



Utton

Computer Services

DATE:

3/17/93

TIME SENT:

TRANSMITTAL COVER SHEET

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME:

DENNY WAYNE

CO./DEPT.LOCATION:

INVEST - Mountain View, CA

RECIPIENT PLEASE FURNISH COPIES TO:

TOTAL NUMBER OF PAGES, INCLUDING COVER PAGE:

17 PAGES

FROM:

BUCK DOBON

PHONE: 818-715- 5386

OPERATOR:

PHONE:

MESSAGE:

As discussed.

Buck

SEND VIA FAX NO: (818) 715-5364 OR 715-5249



INPUT

1280 Villa Street, Mountain View, CA 94041 (415) 961-3300

Fax (415) 961-3966

FAX TRANSMITTAL FORM

Date: 3/15/93
To Name: Mr. Daniel P. Dobon
Company: LITTON COMPUTER SERVICES
Fax Phone: 818-715-5364
From: Denny Wayson
Subject: Revised Proposal

Confidential: ☒ Y ☒ N
Urgent: ☒ Y ☒ N

Page: 1 of 6
File: Chron
Contact
Other:

Here's the revised proposal. Hope that this meets with Jim's expectations. As I mentioned I will do whatever I can to cover the issues related to geographical marketing, but Val probably is in the best position just to advise on this rather than have us doing any additional research.



Proposal

To

LITTON COMPUTER SERVICES

For

HEALTHCARE OFFERING MARKET STRATEGY
STUDY

From

INPUT

1280 Villa Street
Mountain View, CA 94041
415-961-3300
415-961-3966 (Fax)

March 15, 1993



HEALTHCARE OFFERING MARKET STRATEGY STUDY

A. OBJECTIVES

As part of its market launch plan for a healthcare document interchange offering Litton Computer Services (LCS) has asked INPUT to analyze and recommend an overall approach to the promotion, marketing, pricing and sales. Specifically, LCS is interested in assessing the following aspects of the marketing and sales strategy for an offering with functional characteristics as defined in *Attachment A*.

1. Assessment of the length of the sales cycle for this type of offering described in *Attachment A*.
2. Development of recommendations for the overall marketing strategy; including, promotion, packaging, and pricing for hospitals and group practices.
3. Recommendations as to the best "profile" for sales personnel.
4. Assessment of the need for consultants and of the level of custom services that will be required to make a successful market entry.
5. Estimation of the marketing and rollout costs for the launch of the initial offering.

B. SCOPE

- The scope of the study will be limited to analyzing the market approach necessary to penetrate the potential of the offering on the provider side of the equation, even though the offering has additional revenue generation capabilities as a result of direct sales of software and services to insurers and other payers.
- The scope will be limited to developing and estimating the cost of the product launch for mid-sized hospital and group practice segments (size to be mutually determined) of healthcare providers.
- The functional description of the offering to be analyzed is described in *Attachment A*.



*Healthcare Offering Market Strategy Study***C. METHODOLOGY**

To gather the information necessary to develop the overall marketing plan, INPUT will conduct in-depth senior interviews (approximately 5) with other participants in the industry who have similar offerings, or based on INPUT's industry knowledge are planning offerings of a competitive nature, to gather information on pricing, sales strategy, etc.. In addition to this direct field research, INPUT will utilize information gathered through its normal research on the healthcare and insurance industries to formulate the necessary background to make a recommendation on market strategy.

The analysis and recommendations required to meet the objectives will be developed by the project manager and presented in a written report.

E. QUALIFICATIONS AND STAFFING

INPUT's previous work with LCS on the market potential of the product offering under consideration places the firm in an optimal position to assist in this next step, development of the marketing plan. In addition to its work with Litton, INPUT has established contacts with other participants in the market which will insure the efficient gathering and analysis of the information required to meet the objectives.

This project will be conducted under the overall direction of R. Dennis (Denny) Wayson, Vice President and General Manager of INPUT.

F. DELIVERABLES

INPUT will deliver a report in presentations style (view-foils with accompanying notes) addressing the objectives stated in *Section A* of this proposal. The report will be organized into the following subject areas.

- Recommendations for Marketing and Sales Strategy
- Recommendations Regarding Requirements for Consulting and Systems Integration Support
- Overall Estimate of Rollout Costs

In addition to the written report, INPUT will deliver a presentation of the results followed by a discussion of the recommendations at a site to be determined by Litton.



*Healthcare Offering Market Strategy Study***F. FEES AND SCHEDULES****1. Fees**

INPUT's fees for this study are \$10,000; one-half (\$5,000) payable upon project authorization and the remainder upon delivery of the on-site presentation at LCS. Travel and miscellaneous expenses associated with the study will be billed at cost upon completion of the study and are estimated at less than 10% of the project fee. INPUT will obtain approval for travel expenditures from Litton's project coordinator in advance.

Requests for additional presentations or follow-up analysis will be billed at a rate of \$1,600 per day.

2. Schedules

INPUT estimates that the project can be completed within one month of authorization. Specific schedules will be negotiated at authorization.

G. AUTHORIZATION

To authorize this service as specified please sign and return a copy to R. Dennis Wayson, Vice President, INPUT along with the initial payment of \$5000.

This proposal will remain valid for a period of 30 days.

AUTHORIZED BY:
Litton Computer Services



Signature

James C. Chalker

Name
Vice President &
General Manager

Title

3/17/93

Date

ACCEPTED BY:
INPUT



Signature

R. DENNIS WAYSON

Name

VIC. PRESIDENT

Title

3/17/93

Date



*Healthcare Offering Market Strategy Study**Attachment A*

FUNCTIONAL PRODUCT DESCRIPTION **Litton Healthcare Offering**

Over time, the product will provide a full set of functions with regard to processing the business transactions of healthcare providers. (It is anticipated that the product, when successful, will be extended to handle clinical transaction as well.) The analysis to be conducted as part of this study will focus on the the Basic Functions, and Optional Functions categorized as A in the table.

	PROVIDER SIDE	NETWORK SIDE
A - Basic Functions	<ul style="list-style-type: none"> • Capture in electronic format • Check claims • Transmit claims • Receive & post acknowledgement • Receive and post EOBs • Generate eligibility request • Receive verification status 	<ul style="list-style-type: none"> • Receive claims and double check • Send acknowledgement • Forward claims to carrier • Receive EOBs from carrier • Send EOBs to provider • Receive eligibility request • Forward request to carrier • Send response back to provider
A - Optional Functions Phase II	<ul style="list-style-type: none"> • Receive and post EFTs • Prepare pre-adjudication request • Receive response and post • Prepare credit/collection information • Receive response and post • E-Mail • Receive electronic software updates 	<ul style="list-style-type: none"> • Receive EFTs from carriers • Send EFTs to provider • Receive request • Forward to pre-adjudicator • Receive response - send to provider • Receive request • Forward to credit/collection agency • Receive respons and send to provider • E-Mail • Send electronic software updates
B - Additional Components	<ul style="list-style-type: none"> • Single entry billing and AR • Practice management, ad-hoc reporting • Patient management and scheduling • Account payable, etc. • Local clinical information management • Inventory management 	
C - Additional Components	<ul style="list-style-type: none"> • Interface to third party applications 	

