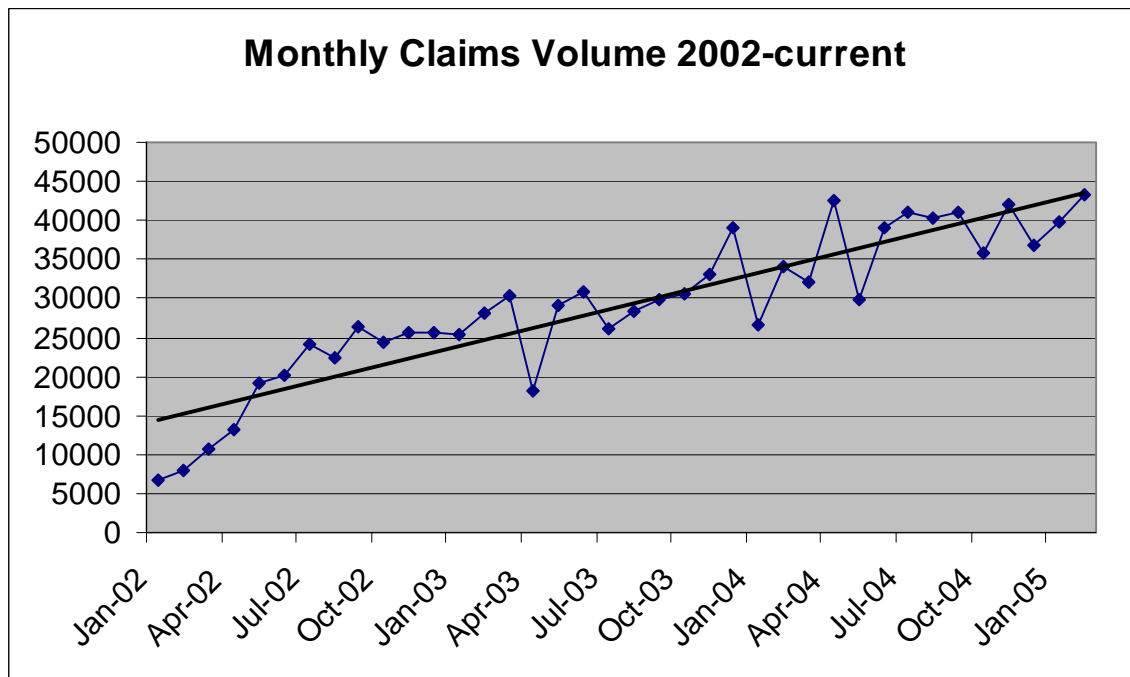


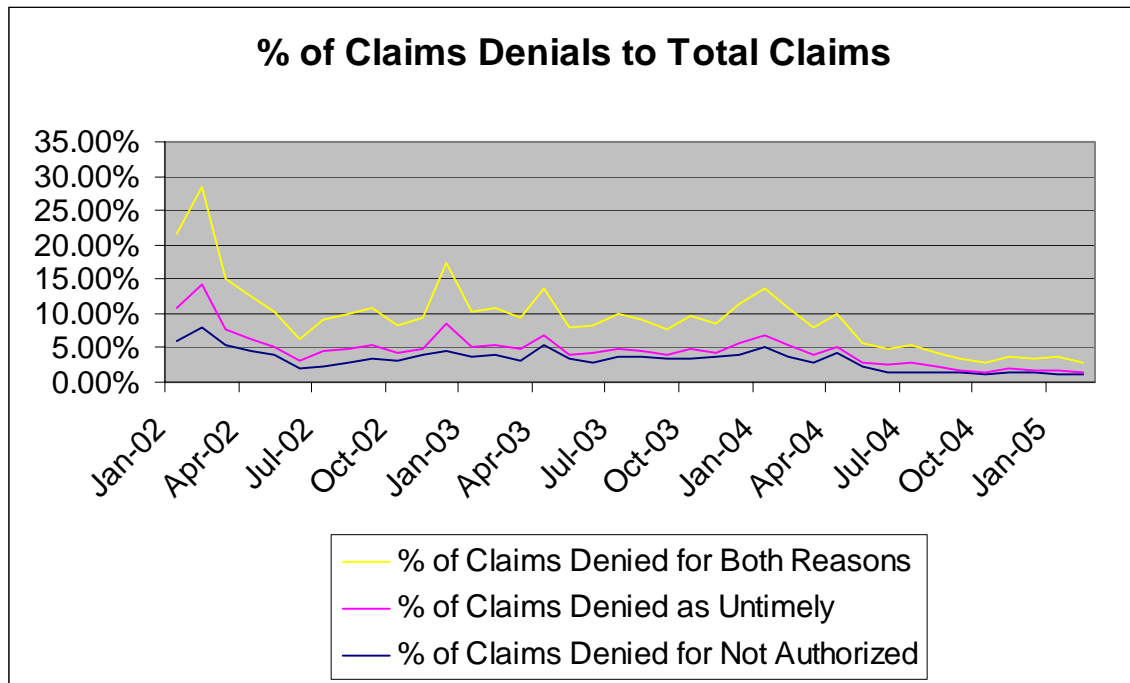
# Q1 Spotlight

May 2005

The speed, accuracy, and denial rate of claims processing are all critically important aspects of performance for any health plan. Multiple CBHNP committees, as well as OMHSAS and CABHC, review the company's performance in these areas. While we are all aware of its privacy provisions, the primary reasons for the Health Insurance Portability and Accountability Act (HIPAA) were "administrative simplification" and the standardization of "electronic data interchange". For CBHNP and other health plans, this has meant a major push to increase electronic claims submissions by providers. Currently, over 50% of all claims are submitted electronically to CBHNP, and we continue to increase that number. Electronic claims reduce errors and speed processing. As CBHNP has grown, the volume of claims processed has also grown to the point where CBHNP has now been ranked as the largest Third Party Administrator of claims in Central Pennsylvania (Central Penn Business Journal - April 22, 2005).



**While the number of claims has increased, the Provider Relations and Claims departments have worked closely with providers to ensure proper claims submission and reduce the number of claims denied. We specifically identified and targeted claims denied for Untimely Filing or denied for No Authorization. Currently, the overall Claims Denial Rate is below 5%, which is substantially lower than most health plans.**



**The CBHNP Claims Department, along with Information Systems and Finance, continue to work diligently on continuing this exceptional performance in claims processing and additional forms of electronic data interchange that are on the way.**