

SubroShare®: Is This the New Way to Bring Value to Payer Contract Negotiations?

[Click here for the December 9th UPDATE I posted on SubroShare's announcement that they will not be focusing on physicians as clients.](#)

I recently interviewed Stephen Ambrose, the Founder and CIO of SubroShare®, a database of medical record requests. Steve has a lot of passion for his innovative product and envisions SubroShare® playing a starring role in payer contract negotiations.



Mary Pat: Steve, what is subrogation?

Steve: Subrogation is a legal right and necessary tool used throughout the insurance industry with many types of policies. It allows insurers to recover part or full amounts of claim monies, which they have previously paid out to, or on behalf of a claimant.

In certain circles, subrogation is considered the “great equalizer” because it allows insurers to reduce or eliminate the passing of unnecessary cost related to third-party liability (TPL) claims, to policyholder premiums and provider reimbursement rates.

Overpayment of health care claims is a form of “waste” in cases where previously paid health care claims are re-billed to a third party and subsequently paid for again as part of a successful injury claim settlement.

Mary Pat: How does your product SubroShare® relate to subrogation?

Steve: First, apart from Medicare's MSP (Medicare Secondary Payer) program, I know of no law or obligation where injury claimants or their attorneys must proactively volunteer information to a health payer, alerting them of a case, where the payer has a right to recover. For this reason payers have always been responsible for data mining claim form information, and to this end, use software products and vendor services to do so.

SubroShare® recognizes that the claim form/data itself is limited in holding the correct, identifying data for third party cases. In many cases, the use of the claims data results in payers having false positives or dead end investigations. Even claims vendors who claim to use the "latest and greatest" tools, freely admit that they do not find all of the cases available to the payer.

Our company has developed a new patent-pending technology in Collaborative Subrogation®, where we work to connect just one small part of a health provider's record department with an applicable payer. This is only for certain ROIs (Release of Information) made by the patient or their attorney involved in a patient's injury claim.

Mary Pat: What is the physician's office or healthcare provider's role?

Steve: In most payer agreements, the health provider has a contractual obligation to provide coordination of benefits (COB) and third party liability (TPL) information to the payer, when known. This is reflected in certain sections of the CMS 1500/UB-04 forms and their 837 data record electronic counterparts.

The SubroShare® exchange handles non-billing TPL data, specific ONLY to those times where a record request is made on a patient of the provider. This ROI Data, is submitted to SubroShare® at the time of record request fulfillment, by **the provider submitting either a one or two page fax / secure email attachment**. The first page is typically only a ¼-page section and the second page is a copy of the request letter, sent by an attorney (if applicable).

Providers can learn more by watching the provider tutorial [here](#).

Mary Pat: How does this sharing of information work within HIPAA rules?

Steve: Under 45-164.501 of the Health Insurance Portability and Accountability Act (HIPAA), the ROI data that is collected and shared between health providers and payers, through the SubroShare® network, is specific to insurance subrogation operations and falls under the HIPAA provision of “Payment”, in the automatic exclusion of “Treatment”, “Payment” and “Operations”.

This means that patient authorization is not necessary, nor can the patient request to withhold the limited disclosure of their PHI to SubroShare and eventually, to their health insurance company.

Finally, every health provider who participates with SubroShare® must sign a HIPAA Business Associate agreement, which is signed digitally on the joining section of our website.

Mary Pat: What is the health plan or payer's part of this?

Steve: Payer members or Subscriber Entities of SubroShare® login and freely search for established Certified Recovery

Reports® within our system. Once found, the payer downloads the information, which both guarantees policyholder involvement and uniqueness from any existing payer's claims management software and vendors.

Mary Pat: I can see how this benefits the payer, but how does it benefit the physician practice?

Steve: Under the new HITECH guidelines to go into effect in later 2010, health providers cannot receive compensation from the transfer of PHI. Therefore, we felt it prudent to be able to create financial transparency on both the payer and provider sides of SubroShare®.

Essentially, providers will know the specific payers who downloaded their submitted ROI data, as well as the date of download and patient referenced. This data, coupled with a provider's analysis on the amount of paid claims for such patients, provides a clearer picture on the fact that a provider is now becoming a new type of asset to the payer and to an extent, which can be measured by the provider, as well as the payer. We believe such a change in value could denote an improvement in reimbursement levels within various payer relationships.

Mary Pat: Could payers use this information to deny payment or request a refund for payments already made?

Steve: There are numerous laws and rules, inherent to different states, communities and health plans, allowing for cost avoidance. This term denotes when a government, commercial or self-insured payer determines that a policyholder's care should be or will be covered by a payment party other than themselves.

Unfortunately, we cannot keep a health payer from pursuing cost avoidance policies, which they have in place. However, I'd like to mention that not all plans have this provision; and for those which do, **this simply makes the point that it could be a future point of provider-payer negotiation**, perhaps with relation to all such claims, not just the ones from SubroShare®.

Mary Pat: If the practice uses an outsourced company to copy medical records, can the medical records company send the information to SubroShare®?

Steve: Yes, provided two conditions are met.

First, the health provider is the one, which joins SubroShare® – not the outsourced company. Health providers can give their login details and appropriate permissions to their ROI or outsourced information vendor.

Second, the outsourced vendor MUST have an existing HIPAA Business Associate Agreement with any applicable health providers. I assume this is the case anyway, but if I didn't mention it the answer would be less than complete.

Mary Pat: It's a leap of faith you're asking a medical practice to take, isn't it? Is there any way you give the practice a guarantee of negotiating better fee schedules with payers, or any way you could compensate them for their time?

Steve: I don't think the leap is that large...here's why. Its becoming increasingly obvious that past provider strategies on

reimbursement rates will be largely overshadowed and trumped by a tightening healthcare system and monies, which are drying up for many of its participants. If the monies are not there for payers, they won't be there for providers.

SubroShare® creates revenue, without charging higher premiums to policyholders, but rather, in redistributing monies, which are generated through the legal industry and might never make their way back into the healthcare arena. Providers need to look at the information, which they are already holding. Can it help their valuation and reimbursement with payers? I suppose that's up to each payer. Medicare already has demo programs, which trade off payment for valuable data submission and we expect that to find its way into the private payer sector as well.

Our President and both sides of Congress have made it very clear that finding and reducing waste is one of the top priorities. Therefore, we want our collaborative model to demonstrate to today's leaders that payers and providers CAN work together for the good of the system.

Mary Pat: What would you say to a practice manager to convince them to work with SubroShare?

Steve: As a practice manager, if you are bitter about "what insurers have done TO you?", then you are not the right practice for SubroShare®. You'll probably be coming on through payer mandate, as your payers adopt these measures. I will state that voluntary participation will offer you the ability to proactively come to the negotiating table with results in hand.

If you understand that it's about future positioning and NOT the payer taking advantage of you, then you'll begin to understand the importance of positioning and collaborative

strategy. We're in a whole new arena of healthcare and old models and adversarial relations will not do well.

There is no cost to join, no cost to participate, no software to buy or integrate and no patient authorization necessary. All that is required is a fax and a simple internet connection. Please visit us **here** or call (804) 750-1389 for more information.