



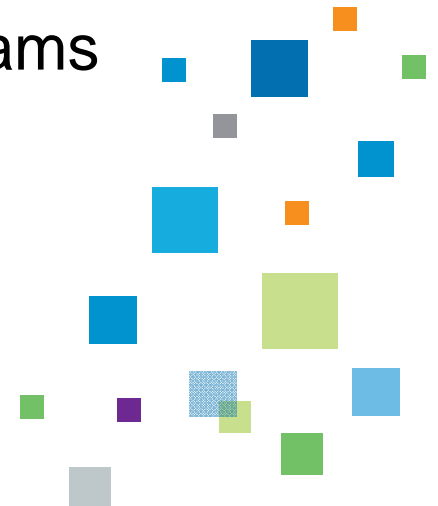
**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

Achieving an All-Payer Solution: Regional and National Implementations of the CORE Phase II Rules

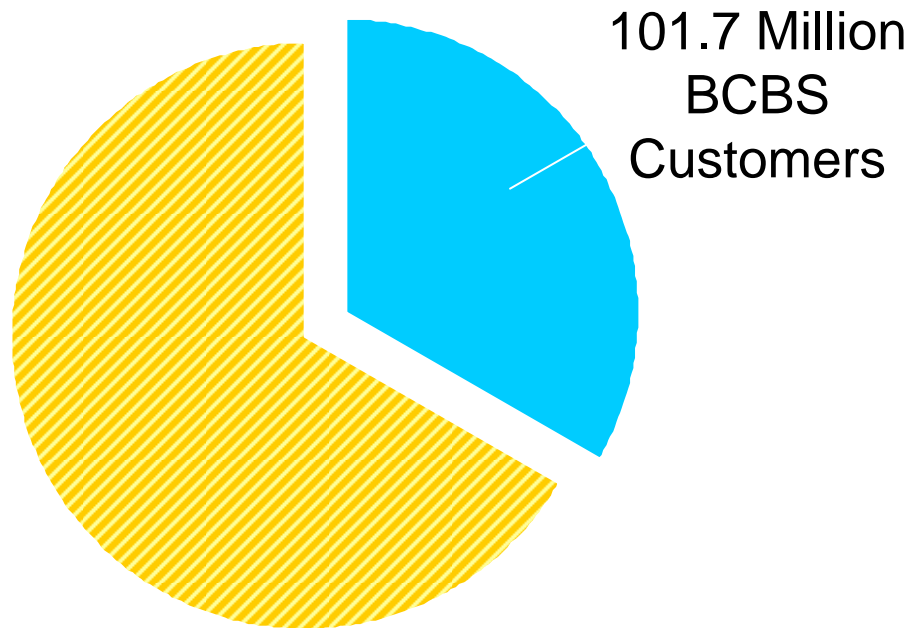
Rich Cullen, Managing Director, Inter-Plan Programs
BlueCross BlueShield Association

September 25, 2008
CAQH Administrative Simplification Conference
Washington, DC



The Blue System Today

Nearly one-in-three Americans receive their health insurance through a Blue Cross and/or Blue Shield Health Plan.



Total U.S. Population: 305.0 Million

Key Competitors: Membership

United: 31 Million

Aetna: 16.9 Million

CIGNA: 10.2 Million

Current Situation

Healthcare market continues to shift away from traditional model to one focused on consumerism

Traditional Healthcare

Monthly premium payments

Payers offer traditional PPOs and HMOs

Providers billing members post-adjudication

Member has limited financial risk



Consumerism-Focused Healthcare Model

Higher patient deductibles and spending accounts

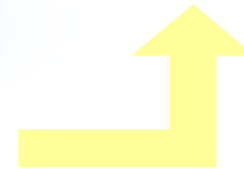
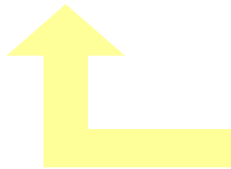
Retail market approach to products and focus on CDH

