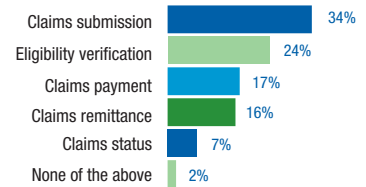


Summary

A tool was recently launched to measure the healthcare industry's move from paper-based processes to electronic business applications. Called the US Healthcare Efficiency Index, this tool is intended to raise awareness about the cost savings that can be achieved by increasing adoption of electronic business process. One third of respondents believed that the largest cost savings would come in the area of claims submission. Nearly half of respondents that work for a healthcare provider organization reported that they submitted claims payments electronically. A similar percent also reported that their organization submitted claims eligibility and claim remittance advice transactions electronically. Another potential area of cost savings would be to have claims payments issued via direct deposit. Responses were mixed with regard to the length of time it would take to move to a process whereby CMS paid all claims using direct deposit, with approximately half indicating that this can be achieved within the next two years.

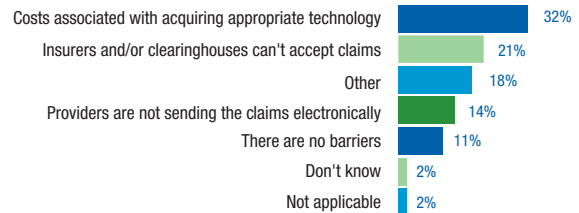
Potential Areas of Cost Savings if All Claims Were Conducted Electronically

One-third of respondents indicated that the area in which the largest cost savings could be achieved if all claims transactions were conducted electronically would be in the area of claims submission. Another quarter believed that cost savings would be achieved in the area of eligibility verification. Only two percent of respondents did not believe that savings could be achieved in one of the areas identified in this survey.



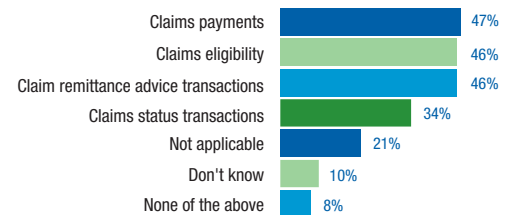
Biggest Barrier Towards Submitting Claims Electronically

One third of respondents indicated that the costs associated with acquiring the appropriate technology is the biggest barrier towards submitting claims electronically. One in five also indicated that insurers/clearinghouses can not accept electronic claims is a barrier.



Types of Medical Claims Submitted Electronically

Respondents were asked to identify the types of claims that they were presently submitting electronically at their organization. Nearly half of respondents reported that they submitted claims payments electronically. A similar percent also reported that their organization submitted claims eligibility and claim remittance advice transactions electronically. Fewer than 10 percent of respondents indicated that they do not submit any of these claims electronically.



Length of Time in Which All Claims Are Paid Using Direct Deposit

Responses were mixed with regard to the length of time it would take to move to a process whereby CMS paid all claims using direct deposit. Approximately half believed that this can take place within the next two years. However, another quarter believed that this will take a minimum of five years. A handful indicated that this is a goal that can not be achieved in any timeframe.

