

# What is an Application Service Provider?

An Application Service Provider (ASP) is a company that contracts with a health plan and/or physician practice to supply software application and/or software-related services over the Internet via a browser. ASPs are also commonly referred to as on-line transaction partners, Web-based claims portals and health plan transaction partners. ASPs allow physicians and payers, primarily health plans, to connect and interact via the Internet.

The ASP, along with a personal computer and Internet connection, may allow a physician practice to access, transmit, and monitor transactions and timely information with numerous health plans through one Web site. Health plans generally contract with ASPs for their services, though physicians may also be charged a per-transaction fee along with a one-time set-up or monthly fee.

## What services does an ASP offer?

An ASP may offer various transactions and services to physician practices; some of these may be provided as part of an overall package of services and others may be provided at an additional cost. Some ASPs may offer free services for a trial period. Be sure to inquire about the charges that will apply after the trial period. The services offered may include:

- Benefits inquiry and coverage
- Claims authorization status inquiry
- Claims pre-processing
- Claims status inquiry (eg, processing, adjudication, payment)
- Claims submission, correction and resubmission (on-line or batch)
- Credentialing
- Electronic patient statements
- Electronic remittance advice (ERA)
- Eligibility and co-pay verification
- Fee schedule information by specific *Current Procedural Terminology* (CPT™) code\*
- Health plan company policy inquiry, including medical payment policy
- Pre-authorization submission and inquiry
- Prescription refill authorization
- Physician referral submission and inquiry

\*CPT is a registered trademark of the American Medical Association.

## What benefits can an ASP provide?

By accessing these transaction and informational services through one Web site provided by several health plans, physician practices may obtain the following benefits:

- Reduced staff time in accessing various health plan Web sites
- Reduced paperwork, telephone time and time-intensive manual tasks
- Increased accuracy and speed of claims submission
- Access to timely health plan eligibility and coverage information
- Expedited claims processing through electronic claims submission directly to a health plan or intermediary
- ERA and deposit

## How to choose an appropriate ASP

A physician practice should review its current claims management process workflow before determining which ASP transaction services, if any, may be beneficial in streamlining the internal administrative processes.

The specific reporting needs of the physician practice should be determined before selecting an ASP. The types of reports that may be considered include: payer mix, aged accounts receivable, primary and secondary payers pending, referring physician reports, claims activity report by payer, claim rejection report including explanation, claim rejection report for claims that cannot be resubmitted electronically, outstanding patient co-payment balances, patient payment plan collection, and patient refund.

The reverse side of this flyer contains an ASP comparison checklist that a physician practice should consider when selecting an ASP.

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## ASP comparison checklist

### Vendor Requirements

Yes No

- Does the ASP offer access to payers that represent a significant portion of the physician practice?
- Is the ASP known and established within the health care industry?
- Does the ASP meet legal and regulatory requirements [eg, Health Insurance Portability and Accountability Act (HIPAA), state and federal laws and regulations]?
- Who owns the ASP (ie, a health plan) and how long has it been in business?
- Request references from physician practices of similar size and/or specialty.
- What is the length of the contract?
- What are the average service levels for the past year (eg, response times, consistency of service, estimated downtime)?
- Review the ASP's refund policies including data transfer protocols, if the physician practice is not satisfied.

### System Requirements

- What are the system requirements for the physician practice? The physician practice's current hardware might not meet the system requirements of the ASP. In addition, special software, hardware or connection such as a digital subscriber line might be required.
- What data storage allocation and availability does the ASP designate for the practice?

Yes No

- Is the ASP able to support the physician practice's current and future user volume, transaction loads and data warehousing needs?
- Does the ASP require a dedicated phone line?
- Is the physician practice's current Internet provider adequate?

### Transactions and Costs

Yes No

- Do the transactions offered by the ASP meet the physician practice's needs?
- Do the ASP transactions interface with the physician practice management software system?
- Does the ASP have the ability to enter individual transactions, enter batch transactions or receive a batch file from the practice management system?
- What claim formats does the ASP support [eg, Centers for Medicare and Medicaid Services 1500 Health Insurance Claim Form (CMS-1500), American National Standards Institute

Accredited Standards Committee Insurance Subcommittee X12N (ANSI ASC X12N) 837-Professional Health Care Claim, (ASNI ASC X12N) 835-Health Care Claim Payment/Advice]?

- How does the ASP accept claim submissions: Web interface, batch file transfer or capturing claims via print image?
- Are charges assessed monthly, per transaction, per user, etc?

Yes No

- Does the ASP allow for real-time correction and resubmission of claims to all of the health plans that are accessed through the ASP?
- Does the ASP pay for the claims submitted on behalf of the physician practice?
- Are there any costs for software licenses or data storage volume?
- Are there charges for customer service software maintenance?
- Are there any additional costs or service charges not included in the basic assessment fee?

### Reporting

- What types of reports does the ASP provide to physician practices regarding claims submission, payment, and eligibility?
- How often will such reports be provided?

### Security

Yes No

- Does the ASP have firewalls, data transmission or data storage encryption, virus detection, intrusion detection, or other security measures in place?
- Does the ASP keep the physician practice's data separate from other clients' data?
- Does the ASP have access to the number of claims submitted to each payer or know which sites the physician practice is using?
- Does the ASP assist the physician practice in analyzing data flows and surround systems for points of integration and clarity?
- Who owns the data transmitted through or by the ASP?

### Training and Support

- What staff training does the ASP offer the physician practice and what is the cost, if applicable?
- What support services does the ASP provide and what are the costs, if applicable (eg, hardware, software, connection)?
- What is the support services contact information?

Yes No

- Is there an after-hours or emergency ASP service hotline and what is the cost, if applicable?