Providers requesting payment at point of service

Member has significant financial risk

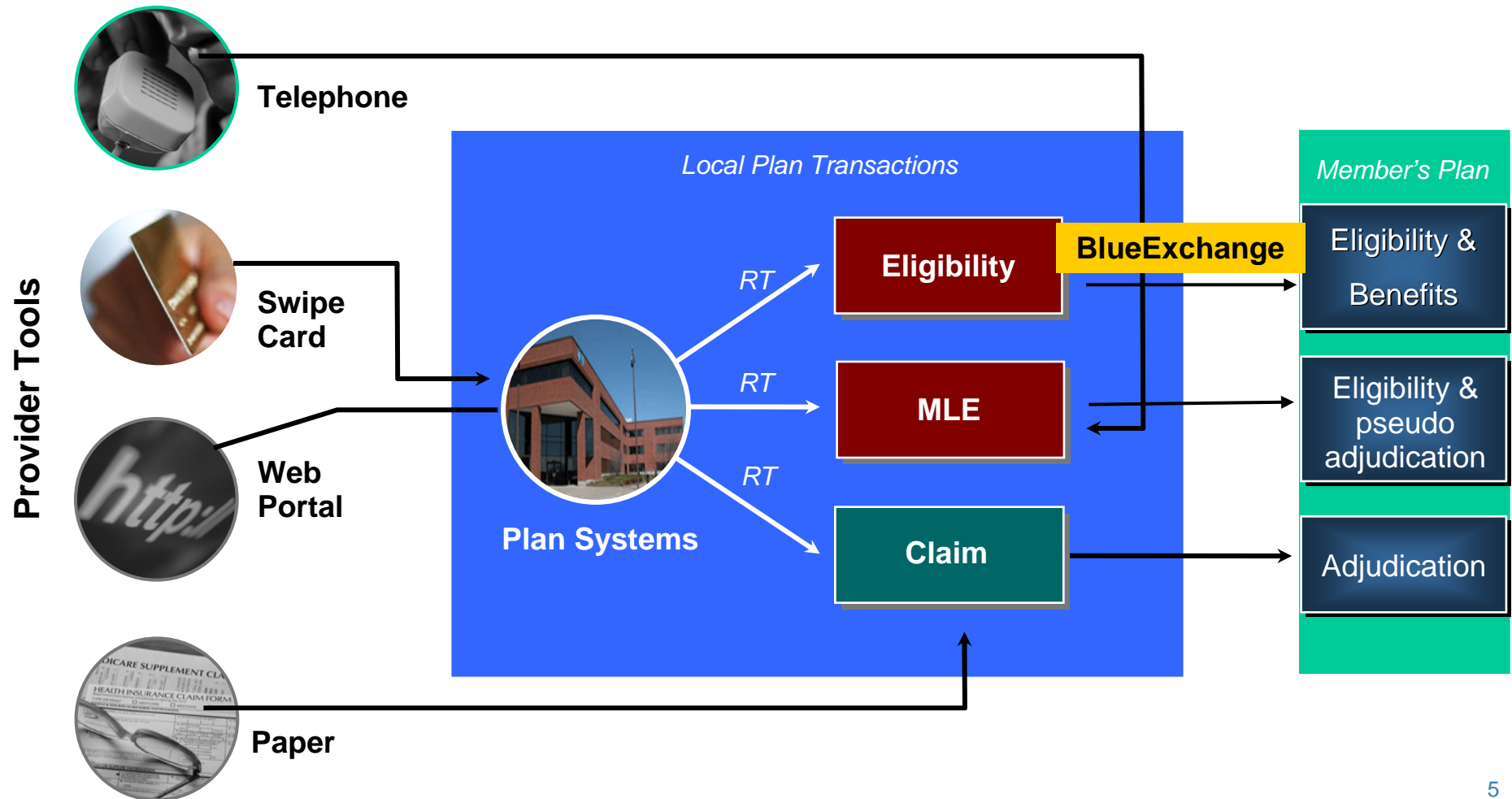
Consumerism is redefining the healthcare landscape

Blue System Process Flow



Blue System Vision

Support multiple provider entry “tools” using industry standards and communicate in real-time transmission.



