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

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The Blue System Today

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

101.7 Million BCBS Customers

Total U.S. Population: 305.0 Million

Key Competitors: Membership

<table>
<thead>
<tr>
<th>Company</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>United</td>
<td>31 Million</td>
</tr>
<tr>
<td>Aetna</td>
<td>16.9 Million</td>
</tr>
<tr>
<td>CIGNA</td>
<td>10.2 Million</td>
</tr>
</tbody>
</table>

Source: BCBSA Enrollment Report, June 30, 2008 U.S. Census Bureau
Healthcare market continues to shift away from traditional model to one focused on consumerism

<table>
<thead>
<tr>
<th><strong>Traditional Healthcare</strong></th>
<th><strong>Consumerism-Focused Healthcare Model</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly premium payments</td>
<td>Higher patient deductibles and spending accounts</td>
</tr>
<tr>
<td>Payers offer traditional PPOs and HMOs</td>
<td>Retail market approach to products and focus on CDH</td>
</tr>
<tr>
<td>Providers billing members post-adjudication</td>
<td>Providers requesting payment at point of service</td>
</tr>
<tr>
<td>Member has limited financial risk</td>
<td>Member has significant financial risk</td>
</tr>
</tbody>
</table>

Consumerism is redefining the healthcare landscape
Blue System Process Flow

Local Plan Host

Member’s Plan Home

Blue System Process Flow

Local Plan

Host

Member’s Plan

Home

Program Development & Support
Blue System Vision

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

Provider Tools
- Telephone
- Swipe Card
- Web Portal
- Paper

Plan Systems
- Eligibility
- MLE
- Claim

Local Plan Transactions

Member’s Plan
- Eligibility & Benefits
- Eligibility & pseudo adjudication
- Adjudication

BlueExchange
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 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
    o CEO of BCBSA serves on CAQH Board of Directors as do a number of CEOs from Blue plans.
  – CORE
    o 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

<table>
<thead>
<tr>
<th>Transaction or Standard</th>
<th>CORE</th>
<th>BlueExchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Service types with Associated Financials</td>
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<td>✓</td>
</tr>
<tr>
<td>Real-time standards</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Batch turnaround standards</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>System availability standards</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Claim Status</td>
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<td>✓</td>
</tr>
<tr>
<td>Data</td>
<td>--</td>
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<tr>
<td>Acknowledgements</td>
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<td>✓</td>
</tr>
<tr>
<td>Connectivity</td>
<td>✓</td>
<td>NA</td>
</tr>
<tr>
<td>Patient ID Rules</td>
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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