



EASYCLAIM UPDATE

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INTRODUCTION

Announced by Prime Minister John Howard on 13 August, 2006 Medicare Easyclaim is a new patient payment system developed by Medicare Australia for Specialist and General Practice.

The particulars of the Medicare Easyclaim system were covered in detail in two articles in the May edition of *Pulse+IT* ["Ease Into Easyclaim" - pp24-27, "Easyclaim Integration" - pp28-29]. A brief summary of the information presented in these articles is contained in the "Easyclaim Background" sidebar.

With the wide scale roll out of Medicare Easyclaim now imminent, it is an opportune time for practices to start to familiarise themselves with the various ways in which they can access the system. In an effort to assist, this article seeks to provide an update on the current capabilities and future plans of the financial institutions registered to facilitate Medicare Easyclaim transactions.

THE PLAYERS

As was the case in May, Medicare Australia has publicly acknowledged three financial institutions that are interested in facilitating Medicare Easyclaim transactions. These organisations include the Commonwealth Bank (CBA), the National Australia Bank (NAB) and Tyro.

A brief summary of their current capabilities and future plans follows:

Commonwealth Bank

CBA's Easyclaim solution, dubbed "MediClear", was accredited 27 June, 2007 making them the first financial institution to obtain Medicare Australia certification. Since then, the bank has deployed Easyclaim compatible

terminals to selected practices, and is closely monitoring the adoption and performance of the system at these sites.

The CBA is the largest supplier of EFTPOS terminals to the health care sector, and expects to be able to leverage its resources to aggressively deploy new terminals to existing customers in the coming weeks.

With the development work for their stand-alone Easyclaim solution now complete, the CBA claims that it will now focus on delivering integrated solutions to the market.

A spokesperson for the CBA stated that the bank expects to provide "universal integration to all practice management software", an ambitious goal, the pursuit of which will be watched with interest by many.

As with the other financial institutions, the CBA does not charge practices to use their Easyclaim solution. Monthly EFTPOS access fees still apply however, ranging from \$19.80 to \$29.70 depending on the contract period to which the practice commits.

National Australia Bank

On 24 May, 2007 the National Australia Bank established a business unit dedicated to the health sector. Dubbed "NAB Health", the branch will be responsible for managing the NAB's Medicare Easyclaim endeavour, as well as its existing health related ventures. These include its Health Insurance Claims and Payment Services system (HICAPS), and Medfin, the banks medical equipment financing operation.

The National Australia Bank has not yet completed the Medicare Easyclaim accreditation process, and is therefore

not in a position to provide a specific timeframe for when their Easyclaim service will commence. Promotional material suggests that the bank is still on track to deliver its solution before the end of the year.

As with the CBA, NAB customers will require either a new terminal, or a software update on their existing terminal before they can begin processing Medicare Easyclaim transactions.

The NAB did not disclose its planned pricing structure, however the bank did indicate that it is waiving terminal rental fees until it delivers Medicare Easyclaim functionality later in the year.

EASYCLAIM BACKGROUND

Unlike Online Claiming, which makes use of the Internet and practice software to process claims, Medicare Easyclaim has been designed to use the EFTPOS network. It can therefore operate independently of both the Internet and practice software, however it is expected that some vendors and financial institutions will release integrated solutions that will streamline the Easyclaim billing process considerably.

Participating financial institutions will be paid a per transaction fee of 23 cents by Medicare Australia for providing the service.

Despite the expected efficiency gains Medicare Australia will enjoy (if indeed Easyclaim is embraced), neither practices nor software vendors will be paid to adopt the system.

Tyro

Tyro is a recent entrant into the Australian EFTPOS services market, and operates under a special banking license that allows it to provide credit, debit and EFTPOS merchant services.

Tyro utilises modern EFTPOS terminals that are designed to make use of practice's existing broadband Internet infrastructure, thus negating the need for a phone line dedicated to the practices EFTPOS facility.

On 26 April, 2007 Tyro announced that it is working with the Health Communication Network (HCN) to develop integrated Medicare Easyclaim solutions. The collaboration is seeking to deliver Easyclaim enabled versions of both PracSoft and Blue Chip before the end of the year. Once these products are made available to the market, Tyro plans to allow other practice software vendors to integrate with its EFTPOS solution.

Betting on the strength of HCN's integrated solutions, Tyro has no current plans to deliver Medicare Easyclaim

functionality in a stand alone solution. This does not however, prevent practices from using Tyro EFTPOS terminals to receive traditional card payments while they await an integrated Medicare Easyclaim solution. Indeed, despite recent discounting efforts by the entrenched banks, Tyro's rental and transaction prices compare favourably with both the CBA and NAB. Coupled with the fact that the Tyro terminal does not require a dedicated phone line, practices may find that the new entrant's "vanilla" EFTPOS solution will save them several hundred dollars per year.

CONCLUSIONS

The Commonwealth Bank's Medicare Easyclaim certification and the subsequent commencement of Mediclear signals the beginning of what will be a fiercely contested battle for control of practice EFTPOS services.

As new EFTPOS technology is deployed, medical practices will be able to make an informed decision as to whether the new patient claiming system will be of benefit to their practice.

Integrated Easyclaim solutions will lend much credibility to the system, however ultimately, technology will have little to do with success or failure of Easyclaim. Rather, the fortunes of the system will depend solely on whether the Government capitulates and offers to pay non-trivial, per transaction fees to medical practices that adopt Medicare Easyclaim.

Simon James is the Editor of Pulse+IT.

Commonwealth Bank - Mediclear
www.commbank.com.au/mediclear

Health Communication Network
www.hcn.com.au

Medicare Australia
<http://tinyurl.com/3co6ev>

National Australia Bank
www.nab.com.au

Tyro
www.tyro.com.au