UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Pay-Plus Solutions, Inc.
Petitioner

v.

StoneEagle Services, Inc.
Patent Owner

Patent No. RE43,904
Filing Date: January 26, 2012
Issue Date: January 1, 2013
Title: MEDICAL BENEFITS PAYMENT SYSTEM

Inter Partes Review No. 2014-01414

<u>CORRECTED</u> PETITION FOR *INTER PARTES* REVIEW UNDER 35 U.S.C. §§ 311-319 AND 37 C.F.R. § 42.100 *ET SEQ.*

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EXHIBITS

Title	Exhibit #
Declaration of Thomas N. Turi ("Turi Declaration")	1001
U.S. Patent No. RE43,904 to Allen	1002
The file history of U.S. Patent No. RE43,904	1003
David. W. Gillman, et al. v. StoneEagle Services, Inc., Case No. CBM2013-00047 (U.S.P.T.O. Patent Trial and Appeal Board, Feb. 18, 2014)	1004
U.S. Patent Application Publication No. 2007/0005403 to Kennedy et al., filed on June 30, 2006 ("Kennedy")	1005
U.S. Patent No. 5,991,750 to Watson, filed on October 24, 1997, issued on November 23, 1999 ("Watson")	1006
LeRoy H. Graw, *Purchasing Credit Cards Introduction*, www.ipscmi.org/tipsandsolutions/purchasingcredit.php (retrieved from August 19, 2006 archive at https://web.archive.org/web/20060819120418/www.ipscmi.org/ *tipsandsolutions/purchasingcredit.php*) ("vPayment Interview");	1007
GE Pre-Authorization System™, http://www.gebusiness *marketplace.com/int_preauth.htm* (retrieved from August 12, 2003	1008

archive at https://web.archive.org/web/20030812180305/http://www.gebusinessmarketplace.com/int_preauth.htm) ("GE Pre-Authorization");	
How vPayment Works, http://www.gebusinessmarketplace. *com/int_vpayment2.htm* (retrieved from October 10, 2003 archive at https://web. *archive.org/web/20031010171903/http://www.gebusinessmarketplace.com/int_vpayment2.htm*) ("How vPayment Works");	1009
Viewpointe and Payformance Collaborate To Provide Image Statement Products, http://www.payformance.com/contactus/press/ViewpointePayformanceIS.pdf (dated September 30, 2002; retrieved from March 22, 2006 archive at https://web.archive.org/web/20060322175410/http://www.payformance.com/contactus/press/ViewpointePayformanceIS.pdf) ("Image Statement Products");	1010
Health Care Claim Payment/Advice 835 electronic Data Interchange Transaction Set Implementation Guide, March 2003, Washington Publishing Corporation ("835 Implementation Guide");	1011
Thrifty Revolutionizes Electronic Commission Payments to Travel Agents,	1012

July 9, 1996, PR Newswire (“Thrifty Comission Payments”);	
Help on the Way for Pay? ASTA Touts NPC Commission Express, August 11, 1997, Travel Agent (vol. 287, iss. 5) (“NPC Commission Express”);	1013
National Processing Co. Activates Pay-Tracking Site, June 15, 1999, Travel Weekly (“NPC Pay-Tracking”);	1014
NPC Offers Currency Conversion of Travel Commissions with the Launch of NPC Global Payment Network Free Currency Conversion for Travel Agency Commissions from Vendors, October 16, 1998, www.hospitalitynet.org (“NPC Offers Currency Conversion”);	1015
Health Alliance Medical Plans, Inc. Selects National Processing Company for Complete Electronic Settlement Solution: NPC's AcceleratedPay(SM) to Provide Automation of Payment and Settlement Functions, December 6, 2001, PR Newswire (“Health Alliance Selects NPC”);	1016
Humana Announces Emphesys and New Wave of Services to Expand Consumer And Physician Control of Health Decisions: New Technology and Consumer-Centric Programs Combine to Increase Choice, November 29, 2001, PR Newswire (“Humana Announces Emphesys”).	1017
Advanced Business Fulfillment (ABF) Launches Healthpayers USA: New	1018

System Saves Clients Significant Money by Reducing Postage and Eliminating Envelope Charges, February 3, 2003, PR Newswire ("ABF Launches Healthpayers USA");	
Blue Cross and Blue Shield Association and Payformance Corporation Sign National Agreement, November 30, 2004, Business Wire ("BCBSA and Payformance Sign National Agreement");	1019
National Processing Company to Support HealthLink Electronic Payment Processing, July 1, 2003, National Processing, Inc. Press Release ("NPC to Support HealthLink").	1020

Through counsel, Pay-Plus Solutions, Inc. ("Petitioner") hereby petitions for *inter partes* review under 35 U.S.C. §§ 311-319 and 37 C.F.R. § 42 of claims 1-26 of U.S. Patent No. RE43,904 ("the '904 Patent").

