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RxHub's CAQH CORE Rules Certification Aids Data Exchange Coordination

Washington, DC (March 10, 2008) – CAQH announced today that RxHub, a leader in e-prescribing, has completed the testing process required to certify its PRNTM clearinghouse product operates in compliance with the Committee on Operating Rules for Information Exchange (CORE) Phase I operating rules. This achievement represents an important step toward synchronizing interoperability efforts in the medical and pharmacy sectors.

"Aligning medical and pharmacy insurance eligibility standards is a natural extension of the work being done by CAQH and RxHub," said Robin J. Thomashauer, CAQH executive director. "Coordination is an essential part of our vision for administrative simplification. RxHub's PRN certification means providers will now have even more consistent access to both medical and pharmacy patient eligibility and coverage information at the point of care."

Operating rules are uniform, agreed-upon standards for using and processing electronic transactions within an industry. The CORE rules build on national standards, such as HIPAA's eligibility (X12 270/271) transaction. They are modeled on those used daily in the banking sector to make ATM transactions possible and in the airline industry to simplify online reservations. By developing similar rules for the healthcare industry, CORE is helping ensure electronic healthcare administrative data exchange is streamlined and consistent, regardless of the technology.

The Phase I rules govern the exchange of a number of eligibility and benefits data elements, including whether a patient has pharmacy coverage. RxHub data-exchange requirements make it possible for providers to drill down to very specific, detailed pharmacy information at the point of care, enabling providers and patients to make informed care decisions. The RxHub network connects authorized clinicians to real-time, patient-specific prescription information for more than 200 million Americans within the United States.

Through CORE, CAQH has brought together more than 100 industry stakeholders to collaborate on the set of uniform business rules. CORE participating organizations collectively cover more than 130 million lives or more than 75 percent of the commercially insured plus Medicare and state-based Medicaid beneficiaries.

"RxHub and CORE are both aggressively promoting interoperability and standardized communication frameworks across the healthcare system," said Mark Gingrich, Chief Information Officer for RxHub. "Our efforts are moving the industry closer to integrated healthcare information."

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CAQH Certifies RxHub/2

The complementary approaches also are driving down administrative costs. Findings from a 2006 CAQH study showed that providers may reduce costs associated with verifying insurance coverage as much as 50 percent by moving from labor-intensive verification methods (web, fax and phone) to automated HIPAA transactions. Health plans also can achieve significant labor savings, as the study showed that average labor costs per phone call are \$1.38 vs. \$0.00 for an automated transaction. A 2007 Gorman Group study found that 70 percent of overall industry ePrescribing savings result from provider access to patient medication histories, preferred drug options, and pharmacy choices at the point of care.

CORE's second set of rules builds on those created in Phase I, with additional rules for patient identifiers, patient accumulators, claims status and connectivity. Phase II also will require reporting of patient financial responsibility for an increased number of service codes. CAQH expects to announce Phase II rules certifications beginning at the end of Q3 2008 and into 2009.

Phase III of CORE, kicking off later this year, will focus on developing rules to improve the electronic delivery of additional administrative transactions, such as prior authorization, and identifying other methods to coordinate with and support such industry initiatives as RxHub.

About CAQH

CAQH, a nonprofit alliance of health plans and trade associations working to streamline healthcare administration, is a catalyst for healthcare industry collaboration on initiatives that simplify and streamline healthcare administration. CAQH solutions help promote quality interactions between plans, providers and other stakeholders, reduce costs and frustrations associated with healthcare administration, facilitate administrative healthcare information exchange and encourage administrative and clinical data integration. Visit www.caqh.org for more information.

About RxHub LLC

RxHub (<u>www.rxhub.net</u>) operates the RxHub National Health Information Network[™] which electronically routes up-to-date patient-specific medication history and pharmacy benefit information to caregivers at every point of care. The universal ePrescribing solution enables physicians to effectively manage patient's use of medications and counsel them on safe and affordable choices before prescriptions are electronically transmitted to pharmacies. RxHub is contracted to provide vital patient-specific prescription information for more than 200 million Americans. Operating as a cost recovery business model, RxHub partners with stakeholders in the prescribing industry to improve patient safety, increase workflow efficiency and reduce the overall cost of health care delivery.

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