



Real Time Claims Today's Environment

Barney Dreistadt
Director, Provider Services Development
Blue Cross and Blue Shield of Florida
February 13, 2007



Key Questions

- What can be gained?
- How is it working today?
- What are the impediments ?
- What is changing?
- What are the options?

What can be gained?

- **Improved A/R for providers**
 - Consumer payments
 - Provider payments
- **Lower cost of operation**
 - **Provider office**
 - Increased self-service/less time on phone calls
 - Less rework/refunds/need for explanations of additional member responsibility
 - **Insurer**
 - Fewer provider calls; less rework
 - Fewer phone calls from members

What can be gained?

- **Reduced consumer confusion**
 - Clear patient responsibility amount
 - Fewer refunds/additional charges
- **Makes administration of new types of health plans easier**
 - High deductibles/coinsurance
 - Accounts (FSAs;HRAs; HSAs)
- **Supports transparency of information for consumers**

How is it working today?

In Florida, providers can submit claims on-line through Availity¹

The image displays two side-by-side screenshots of the Availity web portal interface for submitting a Professional Health Care Claim. Both screenshots show the user logged in as Fred Jones on Tuesday, January 9, 2007, with the location set to Florida. The navigation menu includes 'My Availity Dashboard', 'Availity Library', 'My Code Lists', 'Free Training', and 'My Products & Services'. The left screenshot shows the 'Professional Health Care Claim - Quick Claim' form with a 'Transaction Type' section containing radio buttons for 'Quick Claim', 'Quick Encounter', 'Ambulance Quick Claim', 'Durable Medical Equipment (DME) Service Quick Claim', 'Home Health Care Quick Claim', 'Detailed Claim', and 'Detailed Encounter'. The right screenshot shows the 'Billing Provider Information' section with fields for 'Express Entry - Provider', 'Last Name / Organization Name', 'First Name', 'Tax ID Type' (with options for 'Employer Identification Number (EIN)' and 'Social Security Number'), 'Payer Assigned Provider ID', 'Address 1', 'Address 2', 'City', 'State', and 'ZIP Code'. Below this is the 'Claim Information' section with 'Claim Type' (radio buttons for 'Other' and 'HMO') and 'Patient Account Number'.

Volume: About 200 thousand real time claims/year
of more than 60 million total BCBSF claims or about 0.3%

¹ Availity, L.L.C., is an independent company formed as a joint venture between Navigy, Inc., a wholly owned subsidiary of Blue Cross and Blue Shield of Florida, Inc., Health Care Service Corporation, and HUM-e-FL, Inc., a subsidiary of Humana, Inc. Blue Cross and Blue Shield of Florida has business arrangements with Availity with the goal of reducing costs in the Florida health care marketplace, simplifying provider workflow, improving patient experience and in providing HIPAA-AS compliant solutions. For more information or to register, visit Availity's website at www.availity.com.

What are the impediments?

- **Utility**
 - Not necessary for covered claims with small co-pay
- **Fit with office flow**
 - Batch orientation of existing flow
- **Complexity/Compatibility with current systems**
 - Many to many to many relationships
 - Practice Management Systems:portals:insurers
 - Complex claims
 - Complex environments
- **Lack of attractive alternatives**

What is changing?