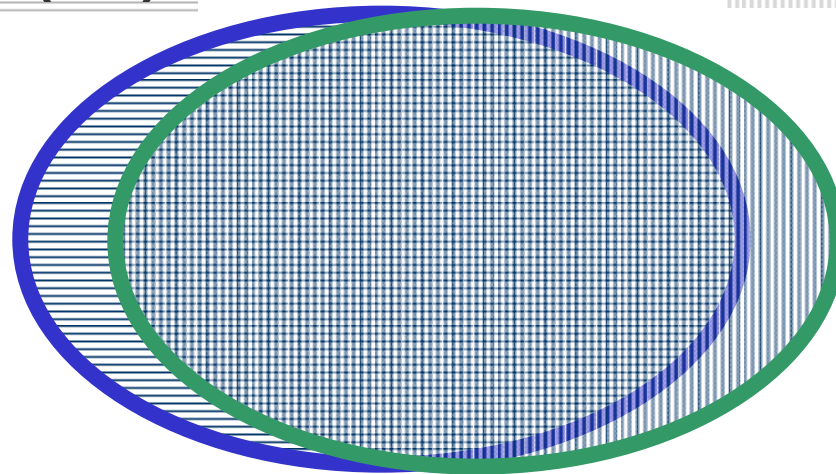
BlueExchange Mission

- Improve Provider Satisfaction
- Encourage Provider Adoption
- Ensure Consistency with Local Plan Practices & Input
- Ensure Consistency with and Support CAQH & Industry Direction

