Real Time Adjudication

“THE HOLY GRAIL”

or

“NOT?”
Market Trends

AMA
2009 Cost Survey Report
With 2008 Data

• 9.9% fewer procedures
• Number of patients dropped 11.3%
• Multi-specialty practices bad debts increased 13%

MGMA
e-Source Survey
January 2010

Survey of businesses indicates that:
• 42% raise employee contribution
• 36% raise employee deductibles
• 39% will boost employees' co-pay
• 37% will hike prescription costs
Real Time Adjudication
Does It Work

• Over 74% of patients using the Cigna Cost-of-Care Estimator at the Point-of-Care said they are more likely to pay their bills at check-out.

• Just 650 of the 14,000 physicians contracting with Blue Cross Blue Shield of Tennessee have used its real-time adjudication tool.

• Only 1.7%, about 4 million out of 240 million claims, were submitted to United Healthcare's adjudication system.

• In the United Healthcare program, only 53.4% of claims submitted this way were processed immediately.

United Healthcare
Real Time Adjudication Performance

Only 53.4% of RTA claims successfully adjudicate
Claims submitted for real time adjudication: 1.7%
Electronic batch claims: 81.3%
Paper claims: 17%

*Source: Healthcare Payments Solutions Expo 2009
1. Question: Will I also get my Humana payment in real time?
   Answer: No, RTCA affords you the ability to collect patient responsibility at the point of service. However, Humana reimbursements will be received on your normal cycle times.

2. Question: My practice management system cannot submit in real time, but my office wants to. Is there any other option to enable me to take advantage of RTCA?
   Answer: Yes, Humana has worked with ZirMed Inc. to develop a solution that provides the real-time claims adjudication capability without any required integration with your practice management system. This solution is adaptable to most practice management systems. (Does require double entry)

3. Question: Will I also need to submit these "real time" claims along with my normal batch process?
   Answer: No, once the claim has been submitted in "real time" and an accepted claim response from Humana has been received, your transaction is complete. There is no need to submit the claim again.

4. Question: Must I be a contracted physician to submit real time claims?
   Answer: No, health care providers rendering services to members enrolled to only a Humana plan with an associated HumanaAccessSM Visa® Debit card are eligible.

5. Question: Do I have to have an electronic medical record system (EMR) to submit real-time claims?
   Answer: No, an electronic medical record system (EMR) is not required for RTCA. However, some EMR systems have automated claims coding and/or charge-entry capability, which mitigates claim data entry at patient "checkout." This capability is an enhancement to any RTCA process.
The Truth
(Continued)

6. Question: My vendor already submits claims to you "real time." What's the difference?
Answer: Claims transmitted for real-time claims adjudication require a specific connection with Availity, Humana's central electronic data interchange (EDI) gateway, or one of its identified partners. This connection allows Humana and Availity to identify these claims for real-time processing. This connection does not exist with most clearinghouses.

7. Question: How soon after I transmit my claim will I know if my claim has been accepted?
Answer: Within a minute, you will receive a response from Humana letting you know the status of your claim submission.

8. Question: Can I submit all of my Humana claims through the RTCA connection?
Answer: No. Only claims administered on some of Humana's plans will adjudicate in "real-time." All others will process through the regular EDI batch process. (For an explanation on how to identify Humana members whose claims can be adjudicated in real time, see the next question.)

9. Question: How can I identify Humana members who can have their claims adjudicated in real time?
Answer: Members who can have their claims adjudicated in real time have been assigned unique member identifiers (UMIDs) that consist of nine digits followed by a two-digit suffix. The UMID for these members usually begins with zeros. (Example: 000123456-01). The member's UMID is displayed on the member's Humana ID card.
Real Time Adjudication
Real Time Estimator
Transaction flow

Patient Check-in:
• Check Eligibility
• Category of service
• Deductible Balance/Co-pays

