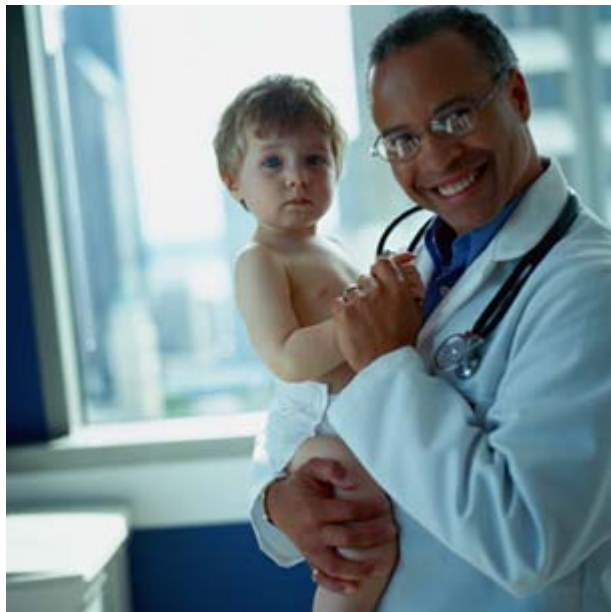


Availity Real-Time Claim Adjudication



Panel Discussion

February 13, 2007

availity[®]
Patients. Not paperwork.



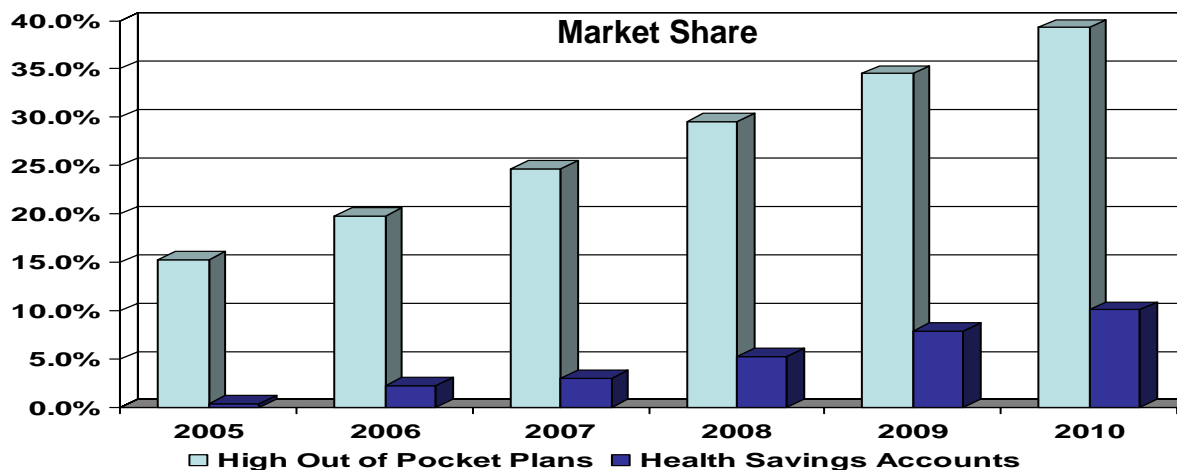
- Availity offers 3 options that support real-time claim adjudication, if payers' back-end claim systems support it
 - Any provider can key claims on the Availity Health Information Network
 - Any provider that can create HIPAA-compliant claims in their billing systems can send them in batch using the Availity EDI function
 - Any provider can seamlessly send claims if they utilize a billing system that supports B2B claims integration with Availity
- Payers' back-end claim systems need to support real-time adjudication
- To support true end-to-end, real-time claim adjudication, billing system vendors need seamless integration with Availity
 - Availity has B2B integration with more than 20 vendors for other administrative related transactions
 - Most vendors are not motivated to do this work for claims (only the non-claims)
 - Most systems process in batch, so it is difficult for them to justify development unless they are paid to do so
- Real-time information supports consumer directed health care



