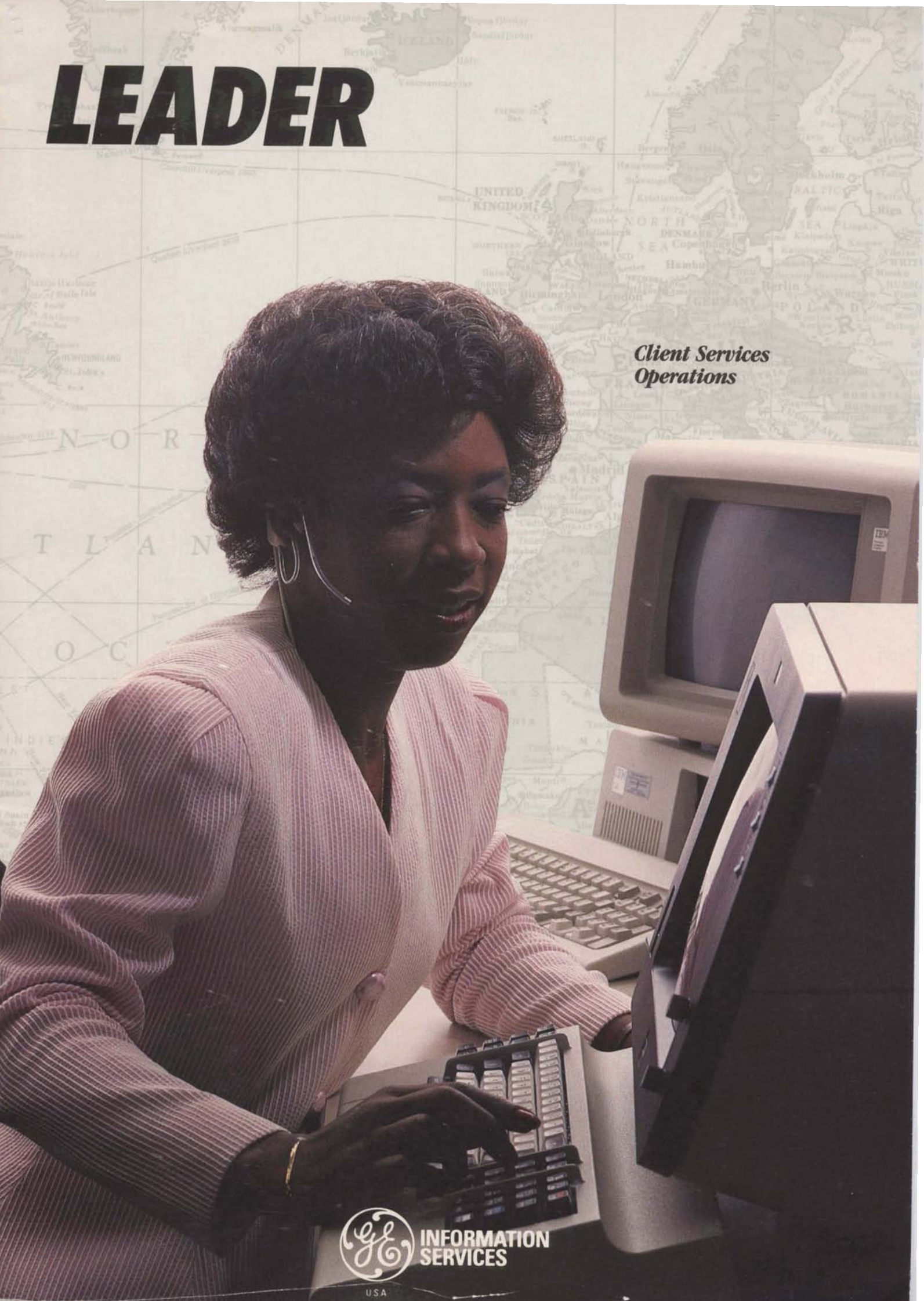


LEADER

*Client Services
Operations*



**INFORMATION
SERVICES**

USA

LETTER FROM THE PRESIDENT

GE Information Services Co.



Everyday the environment in which your business operates gets more intense . . . more fragmented . . . more competitive.

Against both domestic and international competitors, you compete on a global gameboard, not as a self-contained business, but as the hub of a distributed business network composed from an array of suppliers, distributors, carriers, financiers and, most importantly, clients.

To win in the complex environment you need an edge . . . and that edge is quality information that is delivered reliably and accurately . . . to the right people . . . at the right time . . . at the right cost. Information that puts you in control. Whether you are a manufacturer trying to control supply and distribution channels . . . or a financial institution providing services to merchant and corporate clients . . . Whether you are an international carrier tracking cargo or an insurer trying to collect and clear claims

. . . Effective information, delivered efficiently, can be your competitive edge.

As the following articles demonstrate, we at GE Information Services are already helping to give our clients that edge by professionally and creatively combining our expertise with the strengths of the world's largest commercial teleprocessing network.