Provider Performs Services
Prepares Super Bill with ICD and CPT Codes

Patient Check-out:
1. Patient Benefits(271)
2. Receive Priced Claim Amount
3. Patient Responsibility Amount

Patient Notified of Amount Owed and Payment Settled

EXCHANGE EDI
Healthcare Cash Management
The Real Value
“TRANSPARENCY”

West Hills Hospital
1428 Mulholland Drive
Los Angeles, CA 90049
(888) 555-1910

Estimate of Patient Responsibility

<table>
<thead>
<tr>
<th>Patient Name:</th>
<th>Lisa Underman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender:</td>
<td>Female</td>
</tr>
<tr>
<td>Relationship:</td>
<td>Spouse</td>
</tr>
<tr>
<td>Policy #:</td>
<td>W123456789</td>
</tr>
<tr>
<td>Group #:</td>
<td>987654321</td>
</tr>
<tr>
<td>Date of Service:</td>
<td>09/10/2009</td>
</tr>
<tr>
<td>Place of Service:</td>
<td>IP-Hospital (21)</td>
</tr>
<tr>
<td>Rendering physician:</td>
<td>James Chapman</td>
</tr>
<tr>
<td>Comment:</td>
<td>2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ID</th>
<th>Procedure Description</th>
<th>Billed Amount</th>
<th>Allowed Amount</th>
<th>Deductible</th>
<th>Coinsurance</th>
<th>Copay</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CV STRS TST XERSSB/OG RX CONTR, ECG PHYS SINR</td>
<td>261.00</td>
<td>150.57</td>
<td>100.00</td>
<td>5.06</td>
<td>0.00</td>
<td>105.06</td>
</tr>
<tr>
<td>2</td>
<td>TEE R-T 2D + M-MODE REST &amp; STRS IRR</td>
<td>431.00</td>
<td>266.57</td>
<td>0.00</td>
<td>28.66</td>
<td>0.00</td>
<td>28.66</td>
</tr>
</tbody>
</table>

The purpose of this statement is to notify you of the amount we ESTIMATE is due from you for services you are scheduled to receive on 09/10/2009. Please be aware that this is an ESTIMATE and that uncertainties are involved in determining the balance you will owe. These uncertainties could change the total amount of charges and how your insurance processes your bill. A statement of any remaining balance will be sent once your insurance company has processed your claim. You agree that you accept responsibility and agree to pay for charges up to the total charges included in this estimate. Your final obligation will be determined after all third party payments have been processed. You also agree that we have the approval to authorize the payment method for the total charges that have not been paid by third parties without additional notice.

Total estimated patient responsibility: $133.71

X

Lisa Underman

Print  Close
# Real Time Adjudication

<table>
<thead>
<tr>
<th>Fact</th>
<th>Fiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Adjudicate claims at the time of service.</td>
<td>• Available from most payers.</td>
</tr>
<tr>
<td>• Prices claim based contracted allowables and patient benefits.</td>
<td>• Can accurately price out of network patient responsibility.</td>
</tr>
<tr>
<td>• Provides only in network patient responsibility calculation.</td>
<td>• Same day claims payment.</td>
</tr>
<tr>
<td>• Accelerates claims payment from payer.</td>
<td>• RTA is widely available.</td>
</tr>
<tr>
<td>• Very few payers can do RTA.</td>
<td>• Most clearinghouses support RTA.</td>
</tr>
<tr>
<td>• Payers offer RTA for only a small number of plans.</td>
<td>• PM system vendors widely support RTA.</td>
</tr>
<tr>
<td>• Reject rate for RTA claims is as high as 50%.</td>
<td>• RTA results are consistently reliable.</td>
</tr>
<tr>
<td>• RTA is about 1.7% of claim volume for payers that do RTA.</td>
<td>• Most RTA claims do not require double entry process to submit to payer and post to PM system.</td>
</tr>
<tr>
<td>• RTA will be standard in 5 years</td>
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Real Time Adjudication

“THE HOLY GRAIL”

NOT YET!