I. MANDATORY NOTICES UNDER 37 C.F.R. § 42.8(b)

A. Real Party-In-Interest

Pay-Plus Solutions, Inc., is the real party-in-interest for this petition.

B. Related Matters

On August 29, 2013, StoneEagle Services, Inc. ("Patent Owner") filed a complaint for patent infringement against Petitioner and another company in the U.S. District Court for the Middle District of Florida. Civil Action No. 8:13-cv-2240-T-33MAP: StoneEagle Services, Inc. v. Pay-Plus Solutions, Inc., *et. al*.

C. Lead and Back-Up Counsel

LEAD COUNSEL	BACK-UP COUNSEL
Michael S. Pavento (Reg. No. 42,985) (MPavento@kilpatricktownsend.com) Kilpatrick Townsend & Stockton LLP 1100 Peachtree Street, Suite 2800 Atlanta, GA 30309-4528 T: 404.815.6213; F: 404.541.4676	Russell A. Korn (Reg. No. 54,236) (RKorn@kilpatricktownsend.com) James L. Howard (Reg. No. 65,806) (JHoward@kilpatricktownsend.com)

D. Service Information

A copy of this petition, in its entirety, is being served to the address of the attorney of record. Petitioner may be served at the lead counsel address above.

E. Power of Attorney

A power of attorney is filed herewith according to 37 C.F.R. § 42.10(b).

II. PAYMENT OF FEES – 37 C.F.R. § 42.103

The required fee is being paid through the Patent Review Processing System. Any additional fees may be charged to Deposit Account No. 20-1430.

III. REQUIREMENTS FOR INTER *PARTES* REVIEW: 37 C.F.R. § 42.104

A. Grounds For Standing

Petitioner certifies that the ’904 Patent is available for *inter partes* review and that Petitioner is not barred or otherwise estopped from requesting *inter partes* review challenging the identified claims on the grounds identified herein petition.

B. Identification of Challenged Claims and Relief Requested

Petitioner requests review of claims 1-26 of the ’904 Patent on the grounds below. An explanation of how claims 1-26 are unpatentable and an identification of where each element is found in the prior art references and the relevance of the prior art references, is provided in the form of claim charts. Additional support for Petitioner’s assertions is set forth in the Declaration of Thomas N. Turi (Ex. 1001).

Ground 1: Claims 1-5, 7-8, 10-13, 15-18, 20-23, and 25-26 are obvious under § 103(a) by Kennedy in view of Watson, vPayment Interview, and Image Statement Products.

Ground 2: Claims 6, 9, 14, 19, and 24 are obvious under § 103(a) by Kennedy in view of Watson, vPayment Interview, Image Statement Products and

knowledge of one of ordinary skill in the art ("Knowledge").

The references relied upon herein are prior art under 35 U.S.C. § 102 relative to the '904 Patent, which has an effective filing date of December 5, 2006. Watson issued more than one year before December 5, 2006 and is thus prior art under § 102(b). Kennedy was filed before December 5, 2006 and is thus prior art under § 102(e). vPayment Interview was published on the Internet before December 5, 2006 and is thus prior art under 35 U.S.C. § 102(a).[1] Image Statement Products was published on the Internet before December 5, 2006 and is thus prior art under 35 U.S.C. § 102(a).[2]

IV. SUMMARY OF THE '904 PATENT

A. Brief Description

The '904 Patent relates to "[a] method of facilitating payment of health care benefits to [sic] on behalf of a payer comprising the step of electronically

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[1] A copy of this webpage was archived by Internet Archive's "Wayback Machine" on Aug., 19, 2006 and downloaded by Petitioner therefrom at: *https://web.archive.org/web/20060819120418/www.ipscmi.org/tipsandsolutions/purchasingcredit.php*.

