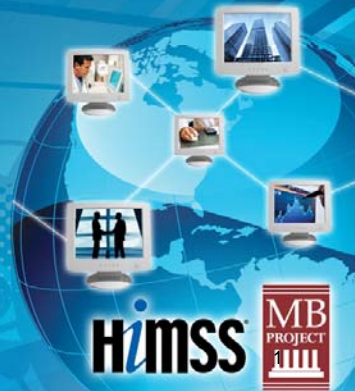


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## SWIFT & Medical Banking

A Transformative Platform for  
Healthcare?



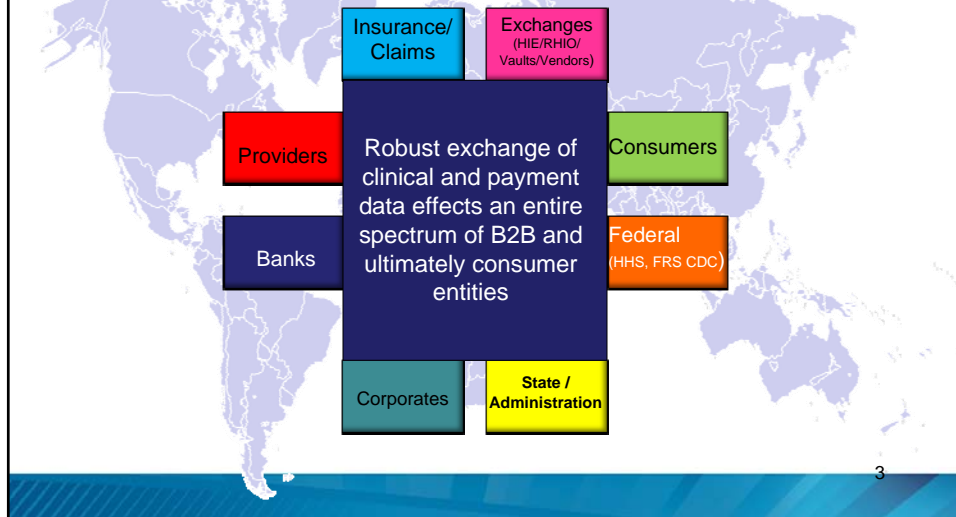
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### Agenda

- Is there consensus on need for a “medical banking” network? (National, Global?)
- Key Success Factors for the Network
- What is SWIFT?
- How could MB leverage it?
  - Hi Level Architecture – Case example
- Validate appropriateness
- Prove the concept!
- Conclusions & a call to action

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## Who are the stakeholders?



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## Key Success Factors for Medical Banking Network

1. Must create financial incentive for participants (Highest value/lowest cost)
2. Must allow for phased implementation(s)
3. Should not be dependent on arriving at a single standard PHR or payment message
4. Must be supported at both federal level and bank/business level
5. Must pass regulatory, audit and compliance hurdles for HIPPA, SOX etc
6. Must be highly secure to lower liability barriers and speed adoption between the counterparties
7. Must have guaranteed delivery and non-repudiation
8. Should focus on B2B first as a driver to B2C adoption

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## Key Success Factors for Medical Banking Network

9. Must have payload capacity to deliver more than current ACH options
10. Must not require a single large capital concentration or bottleneck project (must rebuild the airplane while in flight!)
11. Must not be viewed as a "proprietary vendor" solution
12. Should allow counterparties in the network to create their own bi-lateral agreements for service differentiation
13. Network solution must foster organic adoption
14. Must have both L-T and S-T ROI to incentivize adoption in critical economic times
15. End state solution should be proven via **pilot project** with specific and measurable metrics of success

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What is SWIFT?

Leader in secure global *financial* communication



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A **co-operative**  
organisation serving  
the financial industry

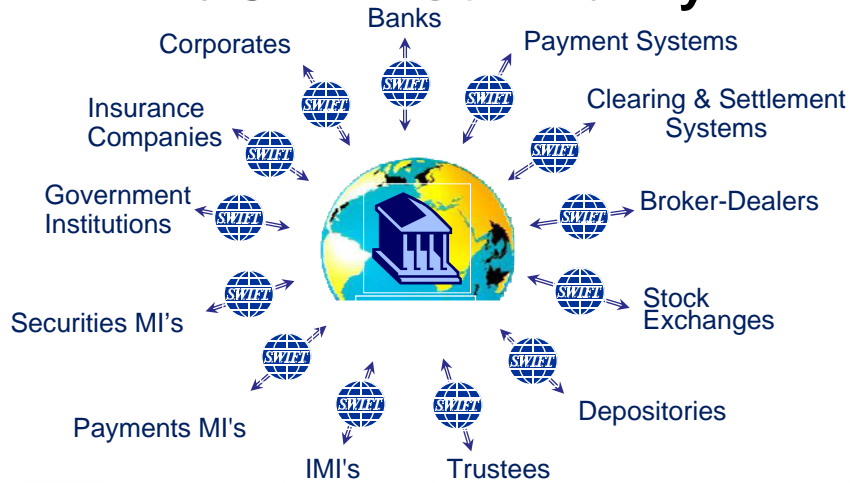
A provider of **highly**  
**secure** financial  
messaging services

