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# Delivering on the Promise of Healthcare Payments Modernization





# Introduction

Modernizing healthcare payments and communications presents significant opportunities for enhancing efficiency, reducing costs and improving satisfaction among payers, providers and members. By adopting integrated, automated solutions, healthcare payers can lead the industry in streamlining processes and meeting the growing demand for digital experiences, ultimately driving innovation and growth.




# The state of healthcare payments

Despite technological advancements, about a quarter of claim payments are still processed manually, according to the [2023 CAQH Index Report](#). While electronic channels like ACH and electronic funds transfer (EFT) handle the remaining payments, there is significant opportunity to better support providers and members through digital advancements and integrations – especially as the volume of medical transactions continues to rise. The number of medical transactions has more than doubled over the past decade, reaching over 55 billion, and shows no signs of slowing down. Additionally, CAQH reports that from 2022 to 2023, administrative transactions saw a 200% increase, with plans paying out 9% more claims.

Even with efforts to digitize healthcare payments, friction remains between payers, providers and members. According to the latest [Trends in Healthcare Payments](#) report from JP Morgan, the top challenge payers faced in 2023, cited by 47% of respondents, was managing and maintaining in-house payment processes. Additionally, 27% of respondents noted difficulties in managing payment vendors and channels, highlighting the complexities that still exist within the system.

This surge in claims and the ongoing reliance on manual processes create a pressing need for modernization. As consumers continue to demand more digital experiences, research shows that 40% of consumers are willing to switch providers for a better digital experience. Payers have a pivotal opportunity to lead this digital transformation across the healthcare ecosystem, starting with the adoption of electronic payments to create efficiency and ending with a seamless, frictionless member experience.

Payers can drive this change by educating providers – who are also consumers – on the tangible benefits of EFT adoption. For instance, EFT can reduce accounts receivable days by up to 16 days, provide real-time visibility into payment denials to prevent financial shocks and relieve the administrative burden on already over-burdened teams, speeding up patient collections. By partnering with providers to promote EFT adoption, payers can ignite digital-first experiences that create a win-win for payers, providers and members alike.



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# Opportunity abounds: Seizing the potential of modernization

The opportunity for digitization in healthcare payments is substantial. According to CAQH, while electronic claim payment adoption has hovered around 75% for medical providers, EFT adoption has decreased year-over-year from 2022 to 2023 in favor of manual processes – a trend that comes at a cost. CAQH estimates that fully electronic payment methods could save the industry approximately \$524 million annually.

Inefficient digital processes are also a clear driver of relationship friction for all stakeholders. By adopting integrated and automated solutions, payers can transform the entire payment experience, achieving greater efficiencies, reducing administrative burdens and optimizing outcomes for all stakeholders involved. The outcome is a win-win for all. The following are four key tips for approaching healthcare payments modernization.



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# Four tips to progress modernization

## **1. Build a consolidated payments environment**

Implement a unified platform that integrates various payment systems. This centralized approach fosters a cohesive operational environment, improving business efficiency and minimizing friction between payers and providers. By consolidating processes under a single platform, payers can manage claims from start to finish more effectively. This reduces turnaround times and minimizes the administrative burden, allowing for more efficient operations across the board.

As Dylan Papa, senior vice president of commercial growth at Zelis, emphasizes, “A modern healthcare payments platform should be designed to streamline operations and enhance business efficiencies across the board.” Implementing such a platform ensures that all payment-related tasks are handled within one cohesive system, leading to improved business outcomes and a better experience for all stakeholders involved.

## **2. Align investments to expectations for enhanced experiences**

Providers and members increasingly seek digital payment methods to streamline their experiences. “Today’s modern consumer wants to leverage new technology features and digital disbursement offerings to create efficiency and free up time for other priorities,” says Leah Silver, director of business solutions at Zelis.



