



I.H.S. Albuquerque Area and PNC Bank



Going Paperless, I.H.S. Albuquerque Experience

“Making Every Dollar Count”

11th ANNUAL PARTNERSHIP CONFERENCE, 2009

Session: April, 22, 2009 – (Room D) 8:-9:30/10:-11:30

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Introductions

Adam Archuleta , Chair of NBOC, Albuquerque Area Business Office Coordinator, Commander, MPH, Breakout Training Presenter

Maureen Franks, AVP, PNC Treasury Management – I.H.S. Project Manager, Breakout Training Presenter

Maria Hand, CCM, Senior Vice President, PNC Treasury Management, FMS, I.H.S Officer Relationship Manager

Greg Mortenson, CCM, Vice President, PNC Treasury Management, Healthcare Representative

Nancy Anderson, AVP, PNC Treasury Management – Sales Associate Manager I.H.S. Lockbox (not present)

Today's Agenda

- Background and Overview
- Electronic Business Transition
- Future Platform
- Step by Step: PNC & I.H.S. Pilot 835 Area Check-List
- Contacts

Background and Overview

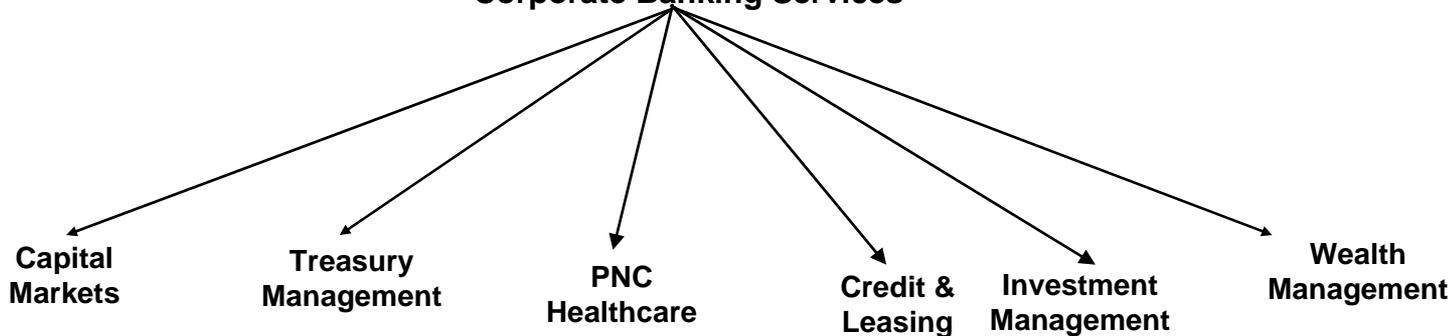
Presentation will review the advantages of using electronic remittances (835) and electronic funds transfers (EFTs), to accelerate AR posting and to meet UFMS posting timelines and procedures. Training will present a brief history of the 835 program adoption, the evolution from moving payers from the paper process to electronics for I.H.S and will also touch on Albuquerque Area's experience with custom programs such the File Breakout and File Copy programs.

Training will also cover the history of the 835 hipaa x12 program adoption and the evolution of moving from paper to an electronic process in partnership with I.H.S. policy and procedures within the Area Offices, CEO's of the hospital through PNC Bank's Ehealthcare Services.

PNC: Banking Discipline with Healthcare Expertise



Corporate Banking Services



• PNC Bank

- 5th largest bank in the nation
- 5th Largest Bank by Deposits
- Assets: \$291 Billion
- Employees: 60,000 in 30+ states and abroad

• PNC Bank Treasury Management

- 8th largest TM provider in the nation
- #1 Quality in TM – Phoenix-Hecht Quality Index
- 7 Site HIPAA compliant National Lockbox Network
- 3rd largest Lockbox Network (source: E&Y)
- 7th largest Purchasing card issuer in the country (source: Nilson Report, 2007)
- 1 of only 5 banks to have a national lockbox system

• PNC Healthcare

- Full Service Revenue Cycle Platform
- All Healthcare transaction sets
 - Encounter mapping
 - Payment matching
 - Point of sale services
- IOCR paper conversion process
- Integrated payment platform
- Advanced Analytics
 - Contract adherence and monitoring
 - Patient responsibility estimation
 - Revenue Forecasting
- Integrated Print solution
- EHNAC accredited

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PNC Healthcare: Leadership and Experience