[2] A copy of this PDF was archived by Internet Archive's "Wayback Machine" on March 22, 2006 and downloaded by Petitioner therefrom at: *https://web.archive.org/web/20060322175410/http://www.payformance.com/contactus/press/ViewpointePayformanceIS.pdf*.

transmitting a stored-value card account payment of the authorized benefit amount concurrently with an explanation of benefits." Ex. 1002 at Abstract. The '904 Patent purports to solve the problems of cost and delay associated with "Payers" (e.g., third party administrators (TPAs), insurance companies) having to print checks and explanation of benefit (EOB) forms to be mailed to health care providers. *Id.* at 1:26-44. The '904 Patent discloses, for health care claims determined to be payable, loading a stored-value card account with funds equal to the amount of the payable benefit, merging a payment explanation of benefits ("EOB") with the stored-value card account information to generate an image file, and then electronically transmitting the image file to a provider. *Id.* at 3:36-46. The '904 Patent states that "[f]or the purposes of this patent specification, stored-value cards and stored-value card accounts shall also include financial instruments known as credit cards, debit cards and EFT cards." *Id.* at 1:54-57.

In other words, the alleged invention of the '904 patent is simply to make a benefits payment to a health care provider by sending to the health care provider an image file that includes at least a credit card (or debit card or other stored-value card) account number and EOB information. In one embodiment, the '904 patent discloses that the image file also includes the security verification code and the expiration date of the stored-value card. *Id.* at 3:58-61. Funds equal to the benefits payment are associated with an account tied to the stored-value card number. The

’904 Patent further discloses an embodiment in which the “stored-value card account is chargeable only on a medical services terminal and it cannot be charged over the amount loaded onto it.” *Id.* at 3:56-58. The health care provider enters the stored-value card account number into a point of sale (“POS”) terminal to effect receipt of the payment via known financial networks.

B. Summary of the Prosecution History of the ’904 Patent

The ’904 Patent issued January 1, 2013 and is a reissue of U.S. Patent No. 7,792,686 (the “’686 Patent”), issued on September 7, 2010. Claims 1-6 are the issued claims from the ’686 Patent and claims 7-26 were added during prosecution of the ’904 Patent. An Office Action dated May 18, 2012, rejected claims 7-8, 11-13, 16-18, 21-23, and 26 under 35 U.S.C. § 102(e) as anticipated by U.S. Patent No. 7,434,729 to Cracchiolo et al. (“Cracchiolo”), rejected claims 9, 14, 19, and 24 under 35 U.S.C. § 103(a) as unpatentable over Cracchiolo in view of U.S. Patent No. 6,343,310 to DiRienzo (“DiRienzo”), and rejected claims 10, 15, 20, and 25 under 35 U.S.C. § 103(a) as unpatentable over Cracchiolo in view of DiRienzo, and further in view of U.S. Application Publication No. 2005/0122953 to Ilic. The Office Action found claims 1-6 to be allowable because “the prior art of record fails to disclose the stored value card is loaded with funds equal to the authorized benefit payment, and creating a computer-generated image file containing the stored-value card account number, a card verification value code, an expiration

date, an explanation of benefits." Ex. 1003 at 62-73. An examiner interview, an amendment purportedly based thereon, three other amendments, but no further Office Actions, followed the May 18, 2012 Office Action.

On November 7, 2012, a Notice of Allowance and a Notice of Allowability were issued allowing claims 1-26. Ex. 1003 at 184-195. With respect to claims 7-11, the Notice of Allowability stated that "[c]laims 7, 8-11 are method claim of claim 1; therefore, claims 7, 8-11 are allowed." Ex. 1003 at 192. With respect to claims 12-26, the Notice of Allowability stated that "[t]he combined art fails to disclose the single-use stored value card that is loaded with funds equal to the authorized benefit payment or prefunded with an amount equal to a single, adjudicated benefits payment, and creating a computer-generated image file containing the single-use stored-value card account number, a card verification value code, an expiration date, an explanation of benefits." Ex. 1003 at 193.