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**Dylan Papa**, Senior Vice President of Commercial Growth at Zelis



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Today, there is significant potential to introduce advanced capabilities that meet modern expectations for speed and convenience. One such capability is straight-through processing (STP), which accelerates virtual card payments by automating multiple steps. This not only speeds up settlement times but also improves cash flow management, reducing the administrative burden on providers. Zelis Healthcare is the first in the industry to offer STP for healthcare payments.

As technology evolves, both providers and members, as everyday consumers, increasingly expect speed and convenience. Health plans must prioritize payee experience alongside operational efficiencies to remain competitive.

### ***3. Harness the power of AI and data analytics: Transform healthcare payments and provider relationships\****

Leveraging AI and data analytics is essential for modernizing healthcare payments and enhancing provider relationships. By analyzing data such as payment modalities, frequency, volume and location, payers can better understand provider needs and identify inefficiencies. For instance, these capabilities can support payers in ushering providers along their EFT journey by quickly identifying those most likely to benefit and determining the optimal timing and messaging for engagement.

Moreover, AI enhances payment integrity by anticipating and correcting errors through predictive analytics, accelerating reconciliation and time to cash on hand. These efficiencies free up provider resources that can be redirected toward enhancing patient care.

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#### 4. Prioritize intelligent platforms that keep up with a shifting regulatory landscape

The healthcare regulatory landscape is ever-changing, underscoring the importance of a platform whose rules evolve with it. Non-compliance can result in significant financial penalties, loss of provider trust, and reputational damage. For instance, noncompliance with the No Surprises Act carries [civil monetary penalties](#) for each member.

“The increasing number of legislative changes and the complex compliance requirements imposed by regulatory bodies highlight the need for a reliable partner,” asserts Papa.

Modern payment solutions offer built-in compliance tools, such as rules-based engines, that help health plans adapt to new laws and regulations efficiently. These tools ensure that plans remain compliant and can proactively respond to the latest requirements.

As regulations become more intricate and demanding, payers need partners and platforms that can keep up with these changes without disrupting the overall payment process.



# The time to act is now

Claims volume is on the rise and shows no sign of slowing down. The time is now to turn what can feel overwhelming and untenable into an opportunity to ignite and lead transformation in the healthcare financial experience through a focus on digitization.

“The risk of doing nothing means, three or four years from now, you’re so far behind that you don’t even know where to start,” Papa stresses. “The other inherent risk is having a spider web of vendors without a centralized strategy. You’ll be hemorrhaging money and trying to innovate when your competitors are already there. It’s time to move on the payments experience for your operations, members and providers.”

Everyone can benefit from a consolidated digital experience that allows for growth and scalability. The future is not a fixed point but an evolving concept that payers must keep an eye on as they grow their technology stacks, membership bases and provider networks. By following the four key steps – building a consolidated payments environment, aligning with consumer demands for digital transformation, integrating data analytics and AI, and prioritizing intelligent compliance management – payers can effectively modernize their payment systems, streamline operations and meet the evolving needs of providers and members. This strategic approach not only addresses current challenges but also positions payers for long-term success and innovation.







### About Zelis

Zelis is modernizing the healthcare financial experience by providing a connected platform that bridges the gaps and aligns interests across payers, providers and healthcare consumers. This platform serves more than 750 payers, including the top-five national health plans, BCBS insurers, regional health plans, TPAs and self-insured employers, along with millions of healthcare providers and consumers. Zelis sees across the system to identify, optimize and solve problems holistically with technology built by healthcare experts, driving real, measurable results for clients. Learn more at [zelis.com](https://zelis.com).

*\* Zelis' strategy and protocol regarding the responsible use of AI maintains our commitment to excellence by utilizing only closed-source AI platforms across our product suite. This approach guarantees the adherence to legal, ethical, privacy and industry standards as well as underscores Zelis' dedication to maintaining the highest levels of quality and reliability. Most importantly, Zelis personnel rigorously scrutinize and refine all outcomes, ensuring such outcomes meet the highest standards within the AI community and our own internal best practices.*

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