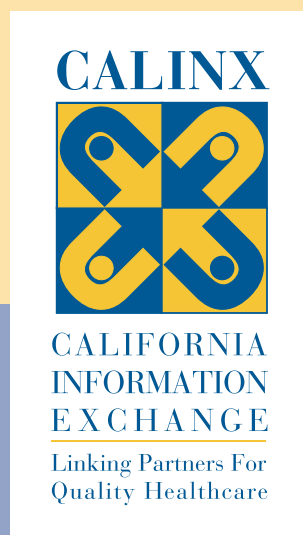


**Addressing the Health
Information Crisis through CALINX:
*A Window of Opportunity***



**Collaborate on Standards
Cooperate on Implementation
Compete on Quality**

THE CALINX INITIATIVE: AN OVERVIEW

“We took the opportunity to re-engineer our entire data collection and reporting process for enrollment—the move to a standard format, along with replacing paper and tape transmittals with electronic files has reduced workload at our various locations. In the course of our re-engineering, UC discovered a single plan billing error of nearly \$1 million. Working towards standardization should benefit everyone in health care, including the ultimate user, the consumer.”

—Michele French,
University of California—
Office of the President

Chair, PBGH Data
Committee

CALINX (California Information Exchange – Linking Partners for Quality Healthcare) began in late 1996 among California businesses, physicians, health plans, hospitals and health care systems. All stakeholders agreed to collaborate on health care information standards and cooperate on implementation. The Pacific Business Group on Health (PBGH), the National IPA Coalition (NIPAC), and the California Association of Health Plans (CAHP) are managing this effort in collaboration with the American Medical Group Association (AMGA), California Healthcare Association (CHA), and California Medical Association (CMA). Seed money for the project was granted by the California HealthCare Foundation based in Oakland, California. Stakeholders have committed to continued funding as we approach the end of the grant term.

The health care industry lags many other industries in its ability to use information effectively. For example, consumers are sometimes denied care or required to pay out-of-pocket for services to which they are entitled because insurance eligibility cannot be verified. In addition, health plans and providers do not have ready access to the information they need in order to provide optimal service and care. This recognition produced a commitment to change the rules. Competitors agree that they will not compete by manipulating or withholding health care data – instead, they have agreed to work together to develop standards and rules for its electronic exchange. CALINX partner organizations agree that all who engage in health care business in California will implement these standards and rules while assuring that data exchange is secure. All standards are compliant with HIPAA (Health Insurance Portability and Accountability Act) legislation. The standards and rules can be found in the CALINX Toolkit, a supplement document.

CALINX work groups have developed standards and rules for data exchange for the following health care transactions:

- Enrollment
- Eligibility
- Member ID Card
- Encounters and Claims
- Clinical Laboratory Results
- Pharmacy Utilization

“I am paying attention to CALINX, to see how well the health care industry can address its own issues. CALINX is an opportunity for the health care industry to create good policy for itself.”

– State Senator Jackie Speier, Chair, Senate Insurance Committee

CALINX ACCOMPLISHMENTS

CALINX AGREEMENTS

CALINX has made groundbreaking progress on its quest to promote the adoption of data standards and implement electronic transmission. Through this collaborative process, stakeholders have agreed to the standardization of five data sets; enrollment, eligibility, member ID card, encounters, pharmacy, and laboratory. Using HIPAA-compliant ANSI formats as a starting point, there is now consensus about data element content and definitions. In addition, stakeholders are adopting “Rules of Exchange” which address frequency, timing, and accuracy of shared data. The data sets and rules are actually being implemented in demonstration projects designed to measure benefits.

CALINX SUMMITS AND ALL PARTICIPANT MEETINGS

The first Summit launched CALINX in December, 1996. CALINX has held additional CALINX Leadership Summits in California in 1997, 1998 and 1999 serving as an important collaborative forum for discussions pertaining to healthcare data and information.

CALINX WEBSITE (www.calinx.org)

- Nature and purposes of CALINX
- Active work groups
- Links to other relevant sites
- Contact information
- Vendor I-Registry.

WORKSHOPS FOR PROVIDERS AND EMPLOYERS

CALINX sponsors workshops for employers and providers in California in an effort to motivate and supply them with the knowledge and tools to meet information standards in addition to providing practical tips for vendor selection.

CALINX IMPLEMENTED

Through CALINX, the foundation has been set for collaborative data exchange via standardized data sets and Rules of Exchange. Actualizing the vision, however, requires more. Stakeholders must have the will to implement data exchange. This requires that all parties understand and recognize the value of appropriate data exchange and that information system priorities are set accordingly. Now, the biggest challenge CALINX faces is

EmphiSOURCE

EmphiSOURCE, a direct outcome of the Eligibility Workgroup, is a new corporation funded by the California health plans. Its purpose is to provide electronic access to health plan eligibility data for California healthcare providers through a single portal. The health plan industry is committed to the rapid automation of eligibility and benefit transactions for healthcare providers and members and is collaborating to provide that solution through emphiSOURCE.

REPORTS

1). *Physician Organization IT Survey*

- Collected information about techniques used to capture, define, and report claims and encounter data,
- Identified the technology used by physician organizations.

2). *CAMAS (Completeness & Accuracy of Managed Care Administrative Data Sets)*

The CAMAS project provides estimates related to the quality of encounter records data as they move from the individual physician to provider office, to the provider organization, and finally to the health plan.

3). *Data Flow Analysis Report*

This report evaluated data consistencies among healthcare transaction sets. Missing data or problems related to data flow can be minimized through the careful application of standards, rules and agreements for data exchange.

maintenance of the momentum, leadership, and collaborative infrastructure put in place to build a critical mass of adoption. This system of voluntary adoption is our opportunity to govern ourselves. If this opportunity is not materialized, it has been made clear that the health care industry will be challenged with a different sort of implementation, that of government mandate and regulation.