Leadership

- First bank to be EHNAC Accredited for Clearinghouse, Lockbox, and E-Commerce
- Only bank to participate in developing the national standard for the 835 ERA
- First bank to send an 835 (1994) and to originate an 835 ACH program with a national payer (2001)
- High-level representation in Healthcare standards associations (e.g. CORE, WEDI, Medical Banking)
- First bank to develop a “reassociation engine” (reassociate data and dollars)
- Actively participate in the ANSI Accredited Standards Committee (ASC)
- PNC Healthcare Advisory Board helps advise on development and solutions enhancements



Experience

- Targeted solutions developed over a 15 year period with input from our clients
- Large provider network of clients including national and regional healthcare systems, university health systems, home health and physicians practices
- Dedicated Healthcare sales, product, service and implementation staff and specialists
- 4 million+ direct 835 claim payments received each month for provider clients
- 2.5 million+ 835s/month created for provider clients via PNC IOCR process
- Healthcare payer partnerships including connections with 1400 payers for transaction sets including eligibility, claims submission, claims status, and 835 receipt



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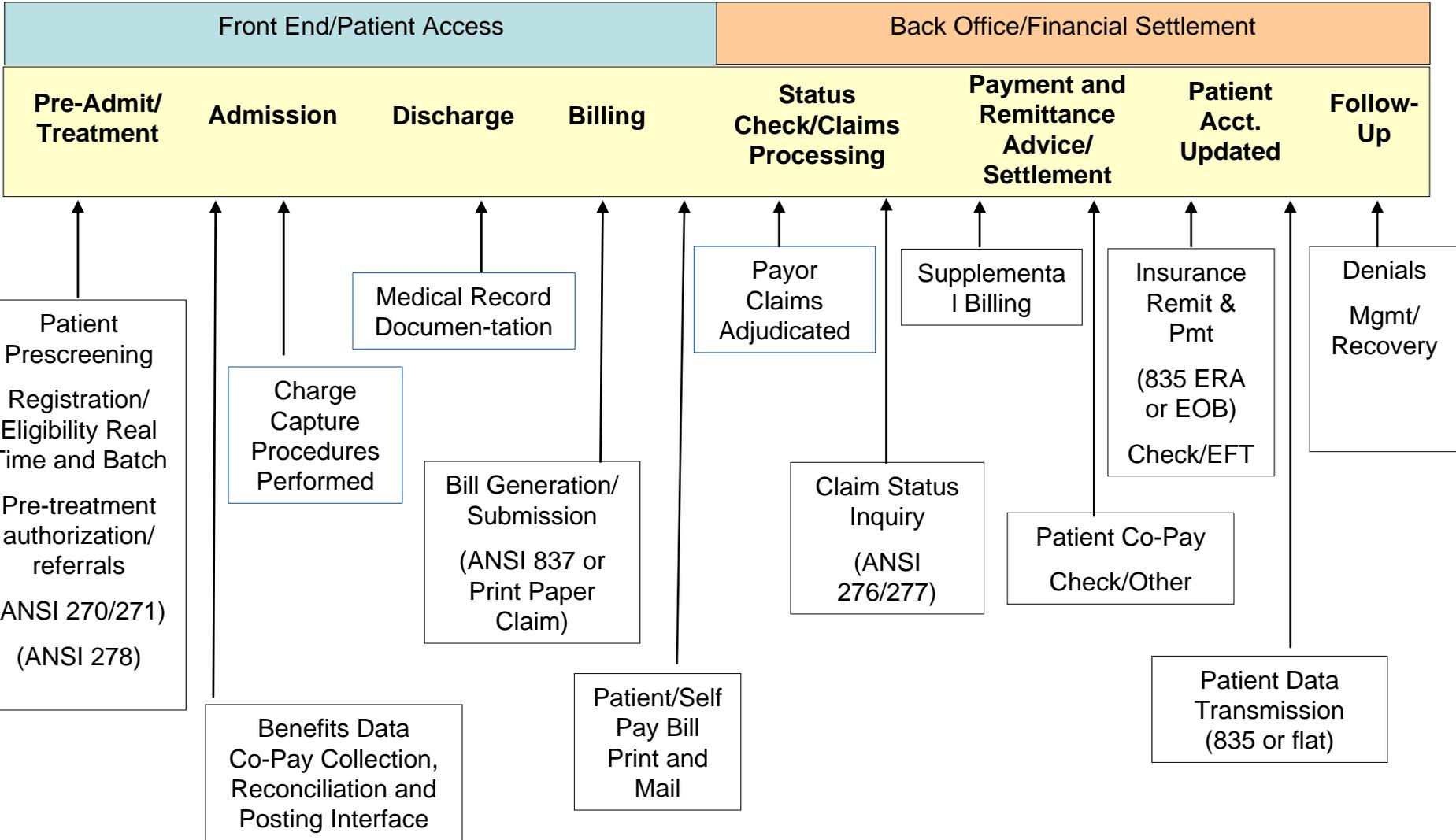
Background: Global Receivable Problems Facing Healthcare Providers

