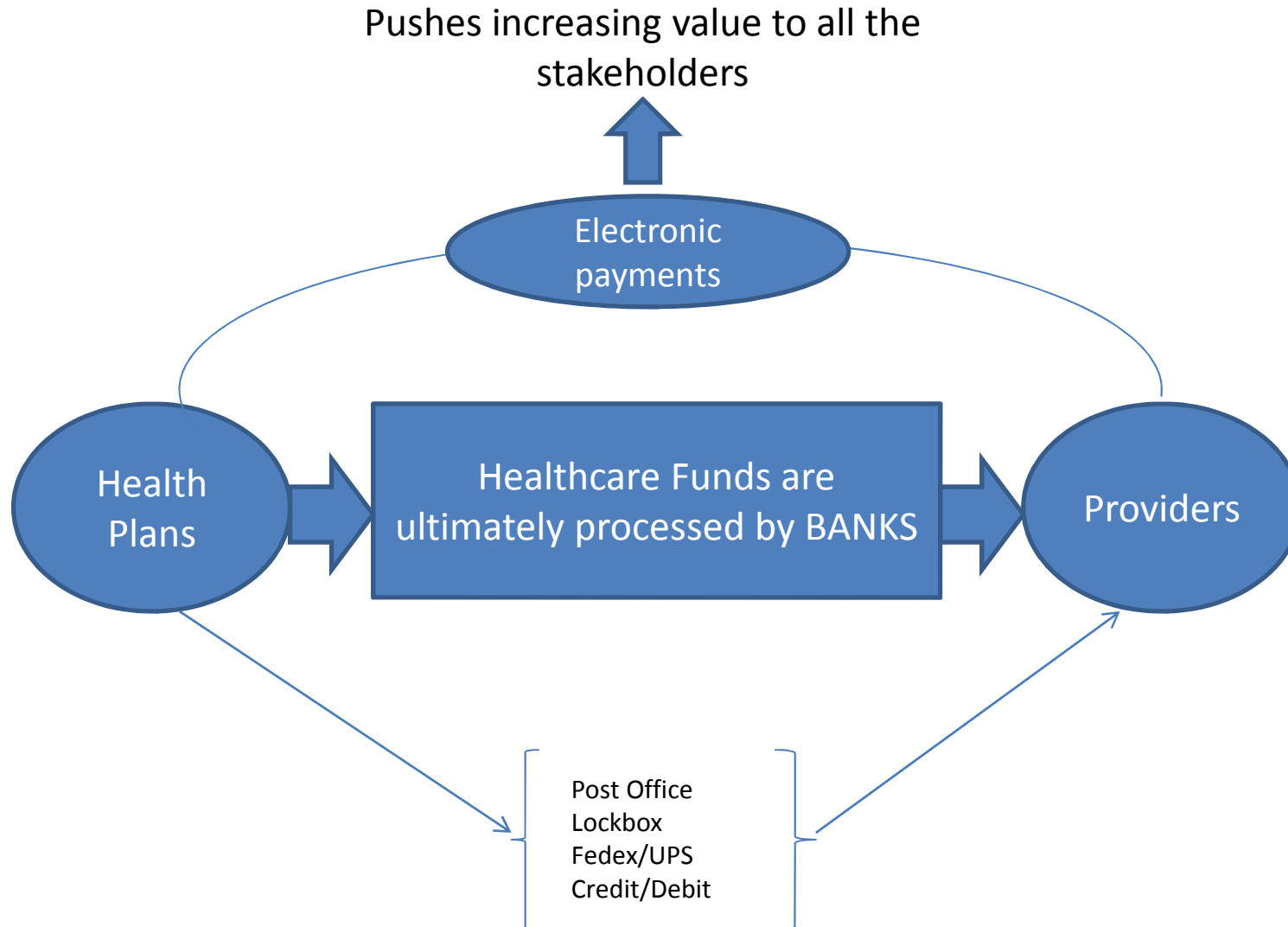Senior Vice President, HIMSS

transforming healthcare through IT™

- **HIMSS Mission**
  - To facilitate use of information technology to improve healthcare
- **HIMSS Business-Centered Systems**
