

NEW YORK HOSPITALS AND HEALTH PLANS PLEDGE TO COLLABORATE ON ELECTRONIC INFORMATION EXCHANGE STANDARDS

Commitments made to simplify reimbursement and administration

<p>Health Plans</p> <p>Aetna</p> <p>Empire Blue Cross Blue Shield (WellPoint)</p> <p>GHI</p> <p>HIP</p> <p>Oxford Health Plans (a UnitedHealth Company)</p>	<p>August 1, 2007, New York, NY - Major hospitals and hospital systems, physician groups, and regional and national health plans serving the New York City area have jointly signed a pledge to adopt single technology standards that simplify reimbursement and make payment administration less costly.</p>
<p>Providers</p> <p>Continuum Health Partners</p> <p>Memorial Sloan Kettering Cancer Center & Practice Plan</p> <p>Montefiore Medical Center & Faculty Practice</p> <p>The Mount Sinai Hospital</p> <p>New York Presbyterian Health System & Columbia University Practice Plan & Weill Cornell Physician Organization</p> <p>North Shore–Long Island Jewish Health System</p> <p>New York University Medical Center & Faculty Group Practice</p>	<p>The participants - all members of Linuxus, a consortium managed by the Greater New York Hospital Association (GNYHA) where providers and health plans seek solutions to lower administrative costs - will measure results, encourage others to join these efforts, continuously improve upon the standards, and post implementation guides to a Web site (www.linuxus.net) for others to use freely.</p> <p>Linuxus' provider membership consists of Montefiore Medical Center, Montefiore Faculty Practice, NYU Medical Center, NYU Faculty Group Practice, New York-Presbyterian Health System, Columbia University Practice Plan, Weill Cornell Physician Organization, Memorial Sloan Kettering Cancer Center, Memorial Sloan Kettering Practice Plan, North Shore–LIJ Health System, Continuum Health Partners, and The Mount Sinai Hospital. Health plan membership consists of WellPoint (Empire Blue Cross Blue Shield), Aetna, GHI, HIP, and Oxford Health Plans (a UnitedHealth Company). New York State Medicaid is an ex officio Linuxus member.</p> <p>A study¹ by the consulting firm McKinsey & Co. recently analyzed health care spending and has found that commercial and government payers combined spend \$120 billion annually on administration.</p> <p>Approximately \$18 billion of administrative costs measured by McKinsey are attributed to health plan operations supporting provider networks, such as claims payment appeals, complaints, and contract disputes related to denials, utilization reviews, etc.</p> <p>The McKinsey study, however, underestimates total administrative costs in health care, because it does not include mirror provider investments in billing operations, such as denial management, collections, and "front end" benefits determination. Providers maintain complex information systems, which must interact with multiple health plans, each with different payment rules, policies, and carve-out companies.</p>

¹McKinsey Global Institute: "Accounting for the Cost of Health Care in the United State", January 2007 (http://www.mckinsey.com/mgi/reports/pdfs/healthcare/MGI_US_HC_fullreport.pdf)

Linxus implementation specifications will be developed using Health Insurance Portability and Accountability Act (HIPAA) Transactions and Code Set (TCS) standards that were created by statute, to simplify health plan-provider communications and reimbursement procedures.

Linxus participants are convinced if these TCS standards are used according to a single implementation specifications, the overall administrative savings is greatest for the entire health care system.

The pledge that every organization signed puts all contractual issues and other disputes aside, to commit to working collaboratively on a single implementation specification.

The first three health plan-provider transactions to be implemented were decided unanimously as the remittance advice, claim status inquiry, and eligibility inquiry. Participants will measure their results during implementation, to show that better and more consistent information through standardization results in an overall decline in phone calls, as well as faster postings of finalized payments.

In addition to following standards, Linxus organizations have also made commitments to invest in information technology (IT) that enables information to be exchanged real-time over the Internet, and to document best practices.

About Linxus

Linxus was conceived in 2004 and is managed by the Greater New York Hospital Association (GNYHA). It occupies the "sweet spot", where both providers and health plans share a desire to address complaints that administrative costs are simply too high. In our current system, these excessive administrative costs can best be eliminated through mutual understanding, collaborative systems design, and full implementation and refinement of the existing national standards.

About Greater NY Hospital Association

Greater New York Hospital Association is a trade association representing more than 280 not-for-profit hospitals and continuing care facilities, both voluntary and public, in the metropolitan area and throughout the State, as well as in New Jersey, Connecticut, and Rhode Island.

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