- Labor intensive cash application process
 - Paper processing
 - Payment matching to the receivable
- Disputed/adjusted claims
- Multiple payers
 - Primary insurance
 - Secondary insurance
 - Patient responsibility
- Process changes

Background: “Industry Best practice” Comprehensive Receivables for Providers

- Remittance posting
 - Paper
 - Electronic (835)
- Deposit reconciliation
 - Check
 - EFT
 - Payer re-association
- Denial management process
 - Re-bill
 - Secondary bill
 - Appeal process

Healthcare Revenue Cycle - PNC Solutions



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Overview: I.H.S. Policy, Procedures, Guidelines & Roles

Third Party Revenue Accounts Management and Internal Controls

- Internal policy for I.H.S. for recording, controlling, and accounting for third party resources.
- Ensure accuracy and timeliness of reporting receivables and revenue in the financial statements.
- To ensure accountability for all collected revenue which include, Medicare, Medicaid, Private Insurance and other third party resources.

Overview: I.H.S. Policy, Procedures, Guidelines & Roles

- **Segregation of Duties**

- All processing procedures developed at the local level must ensure the separation of duties:

- Billing
- Collections
- Posting
- Receipt of Remittance/explanation of Benefits
- A/R Follow-up
- Batch creation
- Approval write-offs

Overview: I.H.S. Policy, Procedures, Guidelines & Roles

HIPAA Compliant

- Posting of transactions should be in compliance with Electronic Remittance Advice (ERA) 835 requirements and recorded in accordance with the instructions for each transaction type.
- All ERA's must be HIPAA compliant.