The financial  
**standardisation** body

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## The SWIFT Community



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## SWIFT figures

3,8 billion messages per year (2008)

8,830 customers

209 countries and territories

Over 2,000 employees

Average daily traffic 14.8 million messages July 2009 YTD

Last peak day - 17.8 million messages – 15 October 2008

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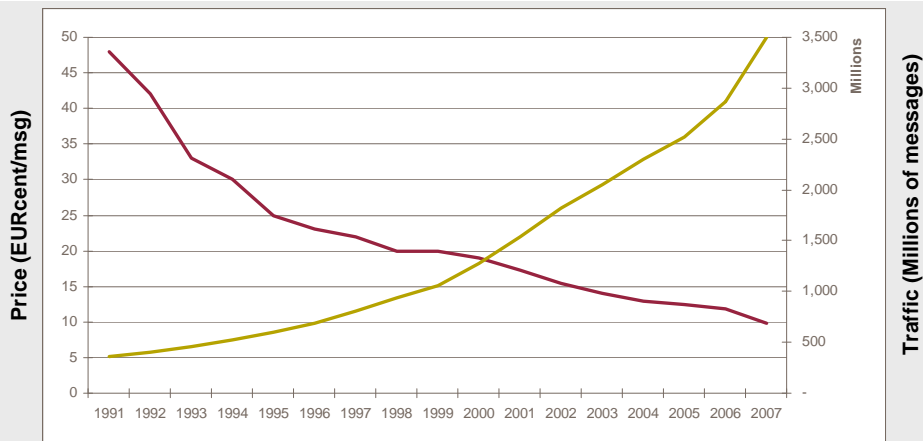
**SWIFT: An “electronic UPS™”**

- **Reach** - over 8,800 global financial institutions and corporations
- **Security** – Never been hacked, never lost a message
- **Reliability**- Guaranteed delivery in real-time and store & forward modes
- **Interoperability** – Links to major networks (ACH, FedWire, ChIPS, SEPA, CLS etc.,)
- **Cost/Benefit** – As a non-profit consortium, it gets cheaper as more join it
- **Liquidity** - Cash is being viewed as a product and strategic asset that can and should contribute directly to the bottom line
- **Standardization** – World leader in driving financial message standards (ISO)
- **Risk** – Limits settlement risk and counterparty risk (change relationships)
- **Compliance** – Messages are tracked, highly secure, and guaranteed delivery
- **Enabling services** – Secure Mail, Trade Services, Payments, e-Bank Account Management, near real-time visibility to cash accounts
- **Capacity/Payload** – With FileAct, SWIFT can carry up to 250MB/message
- **Adoption** – The banks own and rely on it already. Why not for Medical Banking?

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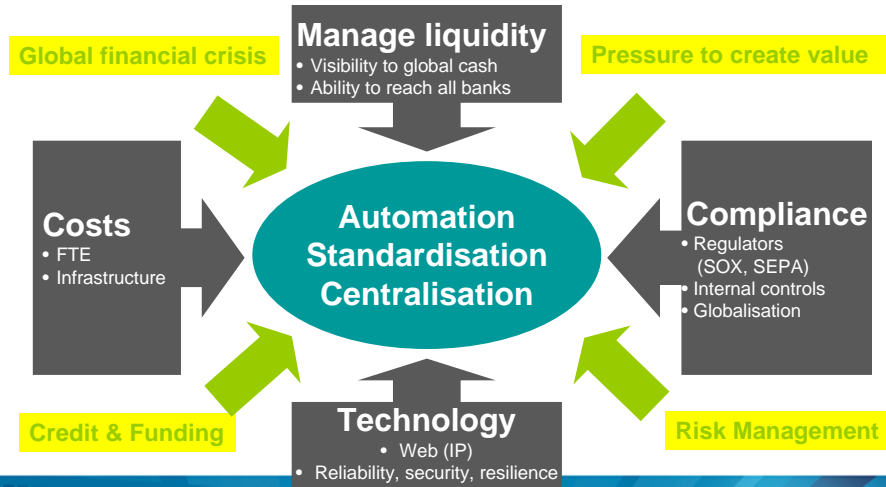
Pricing and traffic