Market Dynamics and Product Growth

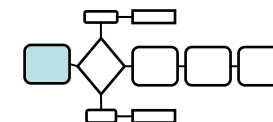
HOOPs Growth in Florida

- High Out of Pocket Plans[†] are expected to approach 40% adoption of Florida's commercially insured market by 2010
- Health Savings Accounts are expected to eclipse 10% adoption of Florida's commercially insured market by 2010
- This translates into 3.9 million High Out of Pocket Plans and 1 million Health Savings Accounts by 2010
- The effect of this expected adoption will greatly alter the health and financial landscape



[†]Defined as a deductible greater than \$1k for individual or \$2 k for family

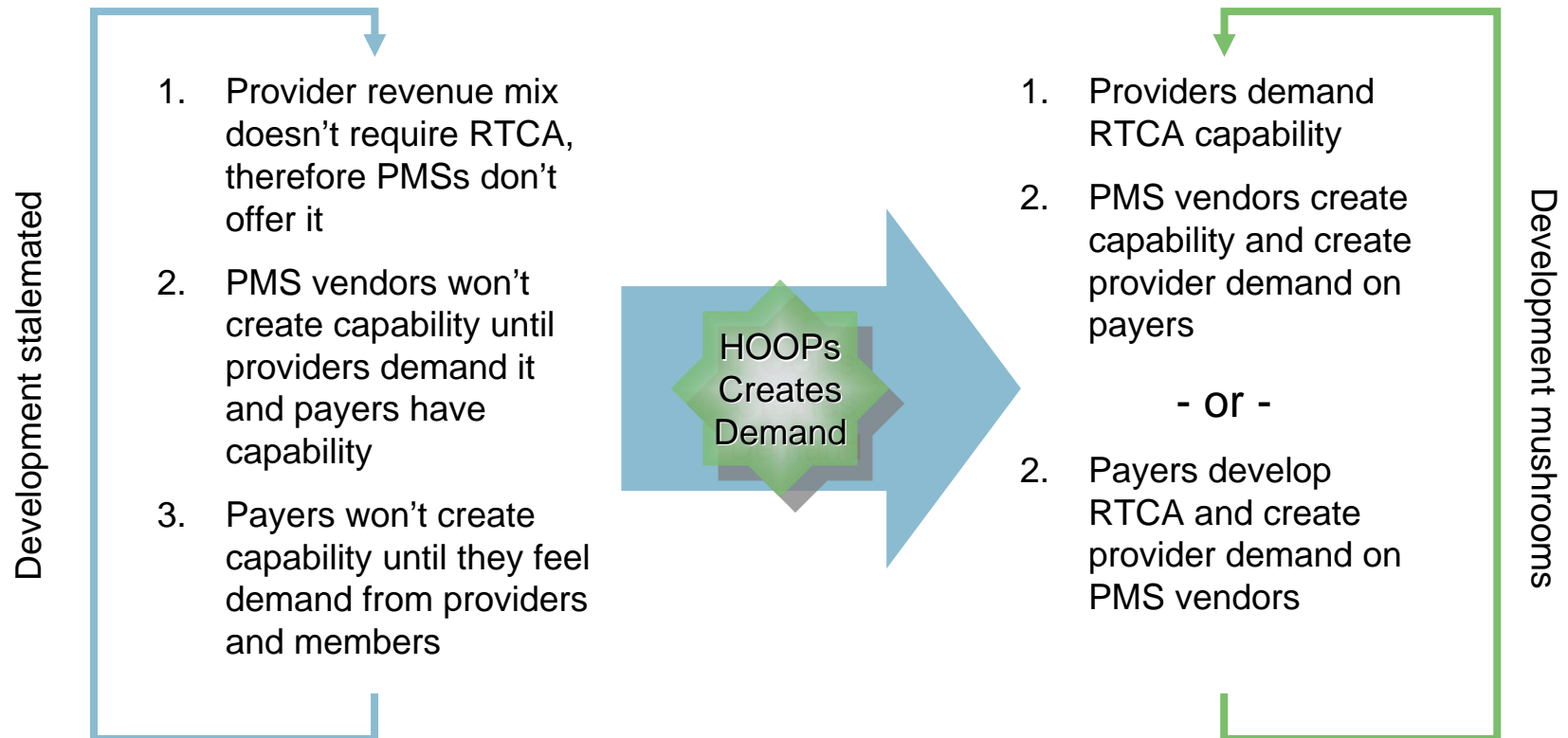
Source: Navigy, Inc. based on BCBSF HSA work and *Employer Health Benefits, 2005 survey*, Kaiser Family Foundation and Health Research and Educational Trust, c2005