We look forward to giving that edge to you.

A handwritten signature in dark ink, which appears to read "W. Williams". The signature is fluid and cursive, written over a horizontal line.

Walter W. Williams
President

If the reply card has been removed, please send your request for subscription to:

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Information Services Company
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CONTENTS

LEADER

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1 LETTER FROM THE PRESIDENT

A message from Walter W. Williams, President, General Electric Information Services Company...

3 Rx FOR RISING HEALTH CARE COSTS

*With the EMC*EXPRESS System, health care providers transmit reams of medical claims—electronically...*

5 BEING PREPARED

The Boy Scouts of America collect, store and analyze data using GE's teleprocessing network...

7 GE ON THE FAST TRACK

An electronic data interchange application called "Motonet" takes the paper out of paperwork for the United Kingdom's automobile industry...

9 "HELLO, CSO?"

At GE, technology and people work together to provide superior client service 24 hours a day, 365 days a year...

12 ON THE ROAD AGAIN

Ryder Financial and Communications Services, Inc. uses GE's Point-of-Sale services to keep on trucking...

15 ON-LINE

The latest news from GE...

17 WHAT'S NEW?

A word about GE's hottest new publications...

18 LOOKING AHEAD FROM THE BACK

A note about the future from W. James McNerney, Jr., Senior Vice President, Marketing and U.S. Sales Operations...

Rx FOR RISING HEALTH CARE COSTS

The Health Care Industry Uses GE to Transmit Reams of Paperless Claims

With an annual \$365 billion price tag, the health care industry in this country is hardly ailing. Health care consumers who are just sick at the costs, however, may find some hope in a General Electric Information Services Company effort to spell relief.

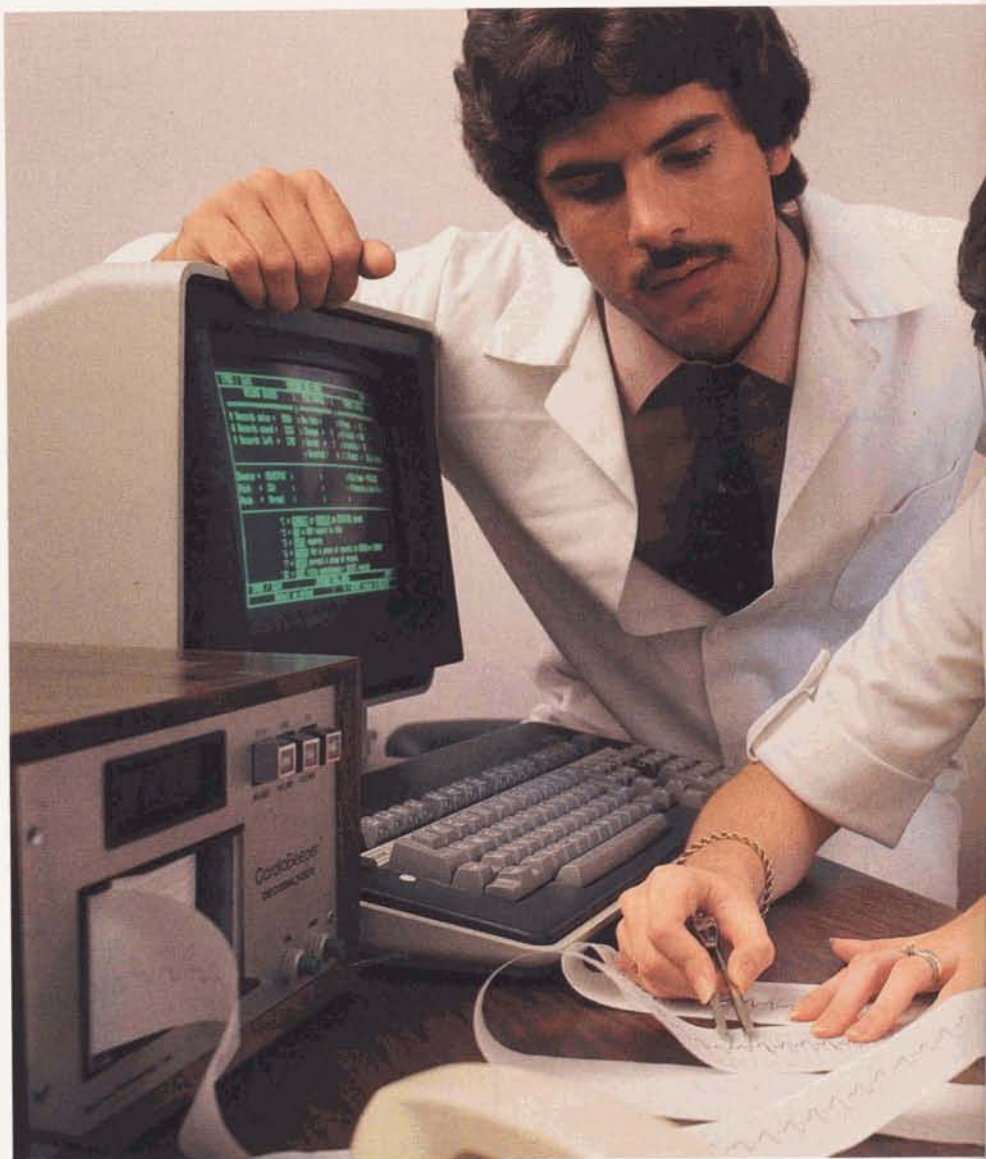
According to health care industry sources, health care administration costs between \$9-\$19 billion each year. Although small compared to the costs of basic health care services, health care administration represents a significant opportunity to GE, which has introduced its EMC*EXPRESS™ System to electronically transmit medical claims and other related documents via its worldwide teleprocessing network.