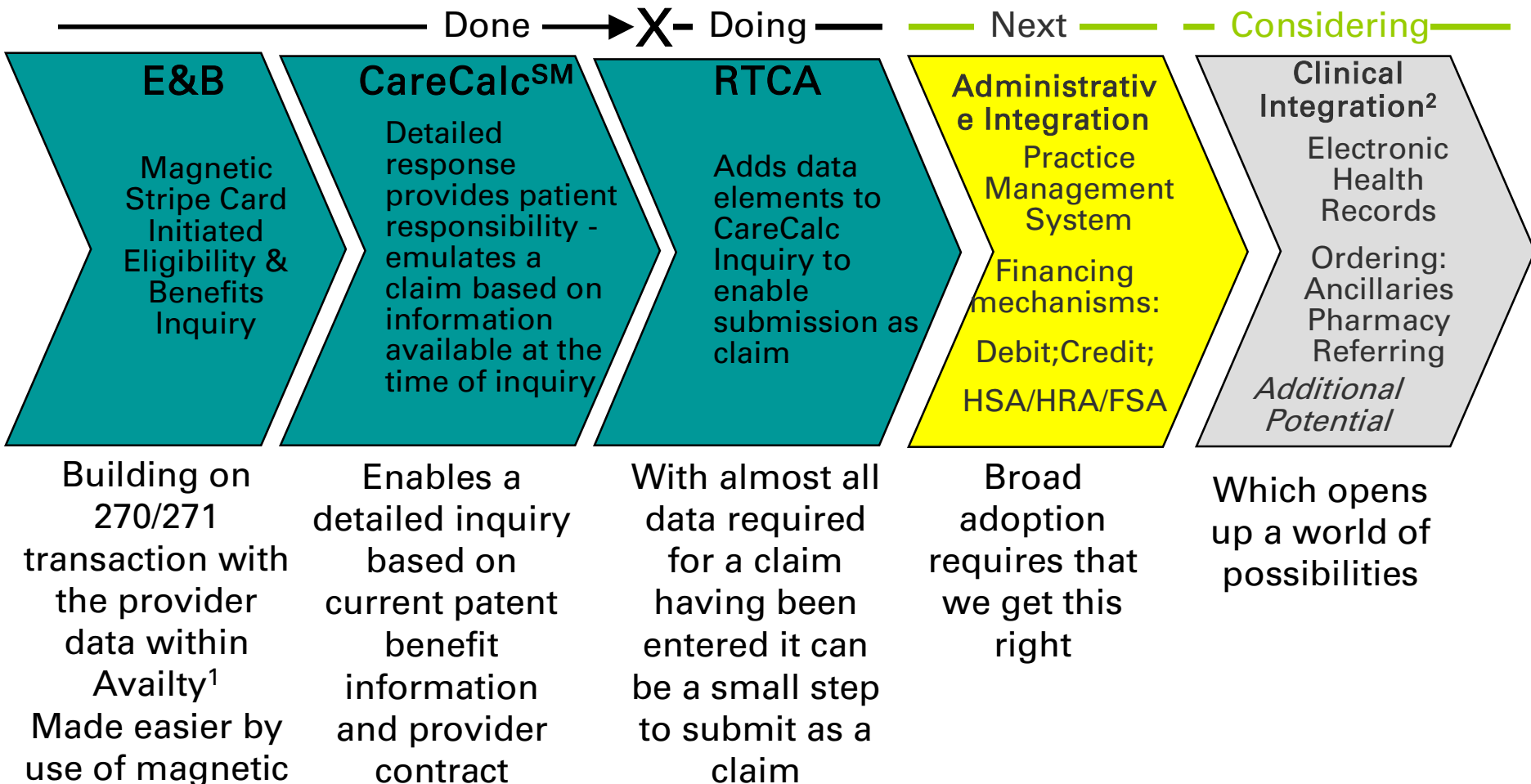
- **Patient responsibility**
 - Higher deductibles and co-insurance
 - Patient collections increasingly important
 - More tax favored accounts with complex rules
- **Technology**
 - More self service and on-line transactions everywhere
- **Standardization**
 - HIPAA, ANSI, WEDI, NPI
- **Affordability/Increasing levels of uninsured**
 - Need to eliminate non-productive costs in health care

What are the options?

- 1) **Move claim submission earlier in process**
 - Simplify input
 - Adjust management systems/approach to batching
 - Lo-tech (paper clips and staples)
 - Hi-tech – automated real time with instant PMS updates
- 2) **Build on the eligibility & benefits inquiry process (270/271) process**
 - Use the data once obtained
 - Add only data needed to submit claim
- 3) **Integrate # 1 and # 2**

