Blue Cross Blue Shield of Massachusetts Joins Expanding Partnership of Blue Plans as Owner of NASCO

Increases in Claims Processing Efficiency and Affordability Expected

BOSTON — January 27, 2011 — NASCO and Blue Cross Blue Shield of Massachusetts (BCBSMA) today announced BCBSMA as a full partner in NASCO. BCBSMA joins a growing number of Blue Cross® and Blue Shield® (BCBS) Plans in ownership, including: the Blue Cross and Blue Shield Association (BCBSA), Blue Cross Blue Shield of Michigan, CareFirst BlueCross BlueShield, Horizon Blue Cross Blue Shield of New Jersey and WellPoint, Inc.

BCBSMA has partnered with NASCO for health care claims processing services since 1992 and currently utilizes the NASCO platform to process national account transactions. As part of its ownership, BCBSMA now has a seat on the NASCO Executive Committee, which serves as the governance board of the company. Bill Fandrich, Chief Information Officer of BCBSMA, will serve as the representative on the committee.

"BCBSMA has a very successful track record for claims processing, and NASCO has been integral to that success," said Fandrich. "Approximately 52 million claims were processed overall in 2010, with 95 percent processed in 14 days. We look forward to partnering with NASCO as a partial owner to continue to enhance our claims operations efficiency."

BCBSMA ranked first in Massachusetts and third nationally as the most efficient health care payer in the 2010 athenahealth PayerView rankings. Since 2006, the company has also consistently exceeded claims timeliness, payment accuracy and financial accuracy of the BCBSA's Member Touchpoint Measures reviews.

For more than 23 years, NASCO has provided health care claims and membership solutions for several BCBS Plans. Today, the company's shared services model provides Blue Plans with a total payer solution that bridges consumer, provider and Blue Plan workflows—ultimately reducing operational and medical costs. NASCO's system is built to handle large volumes and complex business, which is essential to BCBSMA. Once the migration is complete, NASCO will handle claims processing for nearly all of BCBSMA's medical contracts.

BCBSMA is aggressively seeking ways to lower its administrative spending and plans to eventually migrate the remainder of its core claims, eligibility and membership to the NASCO system.

"We expect to see savings of approximately $100 million over the next five years," continued Fandrich. "NASCO is foundational to providing our members and customers with future capabilities that support our mission to provide high quality, affordable health care."

NASCO is committed to maximizing customer performance through its unique shared-system environment and consistently high performance. With the ability to automatically adjudicate high percentages of all claims processed, NASCO allows its customers to achieve greater overall efficiency and maximize their operational performance.

"The NASCO family of Blue Cross and Blue Shield Plans is delighted to have another progressive and market-leading health plan join the partnership," said John Ladaga, President and CEO of NASCO. "In 2009, CareFirst joined NASCO as an owner and we are thrilled that Blue Cross Blue Shield of Massachusetts, our fifth Blue Cross and Blue Shield Plan, has bought into the partnership. Our strategic direction, shared services business model and differentiated capabilities sets NASCO apart from other solution alternatives."

About Blue Cross Blue Shield of Massachusetts

Blue Cross Blue Shield of Massachusetts (www.bluecrossma.com) was founded 74 years ago and is now the largest private health plan in the state, providing coverage to nearly 3 million members. BCBSMA believes in working with physicians, hospitals, employers and the broader community to provide quality, affordable health care in Massachusetts. Blue Cross Blue Shield of Massachusetts is an independent licensee of the Blue Cross Blue Shield Association.

About NASCO

Formed over 23 years ago through a partnership among several Blue Cross® and Blue Shield® Plans, NASCO provides information technology solutions designed to ensure that Plan members' insurance claims are paid accurately and efficiently. NASCO's Plan customers benefit from an integrated claims processing system, a highly configurable membership solution, and a multitude of performance-based services designed to improve operational efficiencies and reduce costs. Having processed over 1 billion claims, the NASCO Processing System is unsurpassed in the market for reliability, flexibility, scalability and operational performance. For more information, visit www.nasco.com.

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