Automated Vendor Invoicing with the XCS eiConsole

Carriers Eliminate Manual Effort and Erroneous Payments Through Electronic Reconciliation

OVERVIEW:

Paying the "right" amount for high-volume services is a challenging proposition.

In the insurance industry, carriers work with a variety of service providers, each with their own, unique products and pricing. At the end of each billing period, the carrier will receive an invoice – sometimes paper, sometimes electronic, with hundreds if not thousands of individual line items. The carrier is then faced with choosing the lesser of two evils. They may remit payment without detailed review, leading to possible overpayment. Alternatively, they may undertake a manually-intense reconciliation effort, matching each line item to services rendered. The gamble in this scenario is that the cost of time spent will be less than the amount recovered as a result of errors discovered. Even when this option is chosen, the information on the invoice is often insufficient to associate a charge with a specific requirement.

Service providers face a related set of challenges in managing accounts receivable. Each customer that does have an electronic billing process is likely to dictate their own data format and transmission protocol. Many will not provide any meaningful feedback after the initial invoice is sent, leaving the provider without the right information to follow up on disputed items or to chase aging bills.

The ACORD XML standards offer a solution to this costly dilemma with the introduction of the Automated Vendor Invoicing transactions. These include:

• **ACORD TXLife 118 – Submit Invoice**

This transaction provides a standardized mechanism to represent an invoice, including all fees and line-item detail, in an ACORD XML-compliant data stream. This transaction also includes all of the necessary keys to relate an invoice-specific line item to a previously ordered service / requirement. This transaction is generated by service providers and transmitted to their client companies in place of or in addition to their current billing mechanism.

• **ACORD TXLife 1119 – Invoice Status Transmittal**

This transaction provides a standardized mechanism to represent payment status on an invoice. Like the TXLife 118 transaction, this includes line-item level detail to standardize communication related to what has been paid, what will be paid, and what is under dispute. This is an asynchronous notification generated by the client carrier and transmitted to the service provider.

INTERFACE IMPLEMENTATION:

Implementation of the ACORD Automated Vendor Invoicing transactions provides the means to automate the vast majority of the reconciliation processes. The information delivered in the ACORD 118 transaction can be seamlessly matched against internal records of services ordered, leaving only exceptional items to require manual review. Line items that appear to match completed orders and contracted pricing can be automatically approved for payment. Incorrect fees, double-billing, or charges for canceled orders can be immediately disputed without human intervention.

For the service provider, the ACORD 118 reduces the number of unique processes the accounting, operations, and IT staff must manage. The ACORD 1119 gives service providers full visibility into the client's payment processing, facilitating resolution of disputes, follow-up on aging, and reporting on outstanding A/R.

Taken together, the ACORD Automated Vendor Invoicing transactions represent a significant opportunity to streamline the billing and reconciliation process, saving a tremendous amount of money previously expended in manual effort and incorrect payments.

PilotFish has been deeply involved in the first production implementations of these transactions. Based on real-life implementation experience, we are pleased to announce the general availability of the Automated Vendor Invoicing Bundle for the XCS eiConsole.

The Automated Vendor Invoicing Bundle includes transaction templates for production-tested ACORD AVI messages, including:

For Carriers:

- Receive ACORD 118 Invoice
- Submit ACORD 1119 Invoice Status

For Service Providers:

- Submit ACORD 118 Invoice
- Receive ACORD 1119 Invoice Status

Each transaction template includes the following features:

- A paint-by-numbers mapping template, with the full structure of the ACORD 118/1119 preconfigured and ready for your configuration.
- A sample data transformation, demonstrating how a proprietary invoice format (e.g., a spreadsheet) can be converted into or generated from given ACORD AVI transaction.
- An example interface topology, complete with secure web services endpoints for the submission and receipt of each message type.

The Automated Vendor Invoicing Bundle also includes a step-by-step "Getting Started" tutorial and discounted implementation services package.

Contact PilotFish for more information on this bundle, and for a detailed consultation on how your organization can benefit from and implement standardized electronic invoicing