V. CLAIM CONSTRUCTIONS UNDER 37 C.F.R. § 42.104(b)(3)

A claim subject to *inter partes* review ("IPR") is given its "broadest reasonable construction in light of the specification of the patent in which it appears." 37 C.F.R. § 42.100(b). Thus the words of the claim are given their plain meaning unless inconsistent with the specification. *In re Zletz*, 893 F.2d 319, 321

(Fed. Cir. 1989). For purposes of this proceeding[3], Petitioner proposes below constructions for certain terms of the '904 Patent's claims. For all other terms in the '904 Patent's claims, Petitioner submits, for the purposes of the IPR[4], that the terms should be given their plain and ordinary meaning.

A. Constructions of "Medical Services Terminal," "Stored-Value Card" / "Stored-Value Card Account" and "Image File"

On August 19, 2013, a petition for covered business method ("CBM") review was filed challenging the validity of the '904 Patent (case no. CBM2013-00047). In its decision denying institution of CBM review the Patent Trial and Appeal Board ("PTAB") found that four references relied upon by the petitioner were prior art under 35 U.S.C. § 102(e) only and therefore could not be used as the basis for a covered business method patent review challenge, and that petitioner had not met its burden to demonstrate that a fifth reference qualified as a prior art printed publication. Ex. 1004 at 9-10, 15-17. In the decision the PTAB construed several claim terms of the '904 Patent. In particular, the PTAB construed:

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[3] Other forums require different standards of proof and claim interpretation that are not applied by the PTO for *inter partes* review. Accordingly, any interpretation or construction of the challenged claims adopted or accepted by Petitioner in this IPR, either implicitly or explicitly, is not binding on Petitioner in any future litigation related to the '904 Patent. *See In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989).

[4] *Id.*

- "medical services terminal" as "a machine for charging medical services;"
- "stored-value card" / "stored-value card account" as "credit card, debit card, or EFT card" and "credit card account, debit card account, or EFT card account" respectively; and
- "image file" as "an electronic file that contains an image."

Ex. 1004 at 11-12.

For purposes of this proceeding only, Petitioner proposes that the PTAB adopt its prior constructions of the terms "medical services terminal," "stored-value card" / "stored-value card account," and "image file," as set out in the decision on the petition in CBM2013-00047 and reproduced above.

B. Construction of "Single-Use"

Petitioner proposes that the term "single-use[,] stored-value card account" be construed to mean "a stored-value card account that may only be used to make a single payment." *See* Ex. 1002 at 2:8-16. In CBM2013-00047, Patent Owner proposed construing "single-use" to mean "associated with a benefit payment to a health care provider – and not any other type of payment." Ex. 1004 at 13. In its decision on the petition, the PTAB agreed "that 'single-use' would have been understood to mean that an account was associated with a *single type* of card to be used with a *single type* of services terminal and no other type of payment terminal," but stated that it was "not persuaded that 'single-use' should be

constrained to benefit payments or health care providers" because "[t]he claims provide for the methods being used for 'health care benefits' and 'health care providers.'" *Id.*

Although it is unclear to Petitioner whether the PTAB adopted a particular construction for "single-use," Petitioner respectfully asserts that a construction defining "single-use" to mean that an account is associated with a *single type* of card to be used with a *single type* of services terminal and no other type of payment terminal, or a similar meaning, is not the broadest reasonable construction of that term. Petitioner respectfully submits that the ordinary and plain meaning of the qualifier "single-use" is to signify that something can be used only once, not that something can be used for only one purpose. In other words, the plain and ordinary meaning of "single-use" is distinct from that of "single-purpose." Consistent with the plain and ordinary meaning of "single-use," the '904 Patent specification describes that a "unique card number [is] generated and assigned to a ***single payment***." Ex. 1002 at 2:20-21 (emphasis added). This description confirms that the contemplated single-use stored value card account is one that can be used to make a single payment, i.e., it may be used only once.

The specification and claims of the '904 Patent both clearly distinguish between the concepts of single-use and single-purpose, with respect to the stored-value card. As to the contemplated stored-value card account having a single

purpose, the specification and claims clearly describe the card as only being chargeable through a specific type of terminal. For example, after describing the single payment aspect above, the specification states, "Furthermore, the stored-value card account payment may only be charged through a medical services terminal." *Id.* at 2:23-24. Similarly, claim 1 recites, "a unique, single-use stored-value card account with an amount equal to a single authorized benefit payment, the card account only chargeable through a medical services terminal." *Id.* at 4:14-17. The same additional characteristic is recited in claim 5 (which depends from independent claim 2), independent claim 6, claim 11 (which depends from independent claim 7), claim 16 (which depends from independent claim 12), claim 21 (which depends from independent claim 17) and claim 26 (which depends from independent claim 22). Accordingly, the concept of limiting the use of the card to a specific type of terminal (i.e., single-purpose) is separate and distinct from the concept of a stored-value card being assigned to a single payment (i.e., single-use).

