

Option	Type of Fee (What)	Process for Administration	Mechanism for Administering Fee (How)	Pros	Cons	DSR Comments	DSR Ranking
Subscriber/User Fee's	Software vendors would assess fees to their clients -- e.g. plans (Each company would register and would require pre-registration and then calculate fees based on covered lives)	Contractor collects fees directly	Software Vendor Systems	Streamlines the process and is the common way software is sold	Places onus on software vendors and plans disproportionately Reliant on the honesty of the individual How do you create a seat-based subscriber fee for a large vendor?	50/50 split between plans and providers; you have to have a way to break down covered lives based on the entity asking for the license	1
50-50 split (payers/providers) collected through licensing fees/cost per insured life.	50% provider licensing fee and 50% health plan fee		50% of fees collected from provider licensing process and 50% collected from health plans based on a per covered life fee	It creates a sense of fair play because beneficiaries are paying for value added Simple to administer and collect (identifiable and quantifiable)	Colorado Medical Society/AMA have formal policy against tacking expenses on to physicians licensing fees and would not be able to support this option.	Can covered lives in ERISA plans be counted?	2
Legislation	Fee assessed by state at its discretion		State Division of Insurance	Integrated standardized function of state government therefore it is transparent and easily regulated Gives DOI control over cash flow; costs may be more easily managed Adjustments in the design readily aligned with state practices DOI could decide how much of hte function to have in-house or contracted	May not be well received well by legislature State bodies tend to develop a legacy around software products that may not be as efficient as the open market		3
Practice management systems	Fee per click or per subscriber assessed to users of PMS (onus on payers to collect with claims relative to members/subscribers)*		Practice Management System Vendors	Fee doesn't contradict AMA/CMS policy For every electronic claim submitted, you collect a fee	Fee unevenly assessed in cases where providers don't have PMS How do you identify PMS systems? Could only collect on electronic transactions	Who collects fee? 50/50 split between plans and providers Per click on provider side would be very difficult to administer	4