Electronic Business Transition

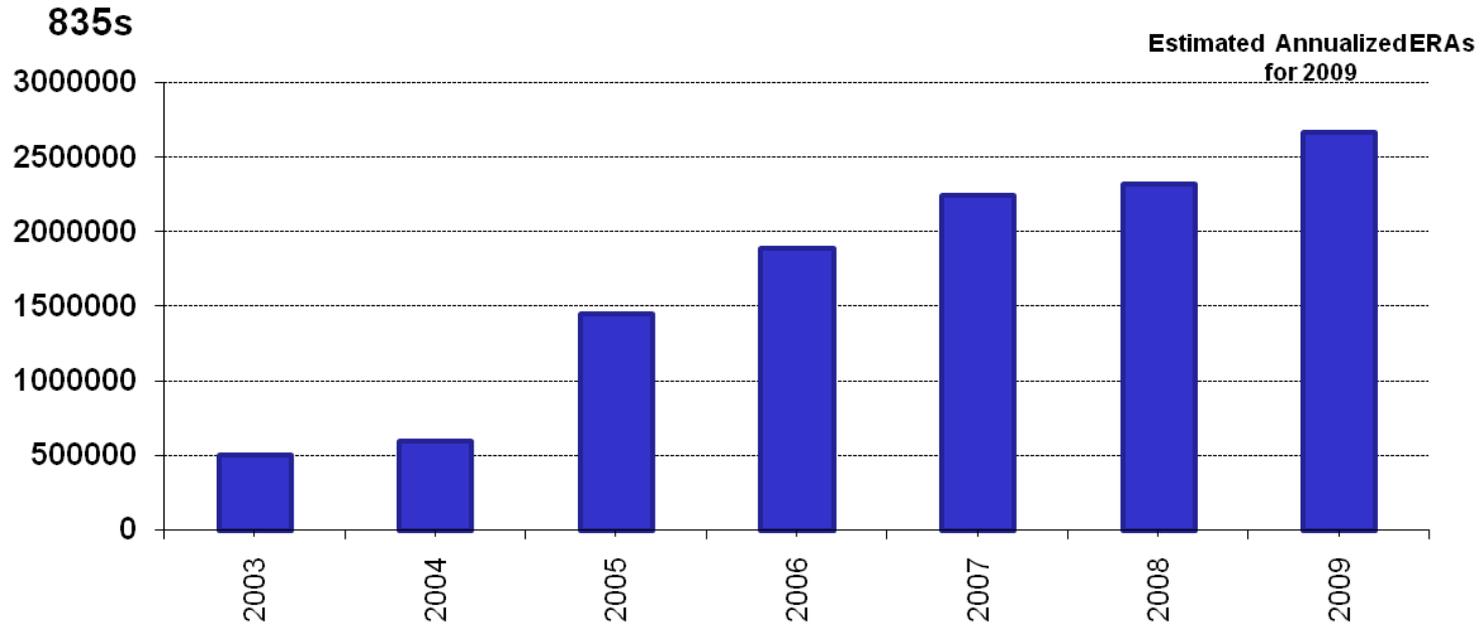
Where we are

- Had a very manual process – very slow
 - Handling own cash deposits
- Cash not getting to bank for 48-72 hours after receipt
 - Cash was being overnighted to bank 10 states away
- Additional 3 day lag before AR was updated
 - Duplicate/unnecessary work for collectors
 - Incorrect invoices generated (unnecessary)
 - Manual posting prescription by prescription
 - Checks are cut by claimant as opposed to normal wholesale remittance

Where we want to be

- Ultimate goal is to prepare for payor connectivity (835/837)
- Be able to scale independent of labor constraints
- Reduce DSO
- Improve quality of pharmacy and patient service through faster and more accurate information

