THE BACKGROUND

Administrative Enterprises, Inc (AEI), a Glendale, Arizona company that has become Arizona's largest third-party healthcare fund administrator (TPA), employs 90 people and serves thousands of employees at schools, public agencies and private enterprises. The company issues some 80,000 checks each month, also printing second copies and explanations of benefits along with the checks.

The claims that AEI reviews and pays, originate with doctors, hospitals, druggists and other covered providers. Using AEI's services, plan sponsors or groups exercise appropriate control over healthcare expenditures, at lower costs versus fully insured plans, says Network Administrator Laurence Nolan, who has been with the company since the mid-1990s and has participated energetically in its growth.

THE PROBLEM

"Initially, we used line printers and preprinted, multi-copy continuous form check stock that included a carbon copy; and over time this system definitely inhibited efficiency and growth," Nolan said. "We had to feed the line printer and if there was a hiccup or a bad character, it was necessary to start the run all over. The process was slow; ribbons tended to fade during check runs, producing poor quality checks, and we had rows of file cabinets full of carbons.

"On top of all this, there were regular attempts at check fraud," he said. "With so many checks going so many places, the fraud risk was constant…all anyone needed was software, a scanner and check stock. A fraud attempt meant changing bank account numbers and being stuck with piles of boxes of unused check stock."

THE SOLUTION

The situation couldn't continue, Nolan said, and he began researching alternatives. He considered several different solutions as well as consulted with major printer companies, eventually selecting ACOM's Payment software, a straightforward software system that enables users to use electronic check templates instead of preprinted check forms.

ACOM's Payment software generates complete signed checks and their associated documentation on blank security check stock in a single pass through a MICR-enhanced laser printer. Moreover, utilizing blank check stock avoids the need to print and maintain large inventories of check forms, as well as dramatically reduces opportunities for check fraud through theft of forms and alteration of printed checks.

THE IMPLEMENTATION

Implementation of the system and cutover to production was quick and easy, Nolan says. He worked with ACOM's implementation team to set up check templates for the several accounts, after which he and his team were able to set up new accounts as well as to modify existing ones on their own.

AEI maintains a claims account for each group, and its home-grown claims processing software organizes payment files by provider. Prior to the implementation of ACOM's Payment software, the continuous multipart forms had to be burst, decollated and sorted prior to being folded, stuffed into envelopes and mailed.

Under ACOM's Payment software solution, the checks are still printed in a batch process with each provider's claims printed together so they can be automatically folded and sealed, ready for mailing, with little or no manual handling. The entire process, from running the checks to sending them out, is performed in the AEI mailroom by a staff of three people.

"We went with ACOM's Payment software for a number of reasons," Nolan says. "Seamless compatibility with our software was an absolute. Price was important but even more so was software flexibility and technical support. ACOM's Payment software enables us to do whatever we need to do. For example, we run the entire batch of checks in one file that includes multiple providers and multiple groups. We are able to change bank account numbers for the groups on-the-fly. ACOM's technical support professionals got us into production very quickly and they continue to be available as we need them. ACOM's Southern California location played an important role in that regard."

SUCCESS!

ACOM's Payment solution has helped AEI to manage costs effectively as the company has continued to grow, Nolan says.

"It allowed us to accelerate production processes and to save significantly on personnel resources; equipment and maintenance; form preprinting; post-processing and mailing; and on high-usage supplies like ribbons," he says. "The quality of the checks is consistently high and we get more done, faster, with less effort and greater security. ACOM's Payment software was a relatively small investment that paid for itself in less than a year in time alone."

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