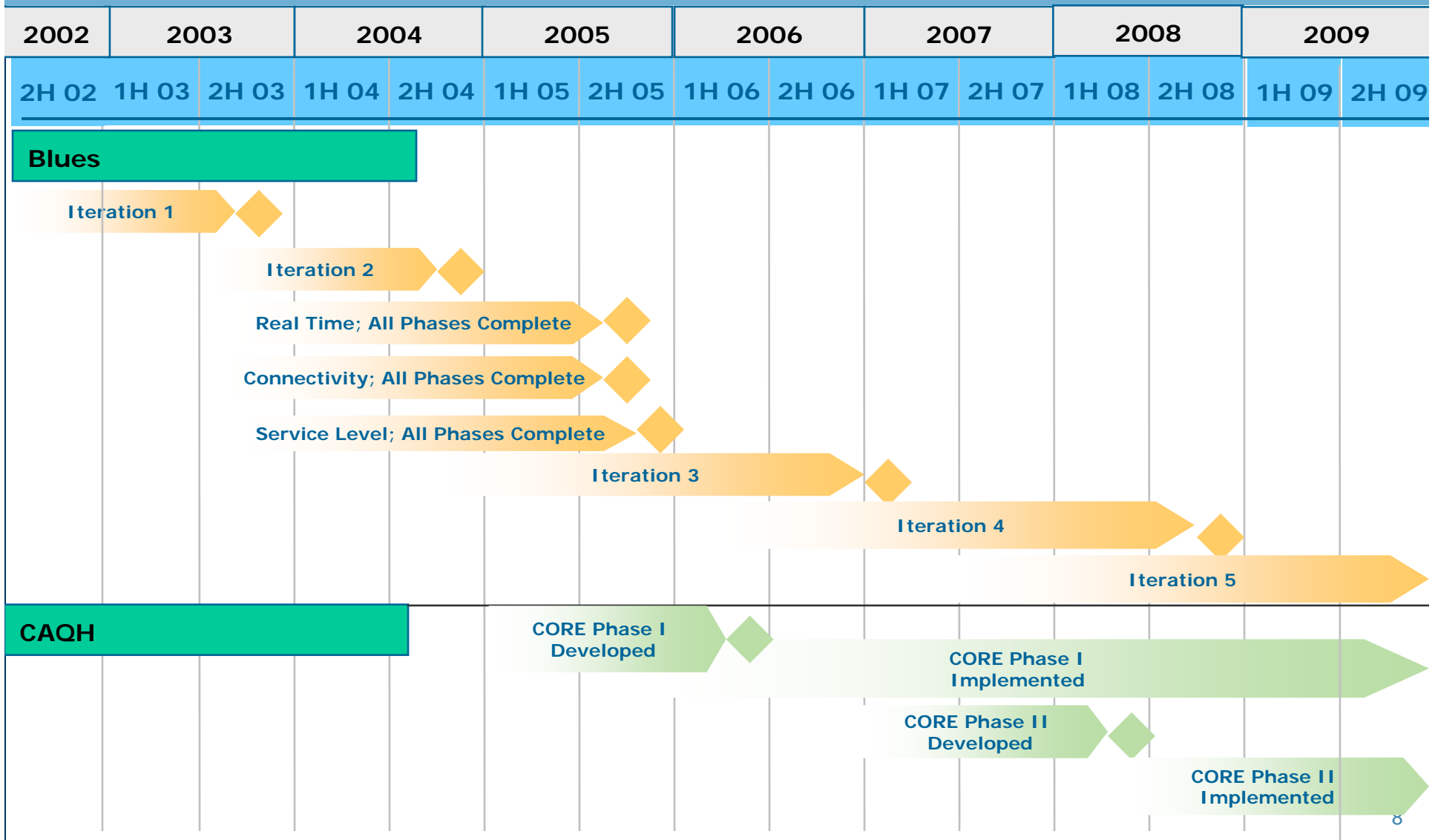
BlueExchange & CORE

BlueExchange (BX)

CAQH CORE



BlueExchange 270/271 Eligibility Timeline



BlueExchange and CORE: Commonalities

- **Mission and Vision**
 - National solution
 - Increase use of electronic inquiries
 - Reduce labor-intensive processes
 - Promote interoperability
- **Technology and data focus**
 - Focused on adopting administrative data transactions (X12 HIPAA)
 - Eligibility and claims status
 - Create sets of rules that entities can follow
 - Goes beyond what was required under HIPAA
- **Rules: Writing process**
 - Developing standard rules through research and consensus building
 - Final rules created through voting process
 - Done in phases/versions
- **Compliance approach**
 - Comply with entire set of rules, not just some
 - Certification process to ensure rules compliance

Current Methods of Coordination

- BCBSA participation in organizational structures
 - CAQH
 - CEO of BCBSA serves on CAQH Board of Directors as do a number of CEOs from Blue plans.
 - CORE
 - Like other CORE participants (Blues and non-Blues), BCBSA serves on CORE Work Groups and Subgroups; through this participation CORE determines areas of potential synergies with BlueExchange .
- Strategy
 - BCBSA and CAQH staff meet frequently to discuss strategy and scope of CORE/BlueExchange to ensure their efforts are complementary with regard to data and technical rules.

High-level Overview of Transactions Addressed

| Transaction or Standard | CORE | BlueExchange |
|---|------|--------------|
| Eligibility | ✓ | ✓ |
| Service types with Associated Financials | ✓ | ✓ |
| Real-time standards | ✓ | ✓ |
| Batch turnaround standards | ✓ | ✓ |
| System availability standards | ✓ | ✓ |
| Acknowledgements | ✓ | ✓ |
| Claim Status | ✓ | ✓ |
| Data | -- | ✓ |
| Real-time standards | ✓ | ✓ |
| Batch turnaround standards | ✓ | ✓ |
| System availability standards | ✓ | ✓ |
| Acknowledgements | ✓ | ✓ |
| Connectivity | ✓ | NA |
| Patient ID Rules | ✓ | -- |

Next Steps

- **Continue to collaborate with CAQH on future strategies**
- **Continue participation in CORE process**
- **Ensure Blue requirements are aligned with CORE**
- **Blue Plans**
 - Continue to educate all Blue Plans
 - Learn from CORE certified Blue Plans