

## Administrative Simplification

### ***Background***

Physician group practices face numerous challenges related to the administration of the healthcare they provide to their patients. One major challenge is the excessive complexity inherent in conducting routine transactions. This complexity diverts billions of dollars each year from the provision of health services, frustrates patients and impedes efficient delivery of care. Leveraging our members' experience with inefficient processes, MGMA has taken a leadership role in advocating for reasonable and achievable standards and operating rules solutions. We work with Congress, administrative agencies, provider organizations, health plans and others to reduce administrative burdens and drive unnecessary administrative costs out of the system.

### ***MGMA position***

In an effort to identify wasteful administrative processes and adopt reasonable and achievable solutions, Congress, the administration and the private sector should:

- Quantify the effect that administrative complexity has on physician practices and identify opportunities to streamline the entire claims-revenue cycle.
- Simplify health plan and provider contracting. Practices negotiate and renew contracts with multiple health plans each year, incurring significant cost that could be avoided if the basic terms of provider/payer contracts were standardized.
- Support standardized insurer processes for verification of insurance coverage. All insurers should adopt a single, common electronic inquiry and response system for verifying patient insurance coverage.
- Eliminate inefficiencies in the billing and payment processes. Billing and payment processes among the more than 1,000 health insurers must be standardized. Effective standards and operating rules, including industry-wide implementation of a machine-readable identification card, would create significant claims revenue cycle efficiencies.
- Streamline the physician credentialing process. A standardized electronic credentialing application form with consistent data required for all public and private health plans would assist practices in submitting physician credentials, saving time and money.
- Restructure the current clinical care management processes. Differences in care management programs for each patient are based solely on the patient's insurance company, rather than any difference in a patient's clinical condition. Evidence-based and peer reviewed clinical guidelines should be standardized. Disease management protocols and drug formularies should also be standardized and prior approval requirements should be reduced.

### ***MGMA Advocacy***

To view specific examples of MGMA's advocacy efforts on administrative simplification issues, visit [www.mgma.com/policy](http://www.mgma.com/policy).