PNC 835 EDI Yearly Histogram 2003 through 2009



2003

2004

2005

2006

2007

2008

2009

507206

600199

1447737

1884342

2,245,472

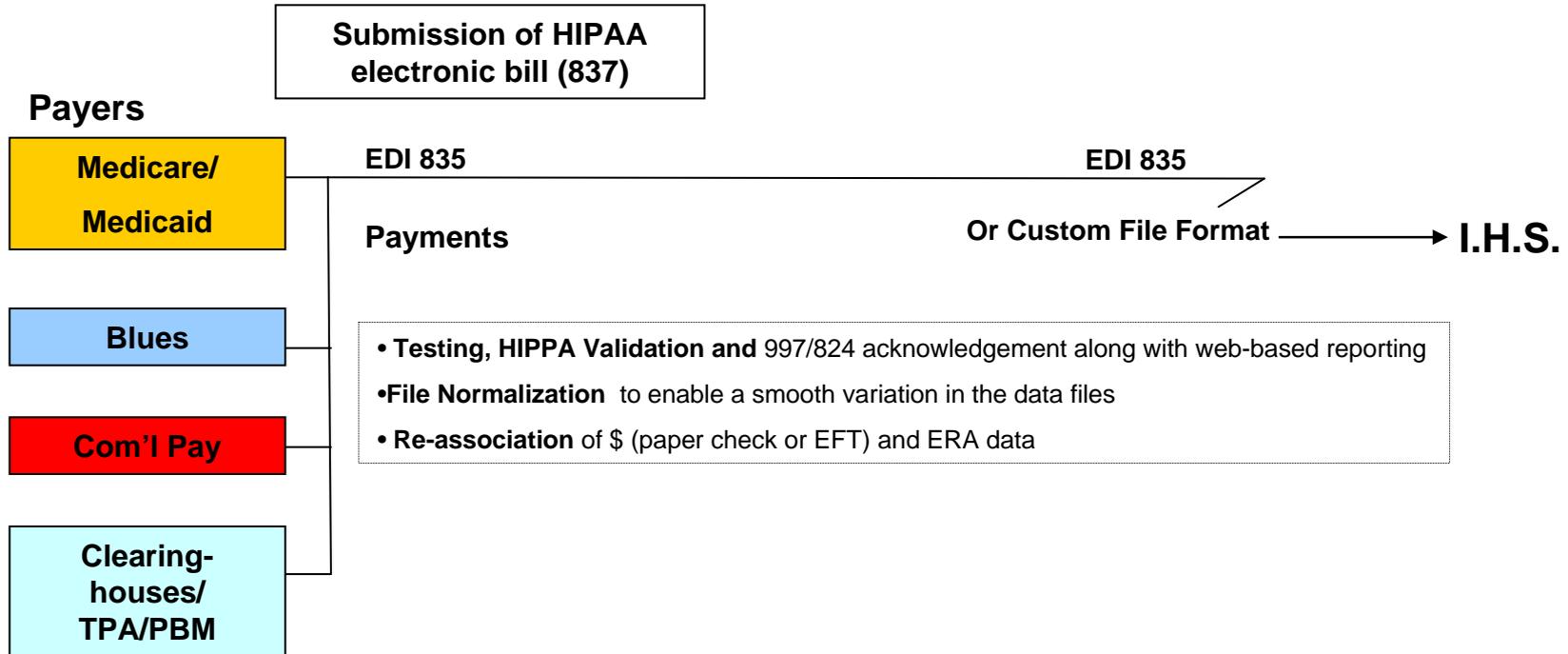
2,319,159

2,667,033

13

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Current PNC 835 Initiative and Payer Recruitment Process



Custom Solutions

PNC File Copy and File Breakout Programs

File Breakout Program

A customized and automated file process to break out the Medicare Part A EDI 835 remittances for the I.H.S. Albuquerque Area to individual facilities based upon claim type. **Features:** The new automated process performs the following tasks for IHS for payer Medicare Part A transactions.

1. Split payer 835 data by NPI and suffix for I.H.S. Area
2. Identify patient claims for the same IHS facility
3. Group patient claims for the same IHS facility
4. Create individual IHS facility specific EDI 835 transactions
5. Provide exception processing for unidentifiable IHS facility patient claims
6. Production October 2007

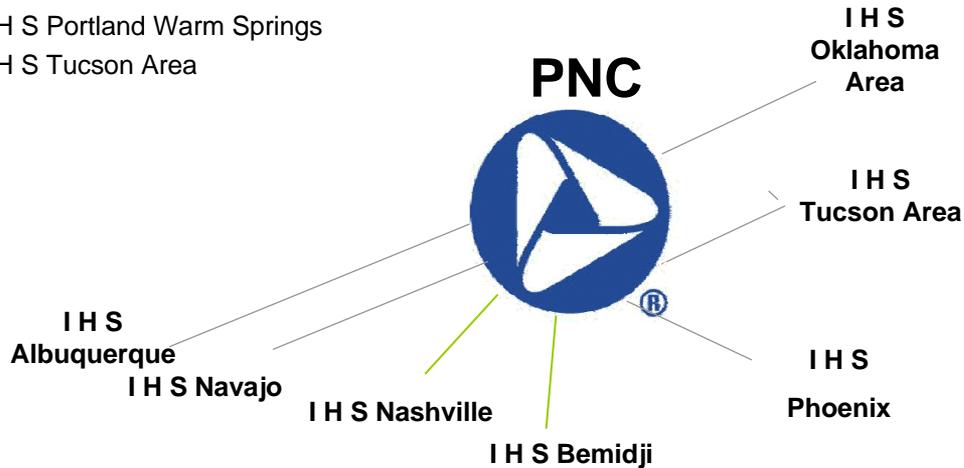
File Copy Program

Automated file copy sent to I.H.S. Area to support centralized financial batch reporting and to serve as a file backup for Trailblazer A payer data sent to facilities.

PNC 835 Payer & I.H.S. Facility Pipeline Today

PNC – IHS 835 Posting Sites

- I H S Albuquerque – all facilities
- I H S Bemidji Red Lake
- I H S Bemidji White Earth
- I H S Nashville Catawba
- I H S Navajo Area – all facilities
- I H S Oklahoma – all facilities
- I H S Phoenix Area – all facilities
- I H S Portland Warm Springs
- I H S Tucson Area



Payers in Test or Production

MEDICAL

- Aetna
- Cigna
- GEHA
- Trailblazer A, B
- Medicaid, AZ, CO, MN, OK, NM*, NV, SC
- BCBS AZ, MN, NM, OK
- United
- MailHandlers (837)

