



PacificSource and Payer Connection Announce Network Access Agreement to Enhance Electronic Claims

September 17, 2004

PORTLAND OR – September 17, 2004 – Payer Connection LLC., a leading provider of Internet-based financial transaction solutions for healthcare providers and payers, today announced its contract with PacificSource Health Plans of Eugene, Oregon. The health plan intends to accelerate the adoption of electronic claims within its provider network by encouraging the use of Payer Connection's Internet-based management system. By increasing the number of electronic claims submitted by providers, payer organizations can eliminate the high cost associated with manually processing these transactions and delivering remittance on paper.

The Payer Connection portal, pcConnect, is an Internet-based application that provides an easy-to-use, secure method for electronically submitting claims to payer organizations. Claims files are submitted from the provider organization's practice management and/or hospital information systems to the Payer Connection data center where payer-specific edits are applied in real-time. pcConnect immediately identifies and highlights errors, enabling billing staff to make online claims corrections prior to payer submission. Online claims correction eliminates delays that may occur from having claims rejected by a payer and reduces staff time spent following up on denied claims.

In addition, workflow capabilities within pcConnect enable provider organizations to track payment status by payer and identify operational inefficiencies within the practice. "We are excited about adding a new submission route extending our direct submissions to over 60% in the Oregon market," said Dean Hill President of Payer Connection. "Establishing close relationships with the dominant players in a market benefits providers and payers. Cleaner claims are processed more quickly and cost-effectively for payers, and provider organizations experience tighter edits, reduced claim denials and expedited payments. The addition of PacificSource further demonstrates the success we are having in regional markets and validates our approach."

About Payer Connection

Payer Connection is a proven provider of electronic transactions for rapidly deploying and managing today's healthcare trading partner networks. The Payer Connection solution suite encompasses the pcConnect and TrinEDI product families -- each designed to reduce administrative costs and promote adoption of an electronic reimbursement cycle where claims and payments are exchanged by electronic means, not paper. For more information, visit www.payerconnection.com.

About PacificSource

PacificSource Health Plans is based in Eugene, Oregon with satellite offices in Portland, Bend, and Medford. The health insurer contracts with over 9,000 physicians, physician organizations, hospitals, medical facilities, and other healthcare providers to bring quality medical services to its' customers. PacificSource currently has 220 employees, serves over 142,000 members, and processes more than \$27 million in claims each month.