Harnessing economies of scale



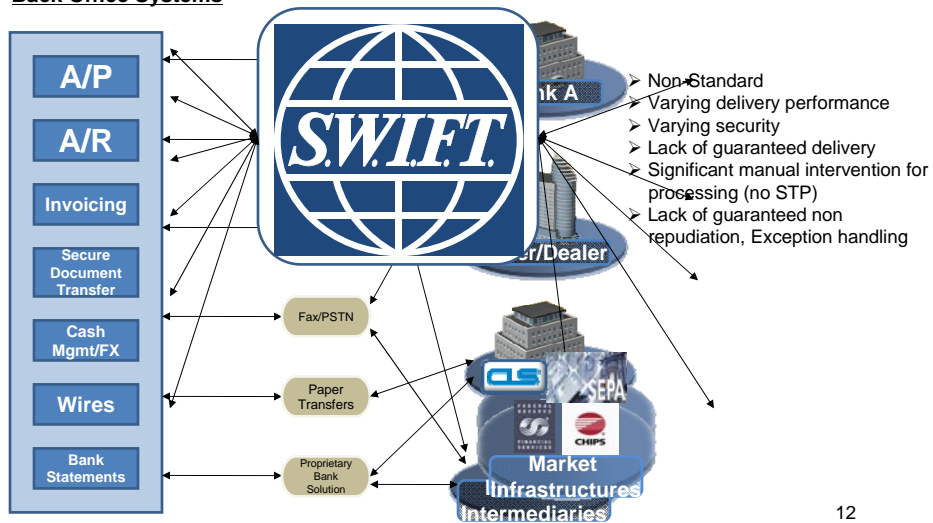
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## Drivers for increased SWIFT interest



## Corporate Success Drivers

### Back Office Systems



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## MT Message Categories

- Category 1 – **Customer Payments & Checks**
- Category 2 – Financial Institution Transfers
- Category 3 – Treasury Markets – Foreign Exchange, Money Markets & Derivatives
- Category 4 – Collections & Cash Letters
- Category 5 – Securities
- Category 6 – Treasury Markets – Precious Metals & Syndications
- Category 7 – Documentary Credits & Guarantees
- Category 8 – Travelers Checks
- Category 9 – **Cash Management & Customer Status**

## FileAct (XML)

- Payload agnostic file transfer method
- Same SWIFT security/guaranteed delivery and limited non - repudiation
- Relies on senders/receivers to parse and process message contents
- Standard SWIFT addressing (BIC/BEI)
- Higher payload capacity (<250MB)

## InterAct

- Similar to MT
- XML based
- Largely ISO standard

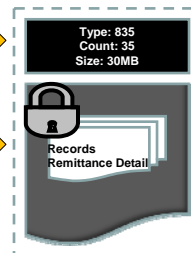
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## File Act

### Part 1 - The Message –

- A. The **Header** – “**Envelope**” We can use the header of the message to include enough information about the contents and destination to allow for proper **routing, delivery**, and description for **billing** etc.,
- B. The **Payload** – “**Contents**” may contain multiple invoice items, multiple line items for payment, item level tracking detail, remittance detail, records, fees being charged etc.,



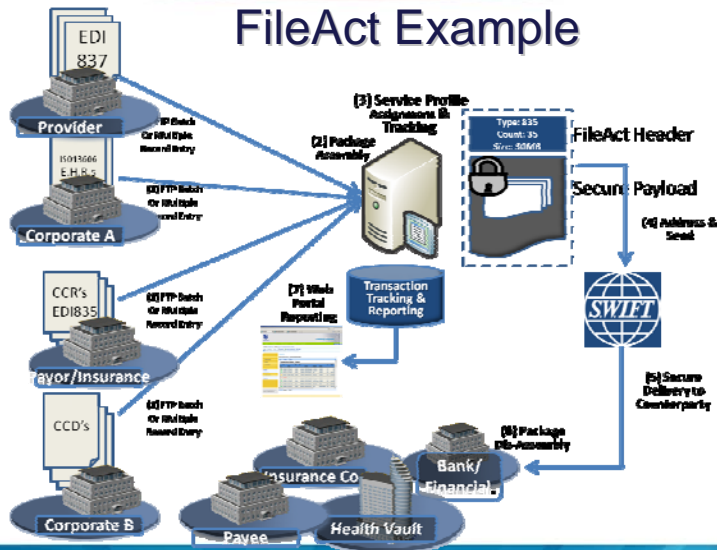
**Part 2 - The Transport** – How the message will be sent and received on a given network or electronic ecosystem. This includes handling logic such as secure access, routing, business rules, parsing for assembly and disassembly, and error handling based on the header information.



