Healthcare Giants in Blockchain Pilot Program Hope to Boost Efficiency, Lower Costs

Digital technology often equates to more efficient business operations. That equation certainly applies to the healthcare field. one aspect of digital application undergoing more rigorous scrutiny lately is blockchain technology.

Blockchain is a means of data exchange that uses a "distributed ledger," a digitally linked record of transactions. Within that c of recorded transactions, individual transactions are preserved in such a way that they cannot be altered or deleted. Develope order to enable the exchange of Bitcoin, blockchain technology can add enormous value to the healthcare industry, although whether it will ultimately find widespread implementation in the field is not yet obvious.

5 healthcare heavyweights say yes to blockchain trial

In a nod in the affirmative direction, however, was the news last month reporting blockchain adoption by five healthcare systen Humana, Multiplan, Optum (by UnitedHealth), UnitedHealthcare, and Quest Diagnostics. The healthcare heavyweights have I a pilot program that will employ blockchain to demographic data collected by providers. The hope is that the use of blockchain technology can decrease administrative costs and increase data accuracy at the same time.

"We see this as an opportunity to provide a national critical infrastructure so we can improve the quality of the data and make whole system more efficient and reduce costs," Lidia Fonseca, chief information officer of Quest Diagnostics, told Modern Healthcare.

The ultimate goal is "an automated process"

For blockchain technology to truly benefit its users, it cannot exist in a vacuum, however. Its efficacy will likely only be fully rea when it has been widely adopted in healthcare.

The pilot program that the five healthcare giants have signed on to will explore how blockchain technology can be used to ena the sharing of provider data across healthcare organizations, which may slash operational costs. "We want an automated pro Fonseca said. And as in most behind-the-scenes improvements in healthcare, the potential goes beyond lower administrative and higher efficiency of claims processing to increased access to care for patients.

Data reconciliation costs healthcare companies more

than $2 billion annually

What isn't up for debate is the data reconciliation costs to healthcare companies under the current system. Because organizations typically maintain separate records for provider data, reconciling that information requires time, and therefore requires money. Estimates put that overall cost at $2.1 billion each year.

Specifically, what blockchain can offer the participating healthcare organizations is access to nearly instant updates of provider data when made by other companies, a type of data reconciliation impossible under the current recording system. Michael Yetter is the director of healthcare management consulting at KPMG. "It's very important that all the participants across the blockchain have a copy of the data and it's updated in real time," he told Modern Healthcare.

The five pilot participants are not the first to give attention to blockchain within the healthcare field. Change Healthcare, a revenue cycle and analytics company, announced last fall that it was implementing blockchain technology in order to improve the processing of claims and payments.

In an increasingly value-based healthcare climate, experts seek new tech to increase interoperability

It's clear that "blockchain" is a term gathering steam in the healthcare field that continues to move toward a value-based system. Another important concept in that regard and in this digital world is "interoperability."

In a public statement last September, Neil de Crescenzo, CEO of Change Healthcare, said: "As today's healthcare system becomes more value-based, it's essential that we aggressively and pervasively introduce new technologies into healthcare at scale." He also predicted that blockchain will allow for more secure payment transactions as well as more streamlined claims processing, including the opportunity for hospitals, providers and payers to track claims as they're being processed.