Currently, approximately 2.6 billion medical claims are mailed annually between more than 600,000 health care providers and hundreds of insurance carriers. The staggering cost of health care administration is illustrated in its numbers: 50 million patient visits a week generate approximately 75 million claims or related documents. These, in turn, beget other paper documents, such as checks, explanations of benefits or insurer-to-insurer correspondence.

That's not even including the claims from 119,000 dentists, 60,000 pharmacies, 6,000 hospitals, or medical equipment suppliers, nursing homes, home or alternative health care providers.

It was to this morass of health care industry paperwork that GE addressed the EMC*EXPRESS System.

The EMC*EXPRESS System electronically transmits medical claims from health care providers to more than 45 major insurance carriers,



either directly or via overseeing organizations. The system links to the National Electronic Information Corporation (NEIC), a clearinghouse for electronic claims processing for commercial carriers, and the Hospital Corporation of America (HCA), which has more than 250 member hospitals.

According to Robert F. Streight,

GE's Manager for Health Care, Electronic Data Interchange (EDI) Services, GE decided to enter the arena of paperless medical claims because of fundamental changes in the health care industry.

The widespread use of personal computers means relatively low cost and available computing equipment for even solo health care practi-



Jeff Zaruba; Folio, Inc.

tioners, Streight explained. And, because many vendors offer medical practice and hospital/clinic management software packages, end-to-end electronic claims processing is easily accessible to almost every doctor.

In addition, health care industry factors invite electronic claims processing, Streight said. He noted that the Health Care Financing Adminis-

tration (HCFA), which oversees the Federal Government's Medicare program, and a number of industry associations have cooperated in the development of a standard claims format for physicians, hospitals, laboratories and durable medical equipment (DME) suppliers.

Because the government at the Federal and State levels pays approximately 40 cents for every health dollar, government support for the more cost-effective method of electronic claims processing has been significant. The HCFA, for example, has set a target goal of a 50 percent electronic medical claims processing rate by 1990 for Medicare Part B claims.

The GE offering was designed to accommodate both industry cost-cutting goals, and also to establish a standard for the electronic medical claims industry, Streight said.

Widespread implementation of computer-to-computer claims systems has lagged because of incompatible hardware and software. However, the creation of the NEIC by 11 insurance carriers in 1982 helped to establish and maintain data interchange standards among commercial carriers. GE's EMC*EXPRESS System is designed to address issues of incompatibility as well.

At the heart of the application is the GE Information Services teleprocessing network, which can be accessed with a local phone call in more than 600 U.S. cities. A typical single practitioner might be a physician with a personal computer and a practice management software package, which is used to maintain patient records, prepare financial reports and provide word processing capability by day. The computer



Robert Rathe; Folio, Inc.

stores claims prepared on it during the day for nighttime transmission.

If the subscriber is an institution, such as a hospital with a mini-computer or a mainframe, its capabilities might be used to track patient records, keep inventory records and process payrolls. Claims also prepared during the day could be stored for transmission in batch form at night.

Regardless of a health care provider's size, or the terminal equipment used, the GE network is accessed via computer dial-up of the nearest local node of the EMC*EXPRESS System. Each computer sends its own batch of claims to a host mainframe computer on the GE network. The host checks for transmission errors and then stores the claims for later retrieval by participating insurance carriers. Using the GE system, a claim can thus be delivered to an insurance carrier within 24 hours of a patient visit to a health care provider.

"One of the things we're trying to do," Streight explained, "is to promote a national standard for processing medical claims. Right now, the diversity of claim formats and the need to make multiple phone calls can be discouraging to vendors—and practitioners. Our service provides a single pipeline and a data standard, and we'll take care of it from there." ●

*Left: More and more private health care providers, as well as institutions, are processing medical claims electronically to cut the costs and delays associated with handling paper. Above: Medical claim data keyed in by an operator during the day can be transmitted and processed after hours via GE's EMC*EXPRESS System.*