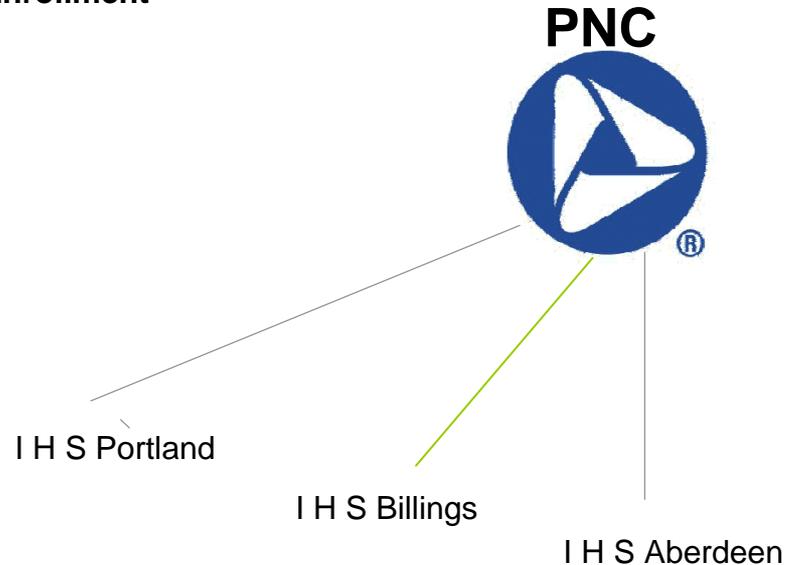
PHARMACY

- Argus
- Advanced PCS/Caremark
- BCBS AZ SXC Pharmacy
- Express-Scripts
- MEDCO
- FirstHealth
- MedImpact
- MemberHealth
- Prime Therapeutics
- Pharmicare
- RX Solutions
- Walgreens

2009 Milestones: New I.H.S. Areas and Facilities Targeted for Enrollment 2009

New IHS 835 Areas/Sites Targeted for Enrollment

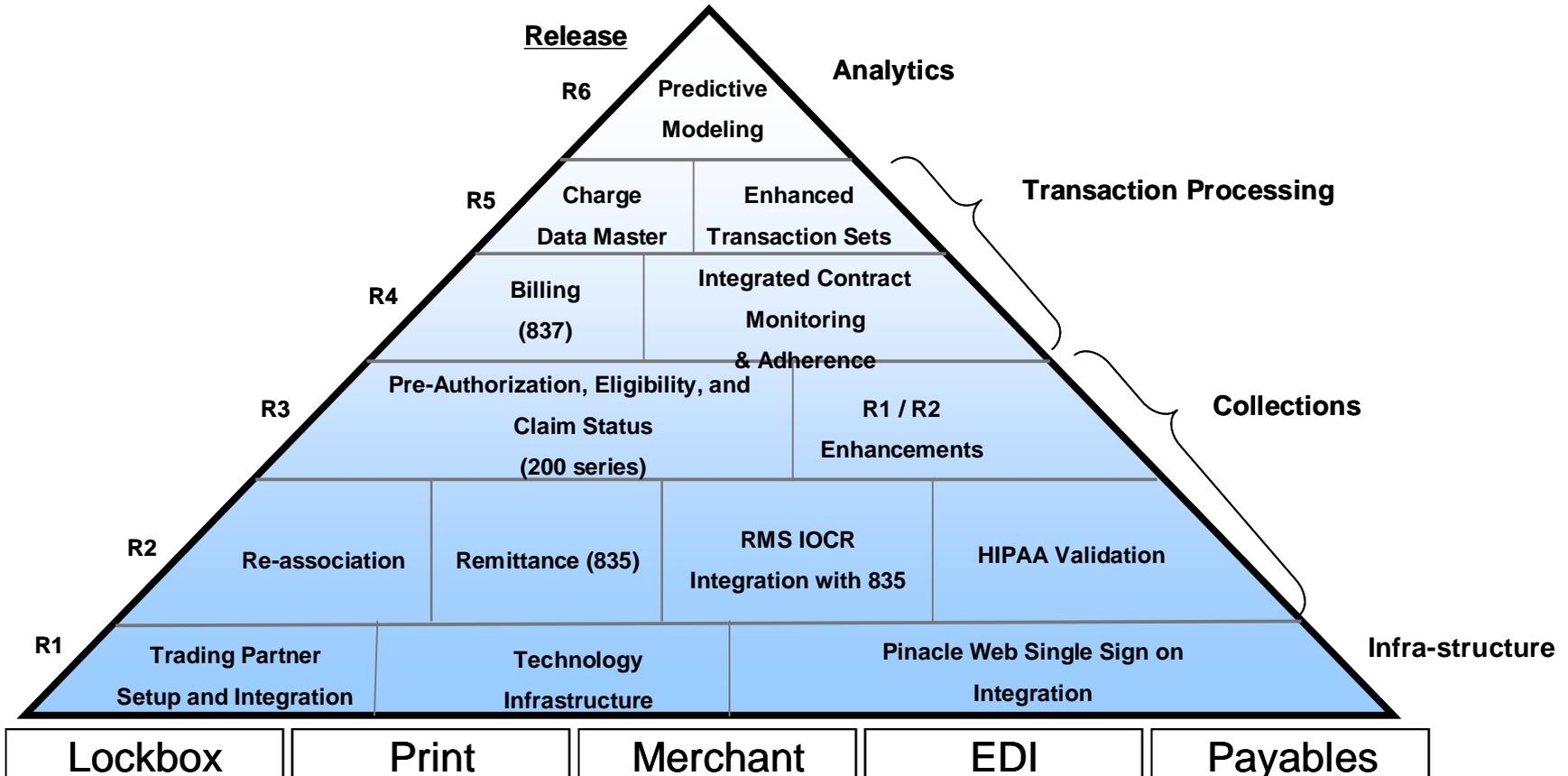
- I H S Aberdeen – Iowa
- I H S Aberdeen – North Dakota
- I H S Aberdeen - Nebraska
- I H S Aberdeen – South Dakota
- I H S Billings – Montana
- I H S Billings – Wyoming
- I H S Portland - Idaho
- I H S Portland Washington



