



## HOSPITALS, HEALTH PLANS IN NEW YORK CITY AREA JOIN FORCES TO PROMOTE ELECTRONIC INFORMATION EXCHANGE AND REDUCE ADMINISTRATIVE COSTS

### Health Plan Members

Aetna  
GHI  
HIP  
Oxford Health Plans  
(a UnitedHealth  
Company)  
WellPoint  
(Empire BlueCross  
BlueShield)

### *"Linux" Goal is Standardized Electronic Transactions*

December 13, 2006, New York, NY—Major hospitals and hospital systems, physician groups and regional and national health plans serving the metropolitan New York area have joined forces to find technology-driven ways to quicken and simplify reimbursement transaction processing while reducing health care administrative costs.

The unique collaboration, called Linux, was conceived in 2004 when the Greater New York Hospital Association (GNYHA) was asked by Montefiore Medical Center, Montefiore Faculty Practice, NYU Medical Center, and Empire Blue Cross Blue Shield (WellPoint) to organize a pilot project which would promote increased electronic information exchange focused on billing and payment business transactions.

### Provider Members

Columbia University  
Practice Plan  
Continuum Health  
Partners  
Memorial Sloan Kettering  
Cancer Center  
Memorial Sloan Kettering  
Practice Plan  
Montefiore Medical Center  
Montefiore Faculty  
Practice  
The Mount Sinai Hospital  
New York-Presbyterian  
Health System  
North Shore-LIJ Health  
System  
NYU Medical Center  
NYU Faculty Group  
Practice  
Weill Cornell Physician  
Organization

Standards for the electronic exchange of business information between health plans and providers had already been promulgated by the Federal government under the Health Insurance Portability and Accountability Act (HIPAA). At the time, it was hoped that the new HIPAA standards would lower administrative health care costs by greatly increasing the electronic flow of standardized data. However, the pilot project participants emerged from the experience convinced that even with these standards, much more work was needed before widespread and mutually beneficial direct electronic information exchange could occur.

Based upon the early success of the pilot project, Linux has evolved into a voluntary collaboration to standardize electronic transactions that today includes seven provider organizations representing 26 hospitals and over 5,000 individual physicians across New York State, as well as five health plans (see below). Linux operates through a commitment to identify common problems and use a consensus-driven approach to fix them.

"Linux has allowed us to unify our collaboration efforts with our provider and hospital counterparts to standardize electronic transactions and improve the exchange of information," said Gloria McCarthy, Wellpoint Senior Vice President of Operations. "By first introducing this concept as a pilot program, we hoped to inspire other health plans, hospitals and physician groups to join us if our collaboration proved successful, and that's exactly what has happened."

"We wanted common operating rules that would eliminate the 'noise' we knew existed in the daily back and forth between hospitals and health plans," says Montefiore Medical Center Chief Financial Officer Joel Perlman. "There was and is a critical need to exchange information in a far simpler manner, and in a manner that improves cash flow and productivity. Linux is making it a reality."

Linxus' 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 Linxus member.

"Linxus is driven by a strong and committed Steering Committee of senior decision makers from national health plans, world renowned hospitals and physicians who understand that it takes significant staff time, creative energy, and resources to get meaningful results out of information exchange," said Linxus Executive Director Eric Wallace. "Linxus members are doing the hard work that no one was doing previously."

Linxus members are confident that increased electronic information exchange will eventually drive down administrative costs at a time when the rising cost of health care premiums is a widespread concern.

"By reducing the complexity and variation in how hospitals and physician groups process and collect reimbursement for health care services, Linxus is demonstrating that real bottom-line administrative cost savings can be achieved," said NYU Medical Center Senior Vice President for Strategic Planning and Business Development Richard Donoghue. "Linxus realizes that standardizing our billing and collection processes through automation requires coordinating hospital IT systems with health plan IT systems. One side can't do it alone."

Standardization efforts are now underway to analyze HIPAA standards for transactions that allow providers to electronically check the status of claims for payment, as well as for payment remittance and member benefit eligibility.

"The challenge we face as an industry with promoting the adoption of standards is that we have to make sure everyone from the largest to the smallest providers are able to take advantage of them," said GHI President Dr. Aran Ron.

Linxus' collaborative efforts have so far proven very successful in raising both providers' and health plans' awareness of the specific business and technical challenges associated with achieving interoperability, and in defining models of practice that will benefit the entire health care community.

For more information about Linxus, please contact Brian Conway at (212) 506-5477 or [conway@gnyha.org](mailto:conway@gnyha.org).

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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.