  - Medical Banking Project plus AFEHCT (healthcare financial systems)
- **Approach**
  - Educate the marketplace
  - Facilitate best practices and common standards
  - Support demonstration programs (pilot studies)
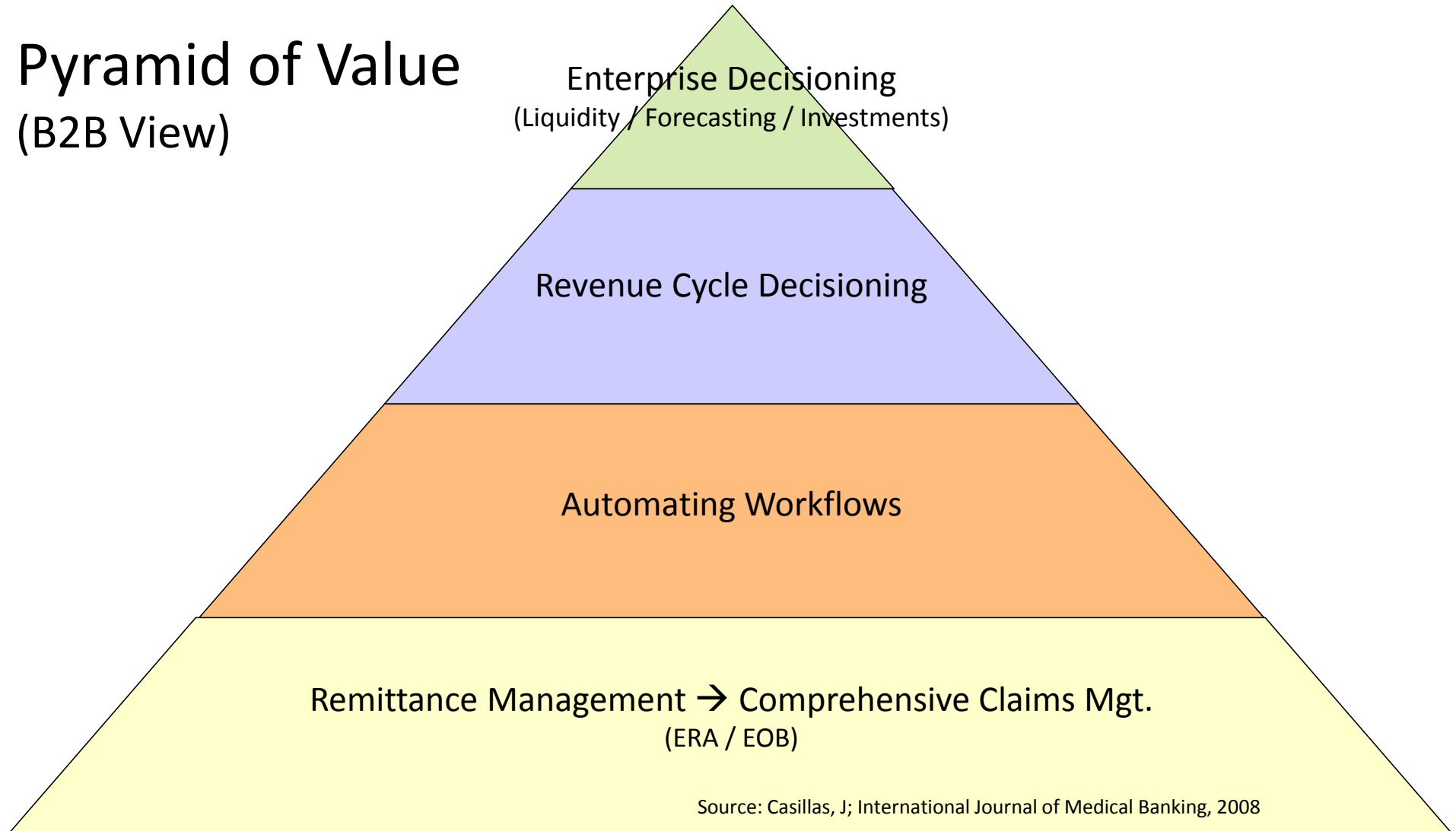
Keeping In Front of the Curve