PNC Payer Pipeline over 600+ payer plans(!)

AARP - United Health Care	• Anthem West HMO Nevada *	• BCBS Kentucky - Anthem MW	• BCBS MN-BlueLink TPA Wilson-McShane -Painter Allied Trades 82 *
AARP - United Health Care of New York	• Argus *	• BCBS KS City *	• BCBS MN-BlueLink TPA Wilson-McShane -S.Cent MN Electrical Wrks*
ACM (United Healthcare) *	• Arkansas Medical	• BCBS KS Premier Blue *	• BCBS MN-BlueLink TPA Wilson-McShane -Sheet Metal Benefit Fund *
Acordia National	• Amett Networks *	• BCBS KY - Anthem MW	• BCBS MN-BlueLink TPA Wilson-McShane -TC Carpenter HealthWe *
Advanced PCS/Caremark	• ASURIS Northwest Health -BS of WA	• BCBS LA (Indemnity) *	• BCBS MN-BlueLink TPA Wilson-McShane -Teamsters Local 638 *
Aegion USA Inc	• Atrium Health Plan	• BCBS Maine -Anthem East	• BCBS MN-BlueLink TPA-Benefits In-Graphic Communications Local 1B *
AFLAC	• Aurora Health Care, Inc.	• BCBS Mass. (HMO) *	• BCBS MN-BlueLink TPA-Wilson-McShane -Roofers Local #96 *
Aetna *	• Avera Health Plan	• BLUE/BAY STATE HEALTH	• BCBS Montana
Agilent Technologies	• AvMed Health Plan	• BCBS MD (Care first BCBS)	• BCBS National Capital (BCBS DC) (GHMSI)
Alabama Medicaid *	• Bankers Life and Casualty	• BCBS MI Messa	• BCBS NC *
Albertsons Employee H&W Trust	• BC CA (Wellpoint) *	• BCBS Michigan	• BCBS NC Teachers/State Employees
Allstate of New York *	• BC Idaho - Regence	• BCBS Minnesota *	• BCBS NE PA/HMO of NE PA/1st Priority Health *
Alta Bates	• BC Washington	• BCBS Mississippi *	• BCBS Nebraska *
Ameri Health Inc. (IBC) *	• BC Wyoming	• BCBS Missouri - HMO	• BCBS New Mexico - THIN *
American Care Source *	• BCBS AL *	• BCBS MN *	• BCBS NH - Anthem E
American Republic Insurance Co (ARIC)	• BCBS Alaska	• BCBS MN CCSTPA Rochester Pub. Schools *	• BCBS NM MCHA
AmeriHealth Administrators (TPA) *	• BCBS AR HMO Partners Health	• BCBS MN CCSTPA Tech Engineer Mfg *	• BCBS North Carolina *
Anthem East BCBS of Maine	• BCBS AR Usable Life	• BCBS MN Comprehensive Care Services *	• BCBS North Dakota
Anthem East BCBS Health Plans of NH	• BCBS Arizona	• BCBS MN Comprehensive Managed Care *	• BCBS NV - Anthem West (THE MOUNTAIN STATE) *
Anthem East BCBS of CT	• BCBS Arkansas *	• BCBS MN First Plan *	• BCBS NY - Empire
Anthem East Maine Partners Health Plan	• BCBS AZ *	• BCBS MN Power &Affiliated Co/CCSTPA *	• BCBS of Massachusetts *
Anthem East Matthew Thorton Health Plan NH	• BCBS Blue Plus MN *	• BCBS MN White Earth/CCSTPA *	• BCBS Ohio - Anthem MW
Anthem Health Plans of VA *	• BCBS Blue Plus MN Dakota Community *	• BCBS MN-BlueLink TPA Wilson-McShane - Retail Meat Cutters *	• BCBS OK
Anthem MW BCBS	• BCBS Blue Plus MN New Pioneer *	• BCBS MN-BlueLink TPA Wilson-McShane - Tenders Cabinet Makers *	• BCBS Oregon - Regence
Anthem MW BCBS Indiana *	• BCBS Colorado-Anthem W *	• BCBS MN-BlueLink TPA Wilson-McShane - Twin City Bakery Drivers *	• BCBS Rhode Island
Anthem MW Community Insurance Co. *	• BCBS CT -Anthem East	• BCBS MN-BlueLink TPA Wilson-McShane - Electrical Workers *	• BCBS Rochester
Anthem MW Global Metallurgical Inc. *	• BCBS Delaware *	• BCBS MN-BlueLink TPA Wilson-McShane -Health Welfare Fund *	
Anthem MW Health Plans of KY *	• BCBS Delaware Plan 750 *	• BCBS MN-BlueLink TPA Wilson-McShane -MN Teamsters Construct. *	
Anthem MW Healthy Alliance Life Insurance Co. *	• BCBS FL - Availity *	• BCBS MN-BlueLink TPA Wilson-McShane -MN Teamsters Health Wel	
Anthem MW Insurance Company *	• BCBS GA	• BCBS MN-BlueLink TPA Wilson-McShane -Operating Engineers 49 *	
Anthem MW OH HealthWelfare *	• BCBS Hawaii		
Anthem Virginia Health Plans *	• BCBS Hawaii - HMSA		
Anthem W. Rocky Mountain Med-FEP *	• BCBS Idaho (Regence) -THIN *		
Anthem West BCBS Nevada *	• BCBS IL - THIN *		
Anthem West BCBS Colorado *	• BCBS IN -Anthem MW *		
Anthem West HMO *	• BCBS Iowa (Wellmark) *		
	• BCBS Kansas *		
	• BCBS Kansas City *		
	• BCBS KC Blue Advantage *		
	• BCBS KC Blue Care *		
	• BCBS KC FEP		
	• BCBS KC Nasco *		
	• BCBS KC Preferred Care & Blue *		

