

LINUX

Discussion

- How the HIPAA Laws Were Meant to Work
- Why HIPAA Implementation Has Stalled
- What is the Void Filled by Linxus

Background

- HIPAA's goal was to create administrative simplification standards, to increase electronic information exchange between payers and providers
 - Eligibility verification, pre-authorization, claims processing and payment status, etc.
- When implemented these standards were supposed to eliminate excess administrative costs on both sides.
- As in other industries, standards are key to shifting information from silos to a uniform currency.
 - Standards usually emerge as a market driven imperative.
 - “Keepers” of standards can also create enormous value.

HIPAA Administrative Simplification Through Standardized Transactions & Code Sets

HIPAA Administrative Standards

Example 1:
Why has the health plan not paid my claim?

Hospital Billing Dept



Physician Office



Health Plans



HIPAA Standards

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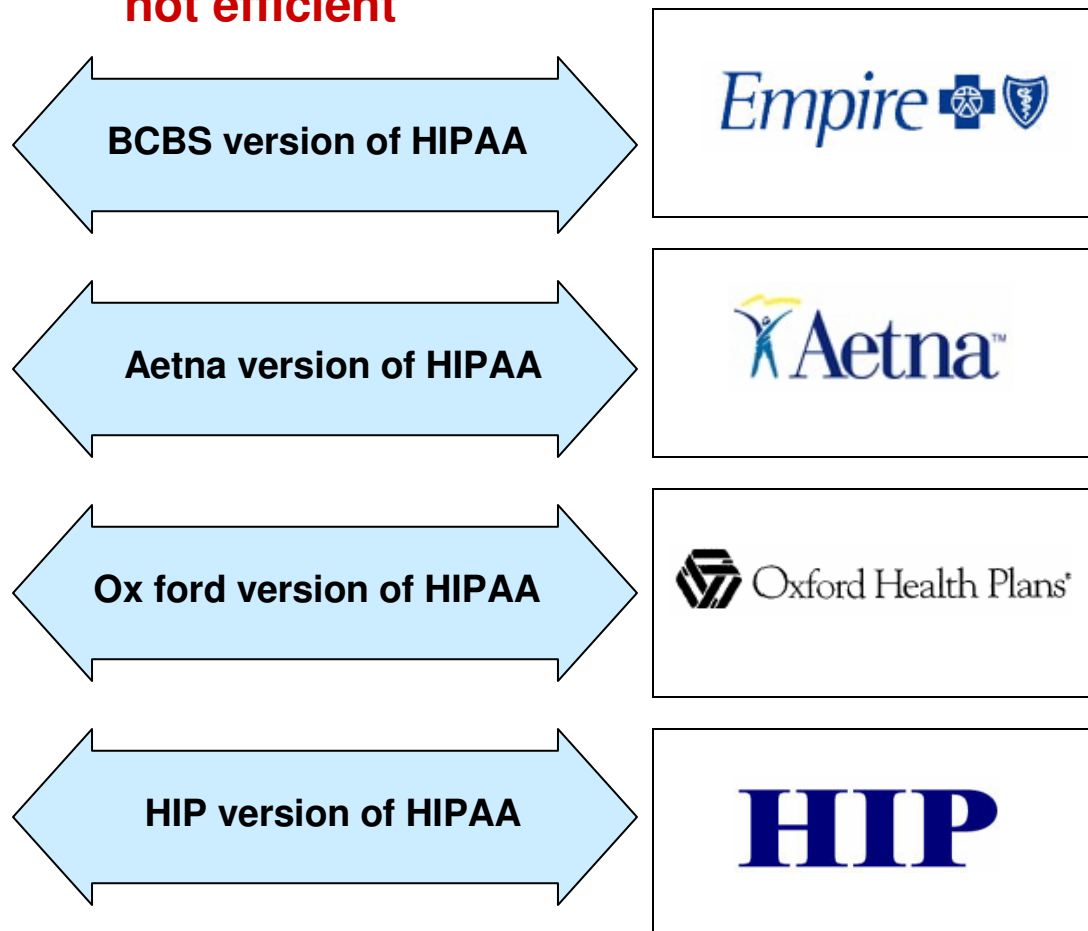
HIPAA Implementation Has Stalled

- Few providers and payers have implemented all HIPAA transactions
 - Each group cites the other's lack of readiness
- Payer HIPAA Implementation Guides are a non-standard standard
 - HIPAA was flexible
 - Different interpretations by each health plan

Problem: HIPAA Standards are Flexible, Leading to Non-Standard Standard

...it would have to implement and interpret each payer's version of HIPAA, which is not efficient

Today, if a Hospital Billing Dept wanted to inquire electronically about an outstanding claim with the health plans...