- **"HIMSS G7" – An Innovation Platform**

  – Identify policy issues around designing the healthcare financial network of the future

  – Engage "worldview" groups like the World Bank, UN Foundation, WHO and others

  – Engage the US federal government's objective to move healthcare business process to an electronic platform (PPACA, Section 1104)

What is "Medical Banking"

- **Definitions:**
  - The latent integration of banking technology, infrastructure and credit with healthcare administrative operations
    - NACHA, TCH and SWIFT
  - The convergence of banking and healthcare systems
    - "Health-Wealth" Firms, BNY Mellon, Fifth Third Bank, Wells Fargo, US Bank, Comerica, others
  - The evolution of inter-organizational systems between the banking and healthcare sectors
    - Vanderbilt University, California Lutheran University, Carlson School of Management, Brown University, Loyola, many others
- **A new strategy for managing the business of health and healthcare**

Pushes increasing value to all the stakeholders

Electronic payments

Health Plans → Healthcare Funds are ultimately processed by BANKS → Providers

Post Office
Lockbox
Fedex/UPS
Credit/Debit

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Pyramid of Value
(B2B View)

Enterprise Decisioning
(Liquidity / Forecasting / Investments)

Revenue Cycle Decisioning

Automating Workflows

Remittance Management → Comprehensive Claims Mgt.
(ERA / EOB)

Source: Casillas, J; International Journal of Medical Banking, 2008

Who are the stakeholders?

Insurance/ Claims

Exchanges (HIE/RHIO/ Vaults/Vendors)

Providers

Consumers

Banks

Robust exchange of clinical and payment data effects an entire spectrum of B2B and ultimately consumer entities

Federal (HHS, FRS CDC)

Corporates

State / Administration
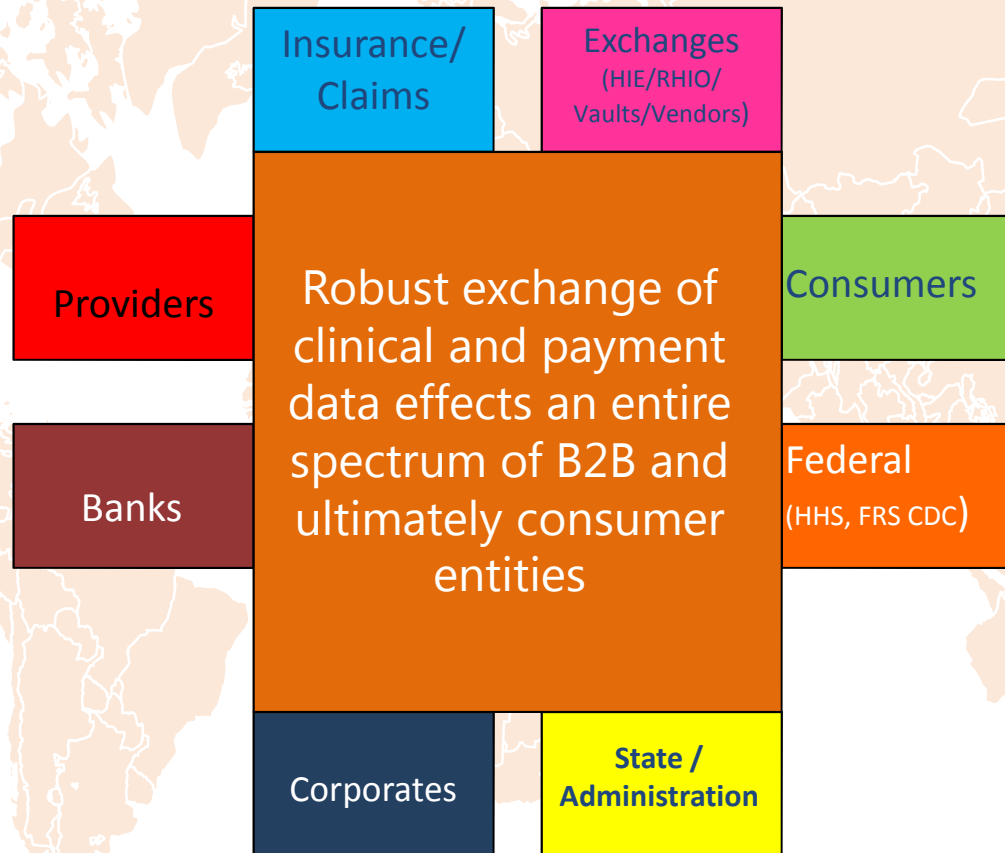
"On the Internet, nobody knows you're a dog."