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## FileAct Example



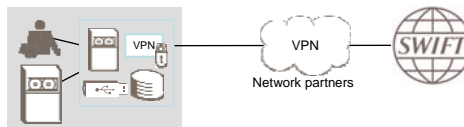
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## Connectivity options, adapted to client needs

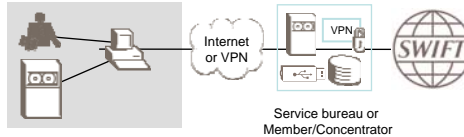
### Direct connection

Large volume of payments/year  
Manage your own SWIFT connection



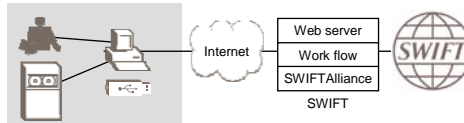
### Indirect connection

Large volume of payments/year  
Outsource SWIFT connection



### Alliance Lite

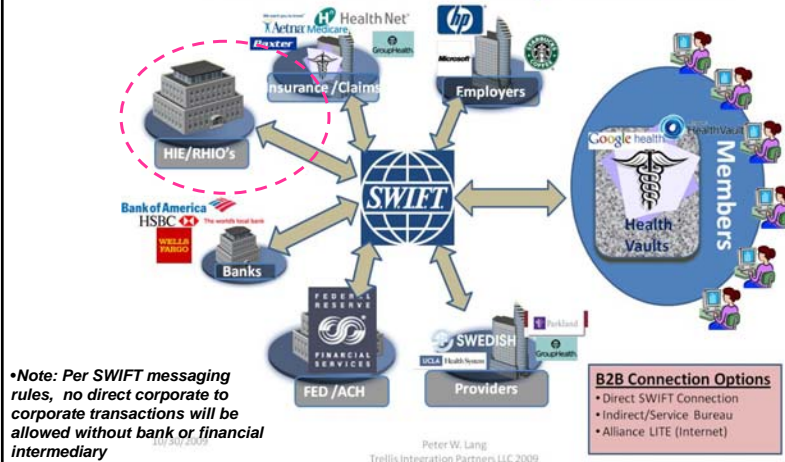
+/- 200 transactions/day  
Simple solution/Proof of concept



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## “Health Fed” Concept Network



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## Why SWIFT might be the right solution at the right time

- ✓ Global reach: over 8,800 connected end points and growing
- ✓ Under any solution banks will play an expanded role in the medical community over time
- ✓ SWIFT is already the global trusted inter-bank solution network
- ✓ No “mainstream” non-proprietary solution has emerged
- ✓ SWIFT is already there! (vs. building a network from scratch)
- ✓ Network offers guaranteed delivery and non-repudiation
- ✓ Network offers solutions for large and small members
- ✓ Network provides significant audit trail data for all transactions
- ✓ Allows for competitive solutions and exchange agreements but with security and standards
- ✓ Fits well with the direction of computing (Service based, Cloud computing)

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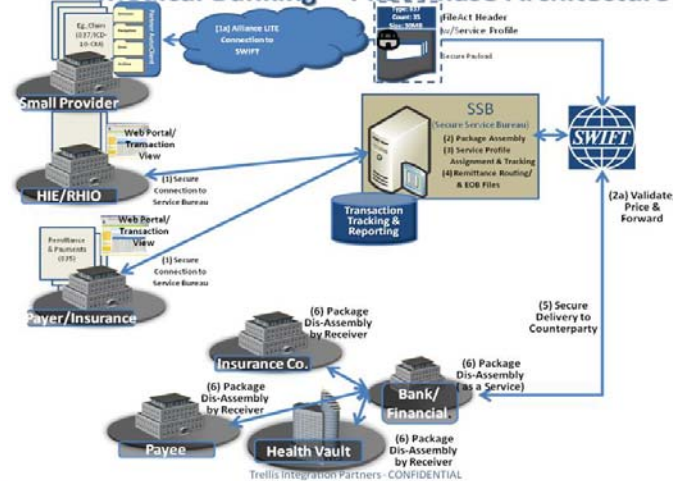
## Validate the Concept

- ✓ Ensure SWIFT can actually support **estimated volumes** and package sizes now or in the future
- ✓ Ensure SWIFT creates **defined service profiles** for FileAct headers for health care industry payloads. (e.g., A new FileAct header profile for EOB's)
- ✓ Define **business scenarios** for use of the network
- ✓ Ensure use cases can clear the **SWIFT rules** against corporate to corporate messaging.
- ✓ **Work with banks and HIE's** to define their role and gain commitment
- ✓ Ensure **process for joining** SWIFT is something the healthcare counterparties would be willing and able to embrace (Identify options/models that work for stakeholders)
- ✓ Perform a **pilot** with stakeholders
- ✓ Publish **results, ROI** information and next steps for **scaling** the solution

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## Medical Banking – Pilot Phase Architecture



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Call to Action  
Q&A