C. Construction of "intercepting" as recited in claim 2

Petitioner proposes construing "intercepting" as used in claim 2 to mean "receiving." This term appears only in claim 2 and in one paragraph of the "Summary of the Invention" section that generally parrots language from claim 2. *See* Ex. 1002 at 2:28-49. The three paragraphs that make up the complete detailed description of the purported invention shed no light on the meaning of

"intercepting" or who may be performing the "intercepting." *See* Ex. 1002 at 3:32-64. To the extent this limitation satisfies the requirements of 35 U.S.C. § 112, the specification and claims of the '904 Patent do not support a meaning any narrower than "receiving," and therefore one of ordinary skill in the art would understand the term to mean nothing more than "receiving." Ex. 1001 at ¶¶ 12, 20, 94.

D. Construction of "loading . . . with an amount [or with funds]" (claims 1, 2, 6, and 7), "prefunded [or funding…] [or fund…] with an amount" (claims 12, 17 and 22)

In its Preliminary Response in CBM2013-00047, Patent Owner proposed the following constructions:

Term	Patent Owner's Proposed Construction
"loading . . . with an amount"	"associating an amount of money with a card account, such that the card account is chargeable for the amount of money"
"loading . . . with funds"	"associating funds for payment with a card account, such that the card account is chargeable for the funds"
"prefunded with an amount"	"associating an amount of money with a card account, such that the card account is chargeable for the amount of money"
"funding . . . with an amount"	"associating an amount of money with a card

	account, such that the card account is chargeable for the amount of money"
"fund . . . with an amount"	"associate an amount of money with a card account, such that the card account is chargeable for the amount of money"

All of these constructions refer to "associating an amount of money [or funds] with a card account…" and leave open the question of whether an amount of money must be transferred into the account. The '904 Patent explains that stored-value cards include ***credit cards***, debit cards and EFT cards. Ex. 1002 at 1:56-59. Therefore, it is clear that, in at least some cases, the claimed step of "loading a unique, single-use, stored-value card account with an amount equal to a single, authorized benefit payment…" (and each similarly claimed step) encompasses associating either credit or money with the stored-value card account. Accordingly, for each such claim term, Petitioner proposes the following construction that contemplates value in both the form of credit and money:

Term	**Petitioner's Proposed Construction**
"loading . . . with an amount"	"associating an amount of value with a card account, such that the card account is chargeable for the amount of value"
"loading . . . with funds"	
"prefunded with an amount"	

"funding . . . with an amount"	
"fund . . . with an amount"	

VI. LEVEL OF ORDINARY SKILL IN THE ART

As of the priority date of the '904 Patent, a person of ordinary skill in the art would have been someone who has several years of experience in claims adjudication, card programs, and card processing. Ex. 1001 at ¶10.

VII. THERE IS A REASONABLE LIKELIHOOD THAT AT LEAST ONE CLAIM OF THE '904 PATENT IS UNPATENTABLE

As detailed in the claim charts below, the cited prior art references, which were not before the Examiner during prosecution of the '904 Patent, show that all limitations of claims 1-26 were known in the prior art and did not define novel or unobvious concepts as of the relevant priority date. Claims 1-26 merely recite combinations of prior art elements according to known methods to yield predictable results and/or which can be easily achieved from the use of known techniques to improve similar devices, methods, or products in the same way. As explained below, the references relied upon herein provide ample teaching, suggestion and/or motivation that would have led one of ordinary skill to modify and/or combine the applicable teachings to arrive at the claimed inventions. MPEP § 2143 (A, C, G).

