MEDICAL BENEFITS PAYMENT SYSTEM

FIELD OF INVENTION

This invention relates to facilitating payments for medical benefits, and more specifically to streamline the payment of health care providers by administrators and insurance carriers that handle claims adjudication and payment to these providers.

BACKGROUND OF THE INVENTION

Third party administrators, insurance companies, and large self-funded corporations (herein "Payers") adjudicate claims, compare them to the benefit plan and make the decision to write checks in payment for the claims. Currently, Payers are required to print checks and explanation of benefit (EOB) forms for delivery to the health care providers. The EOB lists the amount the health care provider billed the Payer's company and the amount the Payer's company paid on the claim. It may also list the contractual discount amount and the patient responsibility. If the claim is denied, the EOB will explain the reason for denial. It has been estimated that the check and EOB forms cost Payers approximately $4.50 each.

The inefficiencies to all Payers that must coordinate payment for medical services. This includes, but is not limited to, insurance carriers, government entities, and non-profit organizations.

A long-felt but unfulfilled need in the art is a system to reduce the transactional costs incurred by the payers and speed up the delivery and funding of payments by weeks.

SUMMARY OF INVENTION

The present invention is a method of facilitating payment of health care benefits to a health care provider on behalf of a Payer, often an insurance company, government organization or self-insured entity. An embodiment of the invention includes the step of electronically transmitting a stored-value card account payment of the authorized benefit amount concurrently with an explanation of benefits. For the purposes of this patent specification, stored-value cards and stored-value card accounts shall also include financial instruments known as credit cards, debit cards and EFT cards.

A credit card system is a type of retail transaction settlement and credit system, named after the small plastic card issued to users of the system. A credit card is different from a debit card in that it does not remove money from the user's account after every transaction. In the case of credit cards, the issuer lends money to the consumer (or the user).

A debit card account provides an alternative payment method to cash when making purchases. When issued in physical form, the card is a ISO 7810 card like a credit card, however its functionality is more similar to writing a check as the funds are withdrawn directly from the cardholder's bank account; some cards are referred to as check cards.

A stored-value card represents money on deposit with the issuer, and is similar to a debit card. One major difference between stored value cards and debit cards is that debit cards are usually issued in the name of individual account holders, while stored value cards are usually anonymous.

The stored-value card account payment generally includes a card number with the pre-funded amount, a card verification value code and an expiration date. The payment and explanation of benefits may be transmitted by a number of methods including, but not limited to, fax, SMTP, SMS, MMS, HTTP, HTTPS, and FTP. The electronic transmission may include an electronically computer-generated image of a physical debit

Paid benefits charged to the associated debit card transaction may be reconciled via the unique card number generated and assigned to a single payment. In addition, the debit card is pre-funded only to the authorized benefit amount. Thus is it not possible to charge more than the authorized benefit amount. Furthermore, the stored-value card account payment may only be charged through a medical services terminal. The terminal may be coupled to a computer-implemented communications network as is known in the art for credit and debit card transactions.

Another embodiment includes a method of facilitating payment of health care benefits to a health care provider including the steps of identifying the health care provider that renders medical services in anticipation of payment; identifying a payer that has agreed to pay the health care provider on behalf of a patient subject to preselected conditions; identifying an administrator that determines whether the medical services conducted by the service provider meet the preselected conditions by the payer, generates an explanation of benefits, and arranges for payment of the service provider if appropriate; intercepting the explanation of benefits and payment information transmitted from the administrator to the health care provider; acquiring a stored-value card account number for the amount of the check; merging the stored-value card account number with the explanation of benefits into an image file; and transmitting the image file to the health care provider. The image file may be transmitted by a number of methods including, but not limited to, fax, SMTP, SMS, MMS, HTTP, HTTPS, and FTP. The transmission may be implemented using a computer coupled to a network connection such as known in the art and required for transmissions such as FTP, HTTP, and the like.

The charge incurred against the stored-value card account number may be reconciled to confirm the health care provider has been paid for the services approved by the administrator. As an added security precaution, the stored-value card account number is chargeable only through a medical services terminal.

BRIEF DESCRIPTION OF THE DRAWINGS

For a fuller understanding of the invention, reference should be made to the following detailed description, taken in connection with the accompanying drawings, in which:

FIG. 1 (prior art) is an illustration of the current state-of-the-art.

FIG. 2 is a flow-chart illustration of an embodiment of the invention.

FIG. 3 is a diagrammatic view of an embodiment of the invention.

FIG. 4 is an image of a merged EOB and stored-value card account payment according to an embodiment of the invention.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENT

Turning to FIG. 1 (prior art), insured patient 20 consumes services from health care provider 30. Health care provider 30 submits a benefit claim to administrator 40 in order to receive payment. Administrator 40 may be a third party administrator, insurance company government entity, non-profit organization or the like. For the purposes of this specification, administrator 40 is considered any entity that adjudicates claims, compares them to the benefit plan and makes the decision to make payment for the services. Administrator 40 evaluates the claim made by health care provider 30 to determine whether all or a portion of the benefit claim is payable