Creating Demand

High Out of Pocket Plans (HOOPs) are the catalyst to create demand for real-time claims and financial services. A critical mass of HOOPs will create needs by both providers and patients for cost information at point of care



Availity already has the capability to enable RTCA. Our strategy is to create awareness and demonstrate value among both payers and providers of the pending need, thereby creating more demand



Value Proposition

- **To Payers**

- Supports improved provider relationships
- Reduces rework costs
- Supports consumer directed health plans

- **To Providers**

- Supports improved payer relationships
- Supports consumer directed health care
- Supports payment information when card is processed at the time of care
- Enables faster error correction
- Can reduce revenue cycle time
 - However, real-time adjudication does not imply real-time payment



Availity Portal Keyed Option Summary

- **Offers providers the capability to key claims on the Availity web portal and submit them to payers in real-time**
 - Providers can key claims on the Availity web portal
 - Once an Availity real-time connection is established, payers can utilize the same connection for EDI batch
 - Payers respond to providers in real-time
 - Availity presents the results, including adjudication information if available, on the portal
- **Future portal keyed functionality**
 - Allow keyed claims for payers who can only accept batch claims
 - Availity will respond to providers in real-time with a message such as “claim has been submitted to payer”
 - Return delayed claim responses, including adjudication information if available, through a message center functionality on the portal



Availity EDI Batch Option Summary

- **Offers a channel between Availity and payers to enable real-time claim submission for non-real-time (EDI batch) submissions**
 - Providers can create batches of claims in their billing systems and send them to Availity via electronic data interchange (EDI)
 - Payers have the option of receiving EDI batch claims from Availity in near real-time
 - Because transactions received in batch mode are always throttled so that no more than 20 are sent at the same exact time, we use the term “near real-time”
 - Once an Availity real-time connection is established, payers can utilize the same connection for EDI batch
 - The claim response accommodates the adjudication information
 - Availity consolidates this information by payer and returns it to the provider in an Electronic Batch Report (EBR), which is placed in the provider mailbox for retrieval



- **Offers a channel between vendors (including clearinghouses and PMS/HIS vendors) and Availity to enable seamless real-time claim submission**
 - Claims are generated by providers in their vendor software
 - Claims are sent via B2B to Availity in real-time, one at a time, bypassing the web portal screens, on to the payer in real-time
 - Once an Availity real-time connection is established, payers can utilize the same connection for EDI batch
 - Payers respond in real-time and Availity sends the results, including adjudication information if available, in a data stream to requesting vendors
 - Vendors present and/or make the data available inside of the vendor software to providers



What payers can do to increase real-time adjudication rates

- Establish connectivity with Availity to accept real-time claims
- Determine which back-end claim systems support real-time adjudication
 - Analyze membership to determine the percentage that has the potential to adjudicate in real-time
 - Continue to migrate membership to claim systems/platforms that support real-time adjudication



What providers can do to increase real-time adjudication rates

- Utilize Availity to submit real-time claims
 - Especially high dollar claims
- Encourage their PMS/HIS vendors to develop B2B connections with Availity



- Integrated settlement
- Predetermination
- Automated fee schedules



- Availity offers 3 options that support real-time claim adjudication, if payers' back-end claim systems support it
- Payers' back-end claim systems need to support real-time adjudication
- To support true end-to-end, real-time claim adjudication, billing system vendors need seamless integration with Availity
- Availity and payers can focus deployment in markets where the majority of claims can be adjudicated in real-time (per payers' back end systems)
- Vendors and payers need to work together to maximize real-time adjudication
- Real-time information supports consumer directed health care



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