BCBSF's Approach

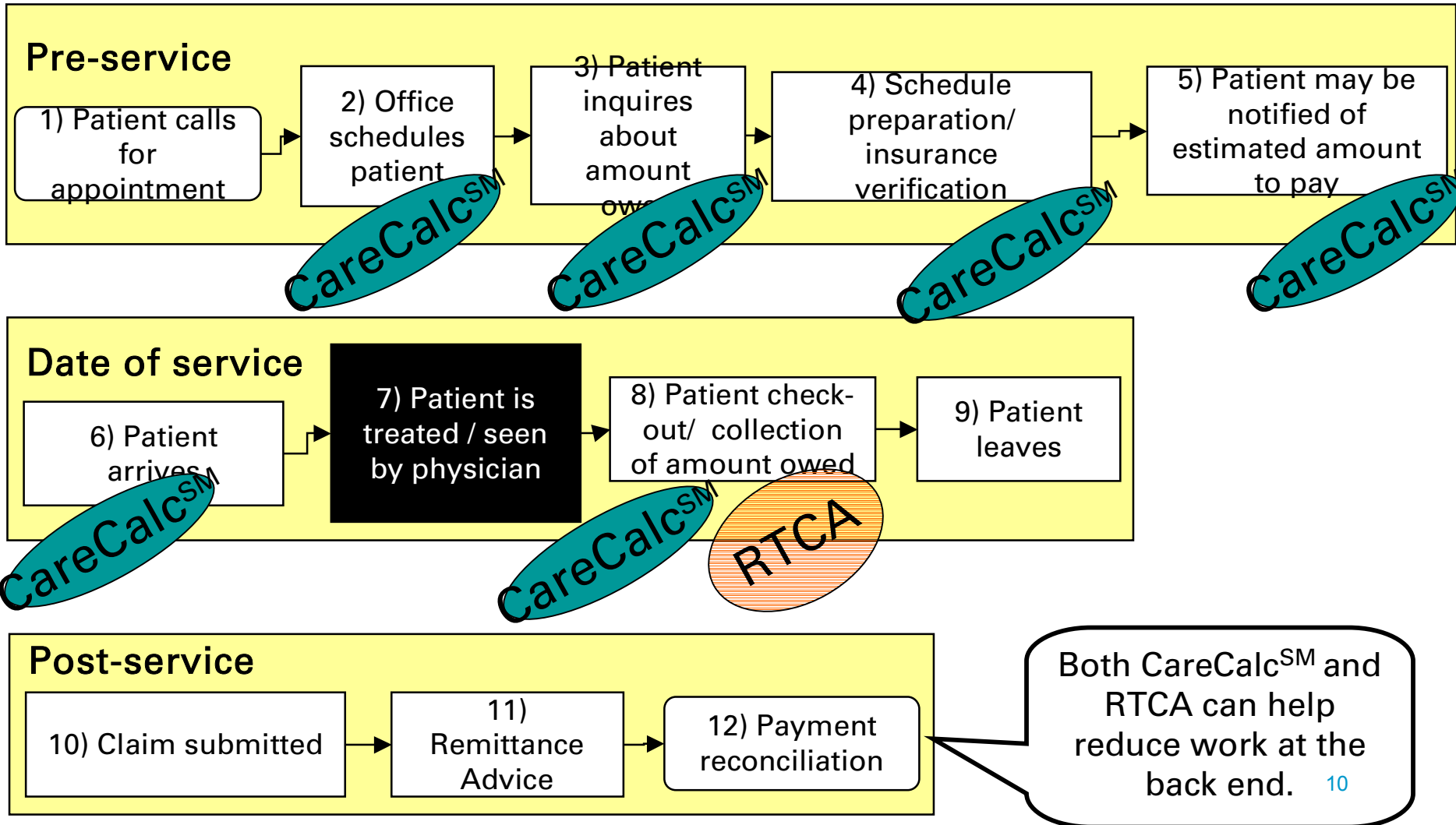
Building on and leveraging Availity capabilities, collaborating with other stakeholders



² Several Clinical initiatives are already underway. Integration with the administrative processes may create additional value (Simplified 837) 9

Provider Office Flow

The approach enables providers to use tools where and when they are most helpful



Summary

- Much can be gained
- Key stakeholders want to
- We have the technology
- Some impediments must be overcome
- Some of us are trying
- How can we reach a beneficial tipping point?

Questions/Comments

- **Contact information**

Barney Dreistadt
Director, Provider Service Development
Blue Cross and Blue Shield of Florida
4800 Deerwood Campus Parkway
Jacksonville, FL 32246

barney.dreistadt@bcbsbl.com