Example of Policy Work in Medical Banking
Privacy & Security

- 1996: Passage of Health Insurance Portability and Accountability Act (HIPAA)
  - ✓ Privacy Rule technical stop-go period shook industry
- 1998: White Paper re: HIPAA Impact on Banks and Financial Institutions
  - ✓ Published in 2001 by the *International Association of Privacy Officers* and *Journal of Healthcare Administrative Management*
  - ✓ HHS and Office of Civil Rights sought private consultations
  - ✓ HIPAA Policy Roundtable at 3rd National HIPAA Summit in DC
  - ✓ *HIPAA Gang* aired at Harvard Policy Symposium: HFMA issues press release
- 2004: NCVHS issues recommendation to HHS
- 2010: HIMSS-EHNAC-WEDI-NACHA Financial Guide (see www.mbproject.org)

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Unisys: Global Survey

Bar Chart 4: What organizations are trusted to issue identity credentials?
Net differences between "Most Trusted" and "Least Trusted" survey ratings
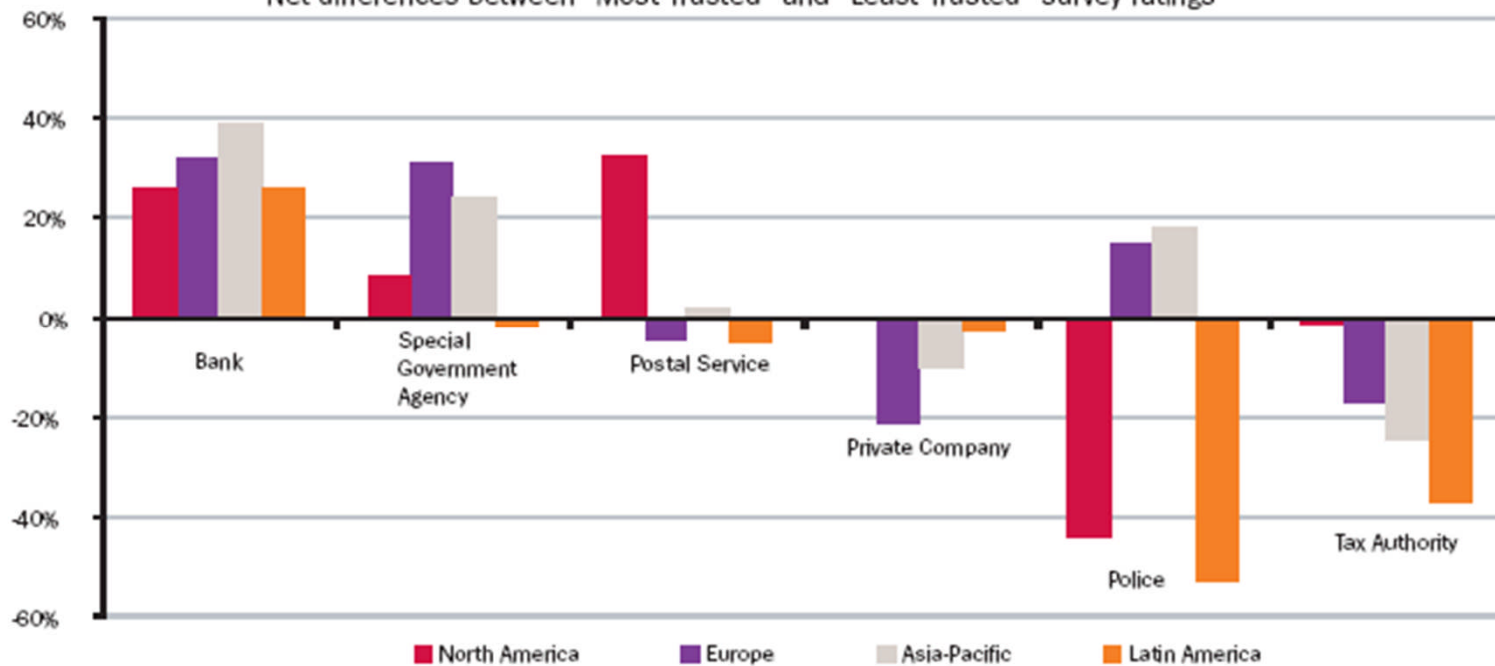
Gold Seal Diagnostic Kit

