

White Paper

How to Select an Information Solution Provider

Partnering to reduce costs, improve margins and enhance member and provider relationships.

Key factors in choosing an information solutions vendor

Contents

Executive Summary	2
Why organizations rely on information solution providers	3
Key factors in information solution provider selection	4
Questions to ask prospective information solution providers	6
It's easy to take the first step toward realizing value	8

Executive Summary

Operating in today's difficult business environment, every senior executive at organizations that pay and/or process health care claims is under pressure to reduce operational costs and improve margins. Savvy executives recognize that better use of information is one of the keys to improved operating efficiency and personal success.

Information about health care providers is the foundation of many of a payer's key functions, including provider and member relations, the claims cycle and network management. The symptoms of poor provider information – complaints about provider directories, claims that don't auto-adjudicate, ever increasing labor costs and clients lost due to coverage issues, etc. – are evident to many. But, because of functional metrics and budget reports, the full cost isn't visible to any top executive. In addition, because most executives believe information quality to be a specialized, tactical concern, they rarely make understanding and improving it a strategic initiative.

As a result, some senior payer executives are missing a significant opportunity to reduce costs and improve operating margins while also improving member and provider relations.

LexisNexis®, a leading health care information solutions provider, has carefully studied the current state of provider data at payers, PPOs, TPAs and other health care organizations. LexisNexis' analysis revealed significant data quality problems in the provider files of all types and sizes of organizations. The analysis showed that improvements could easily be made that would result in hundreds of thousands to tens of millions of dollars annually, based on the organization's size and scope.

Because of the lack of success of internal efforts, and the potential for high return on investment from partnering with organizations that have specialized expertise in provider information, many market leaders have selected provider information solutions in the past two years.

This document provides a business overview of why organizations select information providers, and the key factors in that selection process. It also includes a list of questions to ask prospective information providers.

This document provides a business overview of why organizations select information providers, and the key factors in that selection process.

Why organizations rely on information solution providers

Based on research from LexisNexis, 2 - 2.5 percent of provider demographic data changes each month. Other data attributes, such as affiliations, status and sanctions, also change frequently.

It is very difficult for an organization focused on its own business to keep up with all of those changes on its own. To do even a reasonable job, an organization must find and continually monitor all of the right industry sources, accurately match records across those sources, and select the right value of each data attribute across those records. Then, it must do it all again, this time matching the external information to the records in many internal systems and databases, and again selecting the right value or values for each attribute. And, it typically must make correct, current information available on demand to people who need it, and distribute it to many systems.

How successful is the typical organization at keeping up with ever-changing provider information? Consider the following facts that LexisNexis has gathered by analyzing provider files from dozens of leading payers, PPOs, TPAs, property and casualty insurers, and others over the past few years:

In a typical file	Some extreme situations
<ul style="list-style-type: none">• 40% of the records have errors or are missing data• 28% of the records are duplicates• 22% of the providers have inaccurate or missing National Provider Identifier (NPI) numbers• 15% of the phone numbers are wrong or missing• 12% of the addresses are wrong or missing• 1.3% of the providers have sanctions• .2% of the providers were deceased	<ul style="list-style-type: none">• 71% of the records were duplicates• 39% of the providers had inaccurate or missing NPI numbers• 36% of the phone numbers were wrong or missing• 23% of the addresses were wrong or missing• 3.4% of the providers had sanctions• 2.3% of the providers were deceased• A review of a Blue plan's Provider Data Quality Index (PDQI) audit errors: 76% could have been avoided and 20% appealed

Table 1: A summary of LexisNexis' analysis of provider file quality at leading health care organizations as of Sept. 2008.

Many payers devote significant ongoing resources in their attempt to keep up with ever-changing provider information. And, for reasons including expertise in sourcing data, in matching, in provider selection for transaction processing, and in managing changes, many payers establish relationships with one or more solution providers. In an ideal scenario, a payer would establish a relationship with a single, trusted provider. But switching costs, and the type and quality of provider information required across the enterprise, often result in more than one relationship.

Many payers devote significant ongoing resources in their attempt to keep up with ever-changing provider information.

Some examples of expertise within the information solution vendors are:

- The Council for Quality Health care (CAQH) is an excellent source of credentialing information for physicians; however, their reliance on physicians and self-reported data, which is often obsolete or incomplete, make their database insufficient for other uses, such as directories and claims.
- For use cases that place high demands on the accuracy of demographic data, such as directories and claims, LexisNexis is an excellent source because of its proactive, analytically-driven approach to verification of those attributes.
- Some vendors offer analytical models and tools that include information about provider activity patterns that are particularly useful for modeling and marketing use cases. However, because their focus is on activity information, they may lack or have less accurate data for the data attributes that are needed for other use cases.

The selection and review of information providers is a critical decision that is only made occasionally, and typically by people who are not experts in this type of selection. Often, people who are asked to be involved are familiar with the selection of traditional list vendors as opposed to hosted information solution providers. Evaluating information providers requires a more sophisticated approach because of the depth, breadth and sophistication of their offerings, the extent of interactions, and the typical price points.

