

Walgreens' Claim.MD contract shows it's serious about primary care and streamlining medical billing

Article

Editor's note: We are working diligently to confirm details of this release, which was recently embargoed due to issues with approval of the press release. What we do know is that while Claim.MD's system does usually integrate with a customer's EHR system, in this case, it is not integrated yet. Further, we corrected this article to refer to Walgreens Health, a division of Walgreens Boots Alliance. (September 12, 2022).

The news: Walgreens Health, a division of Walgreens Boots Alliance, signed a deal with electronic data interchange (EDI) clearinghouse Claim.MD to ease billing and payments collection for providers, payers, and software vendors.

- Walgreens' Health Corners clinic will use Claim.MD to convert claims information to ANSI X12, a standard data-exchange format.

Here's how it works: Claim.MD's online portal will let Walgreens Health Corners review and correct claims errors.

- Walgreens is using Claim.MD for a payer in New Jersey with zero-dollar claims, per a Walgreens spokesperson.
- The EDI clearinghouse simplifies large batch files of claims and offers a web portal and application program interface (API) to verify real-time benefits eligibility.

The problem: Healthcare execs struggle with revenue cycle management—and inefficiencies with claims submissions are a major culprit.

Claims are often prone to errors. This slows down the claims reimbursement process by increasing denied claims and lengthening the accounts receivable process.

- Revenue cycle inefficiencies are as chronic as actual diseases like diabetes and hypertension, suggested Brett Kleebauer, director of revenue cycle management, Walgreens Health.
- **85% of claims denials are preventable, according to** a 2021 Harmony Healthcare.
- Claims denials are such a problem that physician firm Envision Healthcare has sued UnitedHealthcare. Envision claims that **60% of its highest-acuity claims were denied.**

The opportunity: Healthcare organizations are investing in tech tools like EDI and AI to help.

- For example, Northwell Health will use AI-powered natural language processing (NLP) from Clinithink to automate medical claims processing.

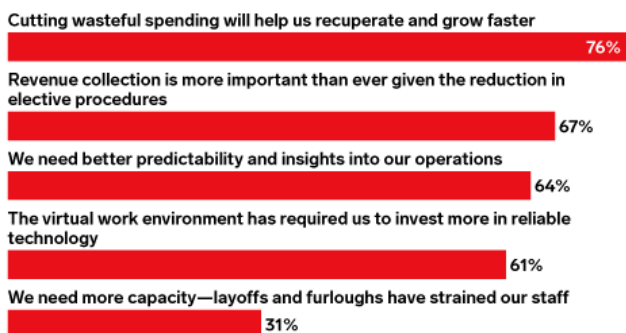
- Further, about **26% of healthcare execs plan** to adopt new billing/RCM software in the second half of 2022, according to an **R1 RCM** survey.

Walgreens prioritizes primary care: The deal shows that Walgreens is committed to primary care, including home health, and will tidy up claims reimbursement for this aspect of its business.

- Walgreens already incorporates primary care practices in some of its stores as part of its **63% investment in VillageMD**.
- **Walgreens** also recently **completed** a majority stake investment in home health platform **CareCentrix**.

Factors Driving Automation Investment and Growth in Healthcare According to US Healthcare Leaders, Dec 2020

% of respondents



Note: n=75
Source: Sage Growth Partners, "The State of Healthcare Automation" sponsored by Olive, March 9, 2021

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