- **A Self-Assessment Tool**
  - For organizations that have a medical banking component
    - Banks, financial institutions, banking and/or healthcare information technology companies, software companies, financial services organizations
  - Tool designed by Milliman, a global consulting and actuarial firm, and customized by MBP's volunteer committee lead by Ken Kubala, BNY Mellon and John Phelan, PhD, Milliman
  - Series of modules contain detailed questions on organizational security practices and privacy issues around sensitive healthcare information

- **More information:**
  - http://www.mbproject.org/arc_goldseal.php

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THE MEDICAL BANKING INDUSTRY

Where we are...and where we're going!

Cross-Industry Integration
(Healthcare and Banking)

Pyramid of Value (B2B View)

Enterprise Decisioning
Liquidity / Forecasting / Investments

Revenue Cycle Decisioning

Automating Workflows

Comprehensive Claims Management

Remittance Management

PHASE 1

Global Platform

An Independent Body Coordinating Processes Among Multiple Stakeholders

BANKS
BANKS
BANKS — Common Standards Platform — BANKS
BANKS
BANKS

PHASE 3
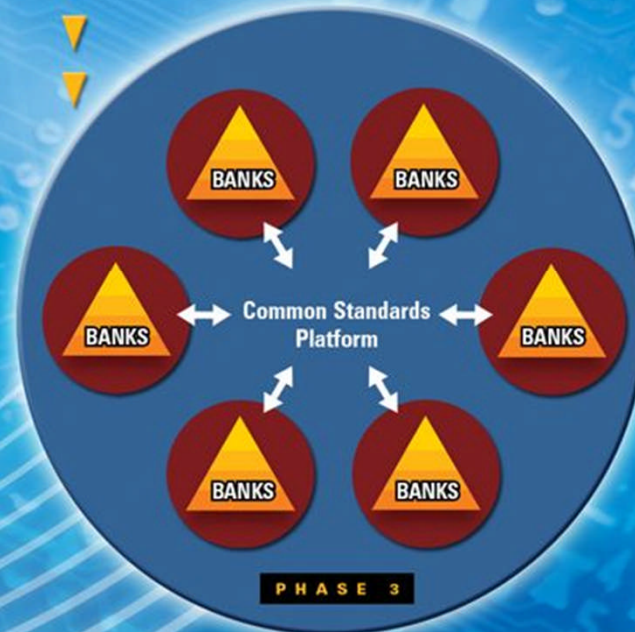
Systemic Change Agent

Getting Consumers Involved with their Healthcare

Could banks have a systematic role?