Key factors in information solution provider selection

The bottom line for the selection of an information solution provider is that organization's ability to deliver results for your business. The ways that traditional list vendors have attempted to differentiate themselves – counts of input sources or records, “fill rates” and even counts of covered providers – are easy to quote and sound impressive, but may or may not be relevant to the vendor's ability to deliver results for your organization due to issues such as:

- Geographic coverage
- Provider type coverage
- Data attributes available
- The supplier's duplicate records
- The supplier's ability to match to your provider records
- The supplier's ability to select the right data attributes from sources
- The supplier's support of your business processes for acceptance and use of the information supplied

The selection and review of information providers is a critical decision that is only made occasionally, and typically by people who are not experts in this type of selection.

(For more in-depth information on the risks of relying on those sorts of proxy measures, see LexisNexis’ White Paper, “Your Organization Can Realize Significant Economic Value by Fixing Its Provider Information Problem”.)

As a result, your evaluation of information solution providers should focus on five factors:

1. Your business requirements
2. Impact
3. Accuracy
4. Usability
5. Measurement of information quality and associated return on investment

The following table defines the final four terms, explains why they matter, and provides some guidance as to what to look for.

Factor	Definition	Relevance	Guidance
Impact	The number of records in your file the solution provider can match to.	The value you receive is directly related to the number of your providers the solution provider can match to.	You can get a sense of the likely impact based on the information provider’s coverage for each provider type that is required for your use case. However, issues such as the quality of the solution provider’s data (duplicate records, inactive providers, etc.) and uncertainty about the vendor’s ability to accurately match to your file mean that the only way to truly assess impact is to conduct a trial with a representative sample of your provider file.
Accuracy	The number of times the solution provider can either validate or provide a verified replacement for a data attribute in your file.	The value you receive is directly related to the solution provider’s ability to confirm your data is correct, to replace it with data that is correct, or to augment your data with additional correct data (such as an additional practice address).	Accuracy of data attributes should be viewed in a focused, value-oriented way. What matters is the solution provider’s ability to supply current and correct values for the data attributes you need for use case(s). This is especially true for your key provider types that you do not already have from other sources. Typically, the most value is generated from the attributes that change most often and/or are not directly reported to your organization. You can get a sense of the information provider’s accuracy by understanding how it establishes and controls the quality of its referential database (see questions to ask below). However, as claims of accuracy can be a case of “the fox watching the henhouse,” verifying the results of a relevant sample of proposed changes is highly recommended.

The value you receive is directly related to the solution provider’s ability to confirm your data is correct, to replace it with data that is correct, or to augment your data with additional correct data (such as an additional practice address).

Factor	Definition	Relevance	Guidance
Usability	The solution provider's ability to support your select, accept or decline process.	The value you receive is realized when a correction or augmentation is applied to your file. If you have internal processes that must be completed before a change is permitted, the information supplier's ability to support your processes makes a significant difference in the value you receive.	Usability support can take many forms, including: <ul style="list-style-type: none"> • Expert services, such as process, implementation and technical support • File formats delivered • Number of files delivered (may be useful for different item types to be in different files) • Confidence scores or other measures of attribute accuracy • Information about when and how attributes were verified • Business rules/triggers available and the ability to customize them • Persistent identifiers • Retention of historical attribute values • Reports and workflow capabilities that support decision-making
Measurement	The solution provider's ability to measure data quality and associated value over time.	Measuring and reporting on data quality and the value you receive enables you and others in your organization a way to monitor progress, and to do meaningful comparisons.	Information quality should be measured at a high level in a way that is unbiased, easy to understand, specific to the use case, constant over time, and useful for comparisons across files, and for benchmarking versus other organizations. Detailed metrics and examples should also be readily available. Value expected and received should be calculated using the relevant metrics and costs from your organization whenever they are available so that you can monitor your return on investment over time.

Table 2: Definitions of key factors for selection of an information solution provider.

Questions to ask prospective information solution providers

Because establishing and maintaining correct, current and comprehensive provider information at the data attribute level implies an ongoing relationship, selecting an information solution provider who will be your business partner is a critical decision.

So, in addition to the standard business questions about an organization to understand its viability, it is essential to quickly understand the information provider's experience with organizations like yours that are doing the things you plan to do with the provider information. Then, if the answers are satisfactory, move on to asking other relevant questions. Because your relationship with an information solution provider would be ongoing, listen to the responses for the provider's understanding of your business and its commitment to, and plans for, ongoing improvements, as well as information about the current capabilities of the information provider's solution.

Because establishing and maintaining correct, current and comprehensive provider information at the data attribute level implies an ongoing relationship, selecting an information solution provider who will be your business partner is a critical decision.