Pilot

- Pilot Group formed in 2004 with GNYHA as the manager



- Picked Claim Status (276/277) to develop a “proof of concept”
 - Hospital queries to health plan regarding status of claim
 - Gives providers more information about submitted claim, for example: claims not in payer system and pended claims.
- In less than one year, the group agreed it was a success
 - Prior to pilot this transaction was not in use
 - Number of transactions exchanged increased from zero to 20,000 per month
 - Issues were identified to improve the quality of the information exchanged

LINXUS

Standard

Implementation

Providers

MONTEFIORE
Medical Center

NYU
Medical Center
NYU Medical Center
We advance medicine™

MEMORIAL SLOAN-KETTERING
CANCER CENTER

NewYork-Presbyterian
The University Hospital of Columbia and Cornell

Continuum
Health Partners

North
Shore LIJ

Mount
Sinai

Claim Status
(276/277)

Remittance
(835)

Eligibility
(270/271)

Others...

Health Plans

Empire

Oxford Health Plans

Aetna™

GHI

HIP

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Linux Fills the Void

- Through collaboration and intensive analysis of current business processes, we create one transaction standard that is meaningful and actionable and providers will therefore implement and use.
- Members hold each other accountable to increase electronic information exchange (connectivity).
- Success breeding a desire to do more
 - Joint collaborative efforts position Linux to become a leading industry standards setting body

Must Have Characteristics

- Independent of proprietary systems and platforms
 - Do not require changes in internal IT systems
- Replicable universally (e.g., most plans and providers can use)
- Increase the use of automated transactions (both number and type)
- Accountability and commitment of focus by each organization for pilot success
- Clarity of individual project team members' roles and responsibilities

