

# Kryptiq strengthens Blue Cross technology ties

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Kryptiq Corp's future looks blue.

The Hillsboro-based medical information technology company has inked a major deal with health insurer The Regence Group, boosting its chances of becoming an IT standard for Blue Cross health plan affiliates nationwide.

Kryptiq sold Regence its Choreo system for electronic storing, searching and retrieving of medical provider contracts. The \$7 billion Regence Group has 3 million members spread throughout Oregon, Utah, Idaho and Washington, and contracts with about 50,000 medical providers.

Spokesmen for both companies declined to furnish financial details, but Kryptiq founder and CEO Luis Machuca called it Kryptiq's "single largest installation to date."

System implementation will

likely be complete in mid-2008.

The Regence Group's deal underscores Kryptiq's recent success with Blues groups nationwide, including Choreo sales to BlueCross and BlueShield of Minnesota and to Excellus BlueCross BlueShield head-quartered in Machuca Rochester, N.Y.

Machuca estimated the market for health plan contracting software is \$1.5 billion, and that Blues affiliates comprise one-quarter of that market.

"We expect that we will become the standard for Blues plans across the country," Machuca said.

The contracting system will put all four Regence Group plans on a single contracting platform, said Regence Vice President for Network Strategy John Wagner, and reduce paperwork. Medical providers will be able to access



in Machuca

the electronic contracts, too.

In addition to the Blues deals, Kryptiq has made several inroads locally.

Kryptiq previously sold the Choreo electronic contracting system to Providence Health Plans and Kaiser Permanente's Northwest region. Regence of Oregon, the state's largest health plan, has more than 1 million members, while the second- and third-largest health plans, Kaiser and Providence, have combined Oregon membership of 650,000.

Regence, like many health plans, is working to adopt paperless, electronic records systems to boost efficiency.

Until recently, most provider contracts were paper-based, and not readily accessible. Electronic contracting systems ensure more accurate and timely payments to providers.

A common system was a selling point for Regence.

"If we're going to improve health care, we have to be more ef-

ficient in how we work with physicians," said Wagner. "Doctors want to spend more time with patients, and this is one attempt to reduce the burden that dealing with several health plans has on their medical practice."

Kryptiq has several other lines of business — including disease management software, secure e-mail systems for medical providers, a Web portal for patients, and a system for electronic drug prescription — but Choreo has grown to comprise more than 50 percent of Kryptiq's business, Machuca said.

Kryptiq has undergone dramatic growth since it was founded in 2001 and now employs 150 workers. The company does not disclose revenue but Machuca said the business is self-sustaining and won't seek additional venture capital. It previously raised \$20 million in three venture capital rounds.

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