Factor	Questions to ask
Relevant Experience	<ul style="list-style-type: none"> • What is your experience in [your organization's market segment]? • What is your experience with [your organization's use case or use cases]? • Relative to other markets you serve and other products and services you offer, how significant is what we are doing relative to the overall size of your business? • How significant is the specific use case we are undertaking? • Are references available?
Impact	<p><i>Note: Answers to these questions are only rough indicators of current impact, although they can also be valuable as a way to assess fit with an information provider over time. The only way to assess impact is to do a trial with a representative sample of your organization's data.</i></p> <ul style="list-style-type: none"> • What is the number of practicing (relevant provider type) in (relevant geographic area)? • What is your coverage of that number? • At a high level, how do you do record-level matching? • What percentage of your client's files do you typically match?
Accuracy	<p><i>Note: As with impact, the answers to these questions are less valuable than the results of a test, followed by verification of the test results by your organization. Understanding how a solution provider measures and manages accuracy is very important for the long term.</i></p> <ul style="list-style-type: none"> • What is your strategy for selecting data sources? • How frequently do you update the information in your database with updates from the sources? • How do you select the best value(s) for each data attribute? • How do you verify the values of each data attribute? • Do you do anything different or additional for the data attributes whose values change more frequently?
Usability	<ul style="list-style-type: none"> • What types of implementation, support and account management services do you provide? • What are the backgrounds of the people in those groups? • What happens during a typical implementation? • What file formats can you deliver data in? • How many files do you typically deliver? If more than one file, how are they different and why? • How do you indicate the status of each potential change? • What information do you provide about when and how attributes were verified? • What business rules do you offer? How are they established? To what extent can they be customized? • Do you offer persistent identifiers? How are they established and maintained? • Do you retain historical attribute values? • What reports and tools to support decision-making?
Measurement	<ul style="list-style-type: none"> • How do you measure data quality? • Can your measure of data quality be used to compare over time, across files and for competitive benchmarking? • How does your measure of data quality relate to industry measures such as NCQA and PDQI scores? • How do you assign value to the changes in data quality? • How are the changes in data quality and the realization of value measured over time?
Trial/ Proof-of-value	<ul style="list-style-type: none"> • What happens in a trial/Proof-of-value? • How will you know if the trial is successful? • What resources are required from our organization? • What is presented at the end of the trial? • How would you support our verification of the results?
R&D plans	<ul style="list-style-type: none"> • What are the goals and focus of your R&D effort? • What are your short and long-term R&D plans? • What resources has your organization committed to ongoing R&D of this solution? How does that compare to the investment in other solutions? • What specific R&D plans do you have for our specific use case? What percentage of your total R&D does that represent?

Questions to ask an information solution provider.

It's easy to take the first step toward realizing value

If your organization has the telltale symptoms – inaccurate directories, rising labor costs from dealing with fallout, disputed and out-of-network claims, lost clients due to network gaps, and so on – it is suffering the effects of bad provider data. Because the costs are spread across your enterprise, and not easily visible in any budget report, the potential value of fixing the problem is almost certainly greater than anyone in your organization realizes.

Visionary executives in many organizations that pay and/or process health care claims have already reviewed their needs, their organizations' capabilities, the gaps, and what is available in the marketplace. And, they've taken action to reduce the pressure on their margins – and raised the bar for other organizations that still accept the operating inefficiencies caused by bad provider information.

You can quickly and easily gain an understanding of your organization's provider data quality, the potential for improvement, and the economic value you can realize from that improvement

You can quickly and easily gain an understanding of your organization's provider data quality, the potential for improvement, and the economic value you can realize from that improvement.

For More Information:

Call 800.869.0751 or visit
www.lexisnexis.com/risk/healthcare

About LexisNexis® Risk Solutions

LexisNexis Risk Solutions (www.lexisnexis.com/risk) is a leader in providing essential information that helps customers across all industries and government assess, predict and manage risk. Combining cutting-edge technology, unique data and advanced analytics, LexisNexis Risk Solutions provides products and services that address evolving client needs in the risk sector while upholding the highest standards of security and privacy. LexisNexis Risk Solutions is part of Reed Elsevier, a world leading provider of professional information solutions.

Our identity management solutions assist states with ensuring appropriate access to public benefits, enhance program integrity and operational efficiency, reduce the impact of identity theft and fraud, and proactively combat fraud, waste and abuse throughout government programs. Our health care solutions assist payers, providers, and integrators with ensuring appropriate access to health care data and programs, enhancing disease management contact ratios, improving operational processes, and proactively combating fraud, waste and abuse across the continuum. The NAC is in the unique position to benefit by overlaying state data with the complex analytics of LexisNexis's solutions.



Due to the nature of the origin of public record information, the public records and commercially available data sources used in reports may contain errors. Source data is sometimes reported or entered inaccurately, processed poorly or incorrectly, and is generally not free from defect. This product or service aggregates and reports data, as provided by the public records and commercially available data sources, and is not the source of the data, nor is it a comprehensive compilation of the data. Before relying on any data, it should be independently verified.

LexisNexis and the Knowledge Burst logo are registered trademarks of Reed Elsevier Properties Inc., used under license. Other products and services may be trademarks or registered trademarks of their respective companies. Copyright © 2014 LexisNexis. All rights reserved. NXR05061-0