

Meeting Location:
Fresno County Employee
Retirement Association Board
Chambers
1111 H Street
Fresno, CA 93721
November 1, 2013 9:00 AM

BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

STEVE WORTHLEY

AGENDA DATE: November 1, 2013

ITEM NUMBER: 7

SUBJECT: Required Timing for Claim Payments (I)

REQUEST(S): That the Board of Directors Receive the Report

regarding the required timing for claim payments from

Anthem Blue Cross

DESCRIPTION:

At the September 6, 2013 meeting, your Board approved the execution of an agreement with JP Morgan Chase allowing for the payment of claims via electronic funds transfer (EFT) as required by the Affordable Care Act. This discussion raised questions about the required timing of claims payments within Anthem and/or under regulation. It also raised further questions about the potential impact to the reserve account as the funds sent electronically would be drawn from the account much sooner than if the payments were by check.

Anthem has confirmed the timing of the claims processing and funding will not change as a result of this EFT requirement, however the average float of 4 to 5 days of the funds in the account will shorten to 24 hours. So, in essence, the SJVIA will lose at least 3 days or more on cash flow. On average, Anthem has 60% of claims paid to providers via EFT. Therefore, if 60% of the claims paid through the SJVIA are considered to be drawn from the account within 24 hours the impact of the float can be calculated.

AGENDA: San Joaquin Valley Insurance Authority

DATE: November 1, 2013

Anthems claims payment timing standards and 2013 YTD statistics are as follows:

	Standard	2013 YTD Results
Resolved in 14 days	90%	96.3%
Resolved in 30 days	98%	99.6%

A flow chart of how claims are handled within the SJVIA (Exhibit A) and Anthem Blue Cross (Exhibit B) is attached, and is reviewed to ensure that Anthems claims payment timing standards are met. SJVIA staff and GBS will be having further discussions with Anthem and Chase to determine the operational impact to the banking arrangements and will work to make any necessary procedure changes.

FISCAL IMPACT/FINANCING:

None at this time.

ADMINISTRATIVE SIGN-OFF:

Paul Nerland Rhonda Sjostrom

SJVIA Manager SJVIA Assistant Manager

Phonola Yestrom

BEFORE THE BOARD OF DIRECTORS SAN JOAQUIN VALLEY INSURANCE AUTHORITY

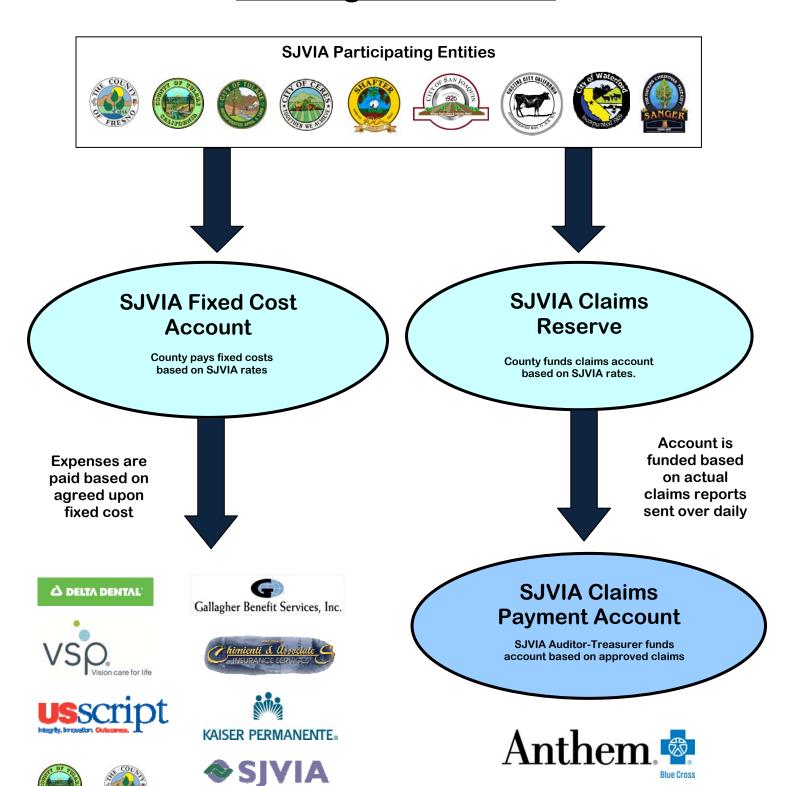
IN THE MATTER OF Required Timing for Claim Payments (I)

	RESOLUTION NOAGREEMENT NO			
UPON MOTION OF DIRECTOR		,	SECONDED	ВҮ
DIRECTOR	, THE	FOLLOWING	WAS ADOPTED	BY
THE BOARD OF DIRECTORS, AT AN	OFFIC	IAL MEETING	HELD	
, BY THE FOLLOWING VOTE:				
AYES: NOES: ABSTAIN: ABSENT:				
ATTEST:				
* * * * * * * *			*	

That the Board of Directors Received the Report regarding the required timing for claim payments from Anthem Blue Cross



Funding of Accounts



Insurance Authority

WGS Claims Process Flow

Claim submitted to Anthem either by Local BCBS plan, member direct or electronic clearing house.



Claim hits WGS for processing. If all necessary claim data elements are present claim will auto adjudicate based on client's contract and system pricing.

Cannot auto adjudicate

Claim requires manual process, unable to auto adjudicate.

Can WGS process without manual intervention?



WGS does claim calculations based on client contract, member eligibility, accumulator check, possible duplicate check. If all pass claim is batched for payment.



Claim is sent to processing queues for examiner review.



Examiner pulls claim from queue. Clears all system edits, applies benefits, verifies eligibility, applies pricing to claims and logs to batch for payment.



Claim is paid

WGS - Anthem's Claim Adjudication System BCBS - Blue Cross Blue Shield

