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U.S. Healthcare Efficiency Index™ Launches Primary Data Collection to Measure Current State of Electronic Adoption and Potential Cost Savings

Notable healthcare veterans and policy makers join Advisory Council

NASHVILLE, Tenn. (November 12, 2009) – The Advisory Council for the [U.S. Healthcare Efficiency Index™](#) (Index), founded by Emdeon (NYSE: EM), today announced the launch of the National Data Collection Center for the primary research phase of the Index and the addition of new members.

The Index is an industry forum for monitoring business efficiency in healthcare and tracking the transition from a paper- and phone-based healthcare system to an electronic one. A primary goal of the Index is to raise awareness of potential savings and how those dollars could be better used to fund delivery of care or offset costs of longer-term healthcare reforms.

The first phase of the Index, launched in December 2008, focused on analyzing industry data available through research reports and other sources. Phase 1 of the Index identified an estimated \$300 billion in potential savings over ten years for five basic medical claims-related transactions. The second phase, launched this week, marks the beginning of primary data collection, beginning with major healthcare payers. Payers will submit data to the Index National Data Collection Center, through a secure, password protected web portal. The non-identifiable data will be sent to statisticians at Scheuren – Ruffner, where it will be aggregated and analyzed. Milliman, Inc., a global consulting and actuarial firm, will then validate the findings based on the methodology developed and approved by the Advisory Council. The findings will be published as part of the first *National Progress Report on Healthcare Efficiency* which is planned for release in early 2010.

Five transactions are currently being tracked to measure electronic adoption and to facilitate calculation of the associated cost savings:

- Eligibility Verification
- Claim Submission
- Claim Status
- Claim Payment
- Claim Remittance

While healthcare payers will be the first to contribute data, the process will later be opened up to providers and clearinghouses to provide a complete view of the industry. The administrative simplification provisions of current healthcare reform bills call for additional electronic business transactions such as claims attachments to be adopted by the industry, and the Index plans to expand to monitor adoption and measure savings in those areas as well.

Plans are already underway for later phases of the Index, including development of a Pharmacy Safety and Adherence Index. The organizations represented on the Advisory Council hope to collaborate on data collection to avoid duplication of research efforts and establish a single, industry-recognized source for healthcare efficiency metrics.



“This is a critical time as Congress struggles with how to design and fund healthcare reform. By serving as a central reference for tracking healthcare administrative efficiency, the Index provides a roadmap for additional healthcare cost savings that can help pay for reform. We are delighted to have such an experienced group of thought leaders join us in overseeing this important effort,” said Miriam Paramore, senior vice president of corporate strategy for Emdeon, the founding sponsor for the Index.

The Advisory Council is responsible for overseeing the effort, developing the data collection methodology and reporting on progress across the healthcare industry. Advisory Council members also play a role in shaping the healthcare reform dialogue. The following individuals have recently joined the Advisory Council:

- The Honorable Phil Johnston, President and CEO, Johnston Associates (Former Regional Administrator for the U.S. Department of Health and Human Services and former Massachusetts State Representative)
- Robin Thomashauer, Executive Director, Council for Affordable Quality Healthcare (CAQH)
- Tom Meyers, Executive Director, America’s Health Insurance Plans (AHIP)
- Eric Wallace, Executive Director, Linxus
- Fred Horowitz, Board of Directors, Secure EDI Health Group (representing the Cooperative Exchange)
- Richard Nelli, Chief Technology Officer of CareMedic Systems (representing the Cooperative Exchange)
- Gregory Fisher, Director of EDI Business Development, UnitedHealthcare

For a complete list of Advisory Council members, visit <http://www.ushealthcareindex.com/advisorycouncil.php>.

Development of the National Data Collection Center was conducted in partnership with members of the Advisory Council, as well as with the Vanderbilt Owen School of Management. Students in the Vanderbilt healthcare MBA program assisted in creation of the data collection model and in outreach to healthcare payers to get their input and participation in the initiative. Student teams will continue to participate in research analysis and model development for subsequent phases of the Index.

“As the rhetoric on healthcare reform gets louder, it’s important to find a common set of principles that address our most pressing needs. Reducing waste is something we can all agree on. I am happy to join the Index and shine light on the significant dollars that could be saved – to prevent cuts to programs or pay for other reforms,” new Advisory Council member Phil Johnston said.

As part of an awareness-building campaign, the Index website is now hosting a new discussion forum to encourage dialogue on administrative savings and healthcare reform. To join the discussion, visit <http://www.ushealthcareindex.com/discussion.php>.

About Emdeon

Emdeon Inc. (NYSE: EM) is a leading provider of revenue and payment cycle management solutions, connecting payers, providers and patients in the U.S. healthcare system. Emdeon’s product and service offerings integrate and automate key business and administrative functions of its payer and provider customers throughout the patient encounter. Through the use of Emdeon’s comprehensive suite of



products and services, which are designed to easily integrate with existing technology infrastructures, its customers are able to improve efficiency, reduce costs, increase cash flow and more efficiently manage the complex revenue and payment cycle process. For more information, visit www.emdeon.com.

Contact:

Amanda Woodhead

Emdeon

615.932.3863

awoodhead@emdeon.com

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