



AVANTA[®]

MEDICAL INFORMATION SYSTEMS

FAX

October 27th, 2000

ProxyMed Update



If you submit third party electronic claims to ProxyMed (formerly IMS), you may have recently received a letter or phone call from them offering to contract with you directly for processing claims submitted with your Avanta system. We have been negotiating with ProxyMed for over a year in an effort to secure favorable terms for our clients, and are puzzled by their sudden decision to terminate negotiations and solicit your business directly.

Our interest in this issue is, as always, to secure reliable, cost-effective third party claims processing for our clients. To that end, we are actively exploring relationships with other third party claims processing services. We hope to offer you a choice of vendors very soon.

While we have received many client inquiries asking our advice on what you should do regarding the contract materials ProxyMed may have sent, our attorneys have instructed us to refer you directly to ProxyMed regarding this matter. Consequently, the Avanta support staff cannot provide you with assistance or advice regarding the ProxyMed contract. As stated previously, our plans include providing another choice for third party electronic claims, and supporting the ProxyMed interface at least until we have selected such alternative.

Medicare News

As you know, November 18th is the latest announced date for the Medicare claims processing changeover from Transamerica to NHIC. After this date, Transamerica will no longer process Medicare Claims.

Avanta has completed the necessary changes for claims to be sent to NHIC. We have updated a few clients and worked with them to submit test claims. However, NHIC is a week behind in responding to these tests. We will begin all client updates this week, and will have updates completed by November 18th. If any additional programming is needed, we will perform further updates via modem. Updates will take somewhat longer than usual as NHIC is requiring that all submitters test their submissions; usually this testing will be done as part of your update.

We have retained the ability to transmit to Transamerica in the event that the changeover is delayed. For more information regarding the NHIC/Transamerica transition, visit www.medicarenhic.com, and click on "Important Transition News". You may also call Avanta with any questions you may have.

Medicare & ProxyMed

There has been some confusion regarding which types of claims ProxyMed processes. ProxyMed processes your commercial (e.g. Blue Cross, Blue Shield, etc.) claims and (if desired) Medi-Cal claims.

Your Medicare claims are sent directly from your Avanta system to Medicare. Therefore, there is no relation between your Medicare claims submission and ProxyMed.

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Medical Applications Corp. • 6345 Balboa Boulevard, Suite 213 • Encino, California 91316
Phone: (818) 708-9700 • Fax: (818) 708-3811 • www.avantasoftware.com