Physicians

Hospitals

Consumers
• 55 Million Online Banking Households

Health Plans

BANKS

Employers

Third Party Administrators

Retail Healthcare

Community Healthcare Centers

PHASE 2

The Medical Banking Project is...

• A civil society organization

• A member-supported industry action group and facilitator of public-private demonstration projects

• A center of excellence in areas of medical banking policy, research, education and technology

• A convener of medical banking constituencies comprised of government, academia and commerce

► **Rise of the "Bank Infomediary" in Healthcare***

⮩ Revolutionizing **administrative efficiency**

⮩ A new program for **health information exchanges**

    ✓ Connecting online banking with PHRs

    ✓ Driving physician adoption of EHR technology

⮩ An emerging **health information broker** for consumers

⮩ Implementing an advanced **community care platform**

    ✓ Coordinating local healthcare resources

    ✓ Helping the underserved and unbanked

* Source: J. Casillas, The International Journal of Medical Banking, 2008; J. Casillas, Asian Hospital and Healthcare Management, 2008

The McKinsey Quarterly, June 2007

"During the next five years, rapid innovation may restructure the value chain of health care payments and change the sector's balance of power."
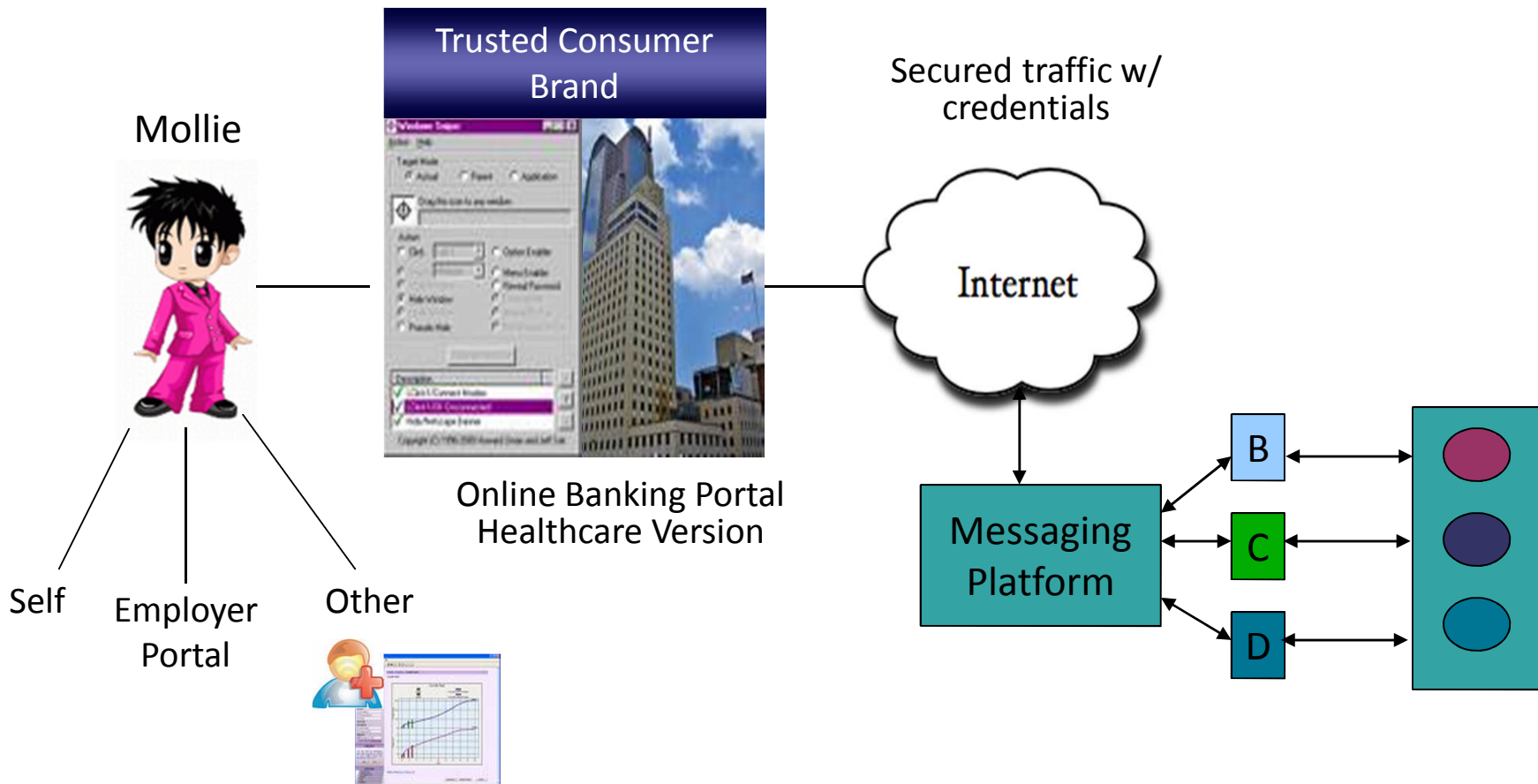
"Financial institutions should help promote electronic and simplified payer-to-provider transactions. **Banks with cash-management businesses serving the health care sector should expand their ability to handle electronic health care transactions by forming partnerships and making acquisitions.** Banks with small-business franchises serving doctors should look to create the same electronic capabilities and value propositions for them."

