



VPAY | CASE STUDY

Overcoming the challenge of moving out-of-network providers to low-cost epayments

Health insurers already understand the advantages of paying their providers electronically.

Epayments are **faster, more secure, and more convenient than paper checks**, and they eliminate a well-known list of check printing, mailing, and banking costs and fees. As a result, **most health plans already have strong electronic claim payment programs in place – especially for the in-network providers** they pay most frequently.

But for most insurers, out-of-network providers are a different story. Insurers deal with large numbers of providers who they pay infrequently, which presents a challenge to getting those providers to share sensitive bank information for ACH enrollment. As a result, most health plans still send expensive paper checks to most of their out-of-network providers, and because of the significant volume of these payments, they continue to drive up claim payment costs.

Developing a Smarter Payment Approach for Out-of-network Providers

One regional health plan company in the Eastern United States decided to tackle this out-of-network payment challenge head on.

Like most health insurers, they already paid most of their large, in-network providers electronically using ACH. However, they were still paying a significant number of out-of-network providers with expensive paper checks.

A few basic numbers help highlight the problem.

In 2018

66%

of this insurer's payments were issued through ACH and 34% of their payments were issued by check.

Today

94%

of their payments are epayments (made up of ACH and virtual card) and only 6% are check.

To address this disparity, the insurer and VPay partnered to create an ambitious and targeted plan to convert these payments to these out-of-network providers to more cost efficient epayments.

VPay brought unique capabilities to the table that allowed them to:



Tap into a robust provider network that included payment histories and preferencing information for more than 2 million providers in the United States.

This new source of data allowed them to identify which of their out-of-network providers accepted electronic payments from other payers.



Use this preferencing information to develop a strategic communication plan for out-of-network providers.

The insurer rolled out this plan in phases, with an initial, personalized communication going out to specific providers prior to the main launch, followed by sustained, ongoing efforts to enroll out-of-network providers for epayments based on their histories and preferences.



Take advantage of these advanced preferencing capabilities to actively encourage and move even the smallest out-of-network providers to less expensive epayments.

This offered them personalized payment options based on their unique payment histories and preferences. For example, if a provider had traditionally accepted epayments for smaller payments, this health plan could now easily offer that option as a fast, seamless transition from checks.

Expanding the benefits of epayments

To drive epayment adoption among dozens of little-known out-of-network providers, VPay worked with a regional health plan insurer to:

- › **Leverage a network with 2 million providers** to understand the payment histories and preferences of out-of-network payees
- › **Create a strategic communications plan** to reach these providers with customized epayment options and easy enrollment
- › **Continue to use 1:1 preferencing** to promote and drive epayment adoption among out-of-network providers

Achieving Fast, Meaningful Results

As soon as the first communication went to out-of-network providers in 2019, this insurer saw an immediate 8% increase in ACH payments from 67% to 75%. Since then, this health plan has made impressive progress in understanding their out-of-network providers' payment preferences and using those insights to increase epayment adoptions.

94%

**of all their payments
are epayments**

**which has saved the health plan
\$2 million dollars plus a year.**

Those direct savings are far from the only benefits. This health plan has also been able to significantly reduce costs by offloading most claim payment support questions to VPay's award winning in-house call center while taking advantage of other VPay cost savings and efficiencies.

Get Started with VPay Today

VPay is ready to unlock similar savings and benefits for your organization. Learn how VPay can offer you a Total Payment Solution that will boost electronic payment adoption—even among hard to reach out-of-network providers—and deliver the cost savings and other benefits that go with it.

Visit www.vpayusa.com
or call **855-VPAY-USA**
to learn more.