Future Platform - Healthcare Advantage



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Step by Step: PNC & I.H.S. Pilot 835 Area Check-List

1. Pilot group will identify patient accounting software and version. If pilot group is using RPMS, the pilot group should have the current RPMS A/R Version or patch installed.
2. Pilot group will assist PNC and will provide / identify, provider ids, tax id and any associated npi's, payer attributes, billing nuances, shared identifiers and payer logons, through a facility spreadsheet or provider questionnaire to enable enrollment for the payer 835s.
3. Pilot group will indicate if check or eft payments are currently underway for the pilot payer plan.
4. PNC will support the pilot group by consulting on payers paper continuance during the test cycle. Test /production files will be obtained by PNC's ec implementations.
5. PNC's transmission automation group will work with I.H.S. IT to address any firewall or IT issues prior to the payer data arriving. Payer files will be sent to pilot test site or a central location, through PNC's ec implementations.

Step by Step: PNC & I.H.S. Pilot 835 Area Check-List (continued)

6. PNC will work with the pilot test group and will assist in coordinating 835 testing between AR and finance batching during the payers remit cycle.
7. The pilot group will provide payer testing feedback and posting results to RPMS/ patient accounting during biweekly area status meetings.
8. Upon a third test file or at the completion of testing, PNC will obtain a production signoff from pilot test group and provide a production turn over date for the pilot test group.
9. PNC will provide an incremental enrollment rollout schedule for any additional sites for the payer and will repeat steps 1 through 3.
10. Payer files will be sent through production for automatic retrieval by the incremental sites.
11. PNC will support I.H.S facility and area through EC PCS production support group, our technology solutions center and transmission automation group for secured file transmissions.

PNC 835s/EFTs I.H.S Contacts

To participate in PNC's electronic ERAs/EFTs or other clearing house transactions please contact:

Maureen Franks

PNC Bank – I.H.S. Project Manager

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Other PNC Important Contacts/Roles:

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