Booz Allen Hamilton

Health Meets Wealth, July 10, 2007

"The costs of sitting out the health-wealth convergence are high…[and]… could translate to a **drop of $1 billion or more in profits for a major bank**. Increasingly the edge will belong to the institution…with a broader range of private client and treasury management services."

Just like ATM and online banking, "anywhere, anytime access" to personal health information

Mollie

Trusted Consumer Brand

Online Banking Portal Healthcare Version

Self   Employer Portal   Other

Secured traffic w/ credentials

Internet

Messaging Platform

B

C

D

HIMSS Business-Centered Systems

- **Volunteer Governance**
  - Medical Banking and Financial Systems Committee

- **Task Forces and Workgroups**
  - *Business Edge* eNewsletter TF
  - Privacy and Security TF
  - Revenue Cycle Improvement TF
  - Health-Wealth Platform TF
  - Content Development Workgroup (Institute, Boot Camp, Symposium)
  - ICD-10 TF (also involved in 5010 issues)
  - **World Bank Workgroup**
    - Helping to organize World Bank Forum at the 9th National Medical Banking Institute in Orlando, Feb 20-22, 2011.

Potential Path Forward

- **Facilitate an environment for business investment**
  - Educate banking and healthcare groups around how banks can support health data transactions in a sustainable way
  - Assist in policy issues
    - Privacy & Security, ID Management, Taxation (HSAs), HIT Investment
  - Demonstration program
    - Showcase how a single investment in transaction-based technology can support two areas in capacity building – banking and healthcare
    - HIMSS Interoperability Showcase

Potential Problems of Failing to Act

- **What happens if we don't act?**
  - Loose opportunity to learn from very costly errors
    - In US we estimate $35 billion in annual administrative waste
  - Bring banks into the build out at the beginning because they will need to be included in any event
    - Payments run through banks and they have a vested interest in how this happens
    - Banks have always been the 800 lb gorilla in the room
  - Align banking investment with community healthcare needs
    - Aligning the key community anchors (banks and healthcare) is economically sound and prudent

Questions?

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