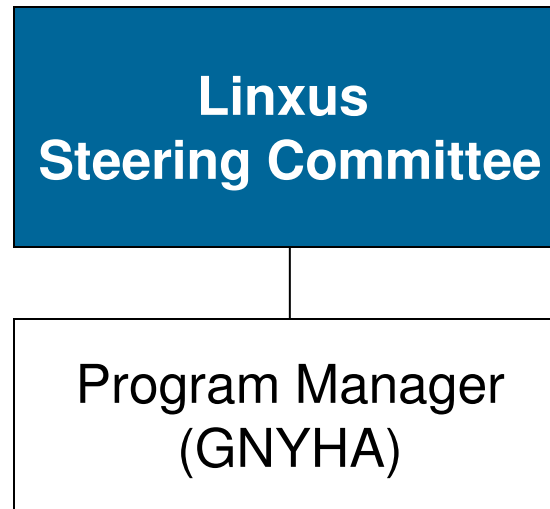
Organizational Structure



**Linxus
Steering Committee**

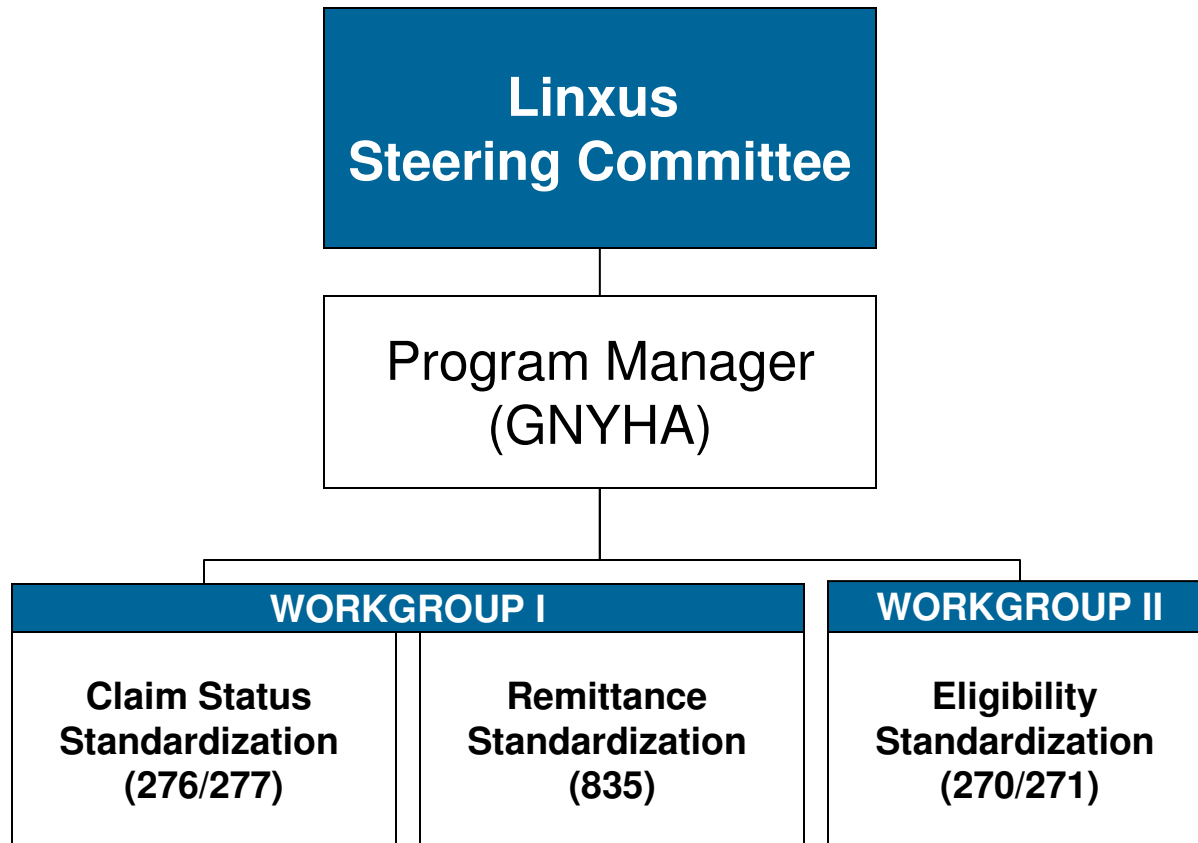
- Led by a Steering Committee
 - Has senior management-level commitment
 - Defines the strategic agenda
 - Meets Quarterly
- Elects annual co-chairs (a Health Plan and a Provider)

Organizational Structure



- Manage project plans and budget
- Recruit new Participants
- Track “Connectivity Status” on selected transactions
- Facilitate Workgroup meetings
- Document and publish standards to Linxus web site
- Coordinate with peer national and regional standards groups

Organizational Structure



- Provider finance staff
- Health Plan claim and provider service staff
- Both IT staffs on an as-needed basis

Linux Guiding Principles

- 1. Consensus driven**
 - ◆ decisions must be achieved unanimously
- 2. Imperative-driven vs. relationship-driven**
 - ◆ the imperative to automate the business relationship between payers and providers is independent of any individual Members' relationships
- 3. Mutual value**
 - ◆ priority given to high impact opportunities with balanced benefit for health plan, hospitals, and physician practices
- 4. Reach specificity**
 - ◆ deliverables are appropriately documented
- 5. Openness**
 - ◆ organizations will be invited to share benefits identified by the Members' collaboration
- 6. Interoperability**
 - ◆ implementation requirements never favor proprietary systems or platforms
- 7. Accountability**
 - ◆ commitment of focus by each Member organization
- 8. Clear roles and responsibilities**

Linxus Participants

Health Plans

1. WellPoint (Empire BCBS)
2. United Healthcare (Oxford)
3. Aetna
4. HIP
5. GHI
6. NYS Medicaid (ex officio)

Program Manager:

Greater New York Hospital Association (GNYHA)



Providers

(24 hospitals, 6,000+ doctors)

1. Montefiore Medical Center
2. Montefiore Practice Plan
3. NYU Medical Center
4. NYU Practice Plan
5. New York Presbyterian Health System
6. Columbia University Practice Plan
7. Weill Cornell Practice Plan
8. Memorial Sloan Kettering Cancer Center
9. Memorial Sloan Kettering Practice Plan
10. North Shore-LIJ Health System
11. Continuum Health Partners
12. Mount Sinai Medical Center



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