Operations and Finance
Monday, December 11, 2006

Attendees
Andrews, Raynee – PacifiCare RIMS claims operations
Berkel, Susan – PacifiCare Finance
Connolly, Bill – Network Operations
Dysinger, Melinda – PacifiCare rework team
Feng, Andrew – claims recoveries
Guisinger, Matt – Contract loading
Lamers, Mike – PacifiCare inventory reporting
Schumacher, Karen – claims rework
Vonderhaar, Ellen – PacifiCare claims operations
Maria Menacho– SynerTech claims liasion

Optional Attendess
Toler, Paul – PacifiCare Finance
Linde, Susie – PacifiCare Regulatory

CCI
- Resources to complete the load – Charles Sheilds
- Progress on contracts submitted
- Expected timing for contracts yet to be submitted

January 1, 2007 Contract Loading
- Network management update
- HNS update – needs to be integrated into the CCI log as a status point.
- NICE – shell status update – shells have been established as requested by network management. However, there are "rider" shells that must be established. Elana McFann to request from her team all "preferred rate rider" shells be submitted to Charles Sheilds and team ASAP. Charles believes there are about 100 rider shells that need to be submitted. Once in CCI, it will take 3-4 days to update. Sue to talk to Elana.
- RIMS – "shell like" process – understood? Ready to implement? Raynee Andrews and Susan Galzarano to meet on December 11th to discuss. Ellen to report on status at next meeting.
- SynterTech – what communications have occurred? How is accountable? Maria confirmed that SynerTech can hold claims until final contract terms are available in RIMS for daily upload to SynerTech.
- Unet, Cosmos – The claims will not stop and be pended. Once the load is completed and tested, the CPM team will initiate provider specific rework projects to adjust the claims.

January 1, 2007 rework projects
- What facilities should be prioritized for HART processing? - Network and Finance and claims rework to prioritize
- NICE – should be minimal
- RIMS – need status update from Dec 11 meeting
- SynerTech – need status update from Dec 11 meeting
- Unet/Cosmos

Aged Inventory
Lason server issues in China detected on 12/12 and began 12/7. They had a server go down in their China operation - as a result, they are unable to get claims to us that run through that server. We know that there are outstanding claims from 12/7 (approx 7,000) and 12/8 (approx 10,000). Vendor management is to

get us the volumes by product as soon as possible (we know the impact is for all states and we know that PPO is impacted as we can tell there is lower queue volume). Lason flew a systems team in to address the issue and are rerouting the claims through a different server as necessary.

I was just told that we should expect 72 hour TAT in the short-term (their SLA is 48 hours) and they will let us know tomorrow morning when they will return to 48 hr TAT.

Two issues:

1) Based on what I'm being told, we should have the claims in the inventory by cut-off on the 20th, but I will let you know if that changes
2) This weekend is a scheduled Trizetto maintenance weekend for both Claims Exchange and QicLink so we will be down all weekend. As a result, we will be challenged to work the backlogged inventory through by cut-off. Raynee and I will keep you posted as we get closer. I am less concerned about NICE given the high auto-adjudication rates and Padraig's ability to shift resources as necessary to manage the manual volume (both NICE/Iliad are up this weekend).

- HMO greater than 60 for West region – under control - $12 million of billed charges as of Dec 11
- RIMS greater than 60 - ??? How do we get routine reporting of RIMS inventory back – it has been missing for five weeks.
- Complete RIMS POS inventory? -- For the Leslie Carter example, how are we getting our arms around whether our inventory is complete? What are the steps we are taking to ensure that we hand off these claims correctly between NICE and RIMS? Raynee to prepare action items for improving POS claims payment processes. Present at December 18th meeting.

RIMS Rework Projects

- Oregon RIMS pre-existing claims January 1, 2005 and forward project initiated by Oregon Department of Insurance – 4000 claims. NEED TO ADDRESS SYNERTECH CLAIMS
- Washington RIMS mammography January 1, 2003 and forward claims. Washington OIC alleges that PLAC members for PPO and SDHP were charged copayments/coninsurance on mammography services. Washington law prevents the use of coinsurance for these services. Susie Linde is proposing to WA OIC to directly reimburse members (manual checks) and not readjudicate the claims through the system. Estimated cost is $350,000. NEED TO ADDRESS SYNERTECH CLAIMS.
- California RIMS – June 23, 2006 CTN transition projects – retro contracts, incorrect fee schedules, incorrect termination of providers – current log of 1281 projects ON 12/8/2006 with a few more to follow in final clean up.
- California RIMS preexisting condition claims, DOI inquiry into PLHIC practice to follow HIPPA rules for pre-existing condition of 12 months. DOI alleges we can only apply for 6 months. So far, cases presented are for 2006 dates of service only. Susie Linde believes we are being set up for enforcement action. Quantity of claims unknown.
- THIS INFORMATION IS IN QUESTION ___Texas DOI – pulled 8,000 RIMS claims for prompt pay review. Texas DOI alleging that we have been inappropriately denying claims for certificates of creditable coverage. Texas SB418 requires us to pay and pursue. Raynee indicated that the TDI has left the site and the return date is unclear.
- Resources – MedPlans is expensive and requires hand holding. Top Solutions resources are at Molina. Three to six former PCC employees willing to come back, but with severance payback issues, we should pursue on temporary basis through CHIMES. Sue Berkel discussed resource concerns with Doug Smith on December 11. Longer term resource plans include training Cypress based NICE claims examiners on RIMS (sending Cypress work to Ireland) and, creating RIMS expertise in Letterkenny.
- We need a summary report of all the rework projects. I would propose a rollforward format of beginning number of projects, new ones received, ones completed, current inventory. How can we work through the RIMS projects on hand efficiently and effectively before we have the January 1 2007 late loading rework issues?

Claim Check Recoveries

- Is there an inventory report for these checks that are yet to be entered back into the system? - Ellen reported that these recoveries were for Private Fee for Service and have been forwarded to Ovations.
- Arnie Paulson agreed to accept RIMS recoveries in a manual process for December close so that the value of dollars collected could be included in year end IBNR estimates.
- Are the policies and procedures clear?

Synergies

- California out of area synergies
    - Raynee to provide historical PPT presentation with claims flow logic by date implemented.
    - Update RIMS claims paid through December 31
    - Quantify benefit of new system that stops Healthy Directors travel benefit claims from going to PHCS and send to UHC (current data says 60% of claims are MAF or LFS claims – no value to process change).

Claims Reporting Team Challenges

- RIMS email with current inventory needs to be reinstated
- Do we have sufficient resources to support the rework project efforts?
    - Melinda and Raynee to develop clear view of RIMS directories so that requested reports can pull information accurately the first time.
    - Melinda and Raynee to document reporting research needs so that an action plan of support can be developed by Jennifer Cook and Mike Lamars.

Server issues