THE BUSINESS CASE FOR CALINX

IMPROVED HEALTH CARE INFORMATION THROUGH STANDARDIZED ELECTRONIC DATA EXCHANGE

- *Improved customer satisfaction*
 - *Improved partner relations*
 - *Reduced costs and administrative simplification*
 - *Improved quality of care*

HEALTH PLAN BENEFITS

- Timely enrollment data and premium payments from purchasers
- Reduced retroactivity
- Reduced member complaints from inaccurate eligibility data
- Reduced cost and improved provider relations from streamlined eligibility data
- Improved ability to assess risk

PROVIDER ORGANIZATION & INDIVIDUAL PROVIDER BENEFITS

- Timely and streamlined eligibility and capitation information
- Reduced retroactivity and simplified reconciliation of data
- Reduced physician "paperwork" and member complaints from inaccurate data
- Improved ability to assess risk of population
- Improved ability to manage pharmacy risk

PURCHASER/EMPLOYER BENEFITS

- More efficient, less costly enrollment data management
- Greater opportunity to measure and base purchasing decisions on quality
- Greater opportunity to assess whether current pharmaceutical benefits are cost-effective

CONSUMER BENEFITS

- Doctor, provider organization and health plan has accurate member insurance information
- Reduced delays
- Reduced out-of-pocket costs
- Improved access of appropriate providers to confidential clinical information

"Electronic eligibility verification between health plans and providers can take as little as a few seconds. In 1996, within the Michigan Health Management and Information System (MHMIS), we discovered that stakeholders enjoyed savings of more than 85 percent per transaction when they implemented real time electronic eligibility verification rather than using phone or paper. This is a startling reduction in costs. The magnitude of the savings provides a real business case for rapid implementation. emphiSOURCE is a timely solution that will deliver online eligibility for the benefit of California healthcare consumers and provider organizations alike."

– Barbara G. Horwitz, Chief Executive Officer, emphiSOURCE

10 STEPS FOR IMPLEMENTATION

- 1 Be a strong advocate for the standardized, electronic exchange of health care data and establish the project as a corporate priority
- 2 Consider the costs of current business practices and assess the benefits of adopting standards, rules and agreements for your organization—consider industry and marketplace incentives as well
- 3 Assign the appropriate resources to the effort, including a project lead and an MIS programmer or analyst
- 4 Select one or more trading partners who will be willing to work with you to implement the new rules, agreements and standardized data sets.
- 5 Evaluate the CALINX Rules of Exchange to determine whether any operational changes should be implemented in order to comply
- 6 Quantify the benefits—consider conducting a baseline measurement of existing processes to determine your operational costs and the quality and quantity of information currently being exchanged
- 7 Conduct a gap analysis between CALINX data content standards and your current file layout—consider your current capabilities and develop a matrix of necessary changes
- 8 Make the necessary system and process changes and submit a test file to your trading partner(s)—when the test files are submitted successfully, move towards routine submission of data files
- 9 Re-measure the operational benefits after several months of data exchange and determine the savings, improvements and benefits
- 10 Expand your data exchange to additional trading partners

“The improvement of health care data exchange in California is one of our top priorities at PBGH. For example, we are concerned about the results of a recent CALINX survey—we discovered that only 10 percent of electronic encounter records are found with correct codes at the health plan level. CALINX is working to address this and we will continue to promote improvement in the area of health information.”

—*Patricia E. Powers, President & CEO, Pacific Business Group on Health*



“Timely and accurate submission of data is essential to good quality health care and improved patient outcomes. CALINX is working hard to develop rules and agreements that promote the exchange of data between providers and health plans—more timely and complete data means better healthcare for our patients.”

—*Les G. Cordes, MD
Medical Director
National IPA Coalition*

“The CALINX project represents a promising opportunity for the major sectors of the health care system to address an important problem for consumers. Delays and poor coordination of care are often symptoms of inadequate information exchange between doctors, medical groups, and health plans. CALINX can make a huge contribution if it can address this issue while assuring that the confidentiality of patients’ personal information is protected.”

— *Peter Lee, Executive Director, Health Care Rights*

The managed care industry provides health care services to a majority of Californians. Despite tremendous growth and many successes, the industry now faces significant dissatisfaction among all its constituents: consumers, purchasers, health plans, and health care providers. One of the underlying causes of the profound frustration is inaccurate and delayed exchange of health information. CALINX specifically addresses this problem.

“The value of CALINX to Blue Cross of California has been to strengthen the collaborative effort within the health care industry to improve service throughout California. The CALINX agreements to standardize data transmission creates a base line to assure information is exchanged accurately, completely and securely.”

— Ron Williams, President & CEO, Blue Cross of California

CALINX Oversight Group

Bruce Bodaken

President & COO, Blue Shield of California

Peter Lee, JD

Executive Director, Center for Health Care Rights

Jack Lewin, MD

Executive Vice President and CEO,
California Medical Association

Robert Margolis, MD

California Association of Provider Organizations

Nancy Oswald, PhD

President, National IPA Coalition

George Perlstein, MD

American Medical Group Association

Patricia E. Powers

President & CEO, PBGH

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California Healthcare Association

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President & CEO, California Association of Health Plans

Partner Organizations

Pacific Business Group on Health (PBGH)

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National IPA Coalition (NIPAC)

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California Association of Health Plans (CAHP)

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American Medical Group Association (AMGA)

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California Medical Association (CMA)

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