A. Claim 1: obvious over Kennedy, Watson, vPayment Interview and Image Statement Products[5]

Claim 1 recites a method of facilitating payment of adjudicated health care benefits that involves (a) loading a unique, single-use, stored-value card account with an amount equal to a single, authorized benefit payment, the card account only chargeable through a medical services terminal, (b) generating an explanation of benefits associated with the payment, (c) creating a computer-generated image file containing the stored-value card account number, the amount, a card verification value code, an expiration date and the explanation of benefits, (d) transmitting the image file by fax to the health care provider, and (e) reconciling the charged card account to confirm that the health care provider has received payment. As explained below, Kennedy also discloses systems and methods for adjudication and payment of healthcare claims and it would have been obvious for a person of ordinary skill in the art to modify the systems and methods of Kennedy or to combine the teachings of Kennedy with those of Watson, vPayment Interview, and Image Statement Products to arrive at the method recited in claim 1. The Kennedy, Watson, vPayment Interview and Image Statement Products references all pertain to the same field of endeavor and their combined teachings result in systems and methods that facilitate payment of health care benefits to a provider on behalf of a payer.

[5] Ex. 1001 at ¶¶59-80.

i. Kennedy[6]

Kennedy discloses a system for permitting real-time payment of healthcare charges from multiple sources of payment. *See* Kennedy at Abstract. Kennedy discloses a healthcare provider entering information at a point of service ("POS") terminal regarding the patient and a treatment. Kennedy at [0031]. Kennedy further discloses using the entered information to generate an electronic claim and submitting the claim to a third party payer, with EOB data generated and returned in real-time fashion by the insurer for display at the POS terminal. *Id.* at [0031]. Kennedy discloses a third party payer processing the claim information by querying a database to determine whether the patient is covered/eligible, to determine the features of the patient's coverage such as co-pays and deductibles, and to determine the permitted charge for the treatment rendered by the provider under the claim. *Id.* at [0054]. Kennedy further discloses that the EOB data sent to the provider may be in electronic remittance advice ("ERA") format. *Id.* at 57.

Kennedy discloses that the EOB information is used to generate an EOB statement and may include the amount of claim submitted, an agreed to payment, adjustments to claimed amount, and the patient responsibility. *Id.* at [0057]. Kennedy further discloses that the EOB statement displayed at a POS terminal may include the patient's credit card or debit card information and that the patient may

[6] Ex. 1001 at ¶¶50-54.

authorize that the owed amount may be paid using a displayed account. *Id.* at [0062], Fig. 7. Kennedy also discloses that payment from the insurance company to the provider may be completed by an electronic ACH transaction. *Id.* at [0064].

In one disclosed embodiment, a third party processing entity submits claims from the provider to a health plan/network, receives corresponding EOB data, and forwards the EOB data to the provider. *Id.* at [0072]. Kennedy also discloses performing a nominal authorization of a patient's credit card to verify the existence and good standing of an account which may be used to pay the patient's portion of the healthcare charge. *Id.* at [0080]. Finally, Kennedy discloses updating patients' individual accounts and provider accounts receivable to reflect payments made by health insurance networks and/or patients. *Id.* at [0064].

ii. Watson[7]

Watson, assigned to GE Capital, discloses an account processing method and system that provides specific pre-authorization parameters for categories of transactions that would otherwise be completely denied authorization using only general authorization parameters. *See* Watson, Abstract. For example, standard industrial codes (SIC) may be used for wholly barring categories of transactions and/or for designating categories of goods/services requiring specific authorization according to pre-authorization parameters. *Id.* at 1:45-60, 4:46-60. Such parameters

[7] Ex. 1001 at ¶¶55-56.

can include transaction limits, account balance limit, limitations on categories of goods or services, etc. *Id.* According to Watson, "one or more of the pre-authorization parameters may be specified while others may not be specified thus permitting the spectrum of possible options for such criteria." *Id.* at 5:22-25.

Watson explicitly describes application of such payment accounts to the insurance industry wherein an account manager may play the role of a claims adjuster disclosing an account number to a merchant for payment of services rendered for an insurance claim. *Id.* at 9:27-31. Watson further discloses permitting an account manager to define a specific transaction identifier, such as an insurance claim number, that is authorized to be paid from an account. *Id.* at 4:19-24. Still further, Watson discloses that payment from such accounts may be performed by presenting a transaction card or other credit card-like credentials and that authorization may be routed through credit card companies (*e.g.*, Visa, American Express, and MasterCard). *Id.* at 9:14-16, Fig. 2, 2:24-29. Finally, Watson discloses that the transaction identifier (e.g. insurance claim number) is included with general billing information to permit reconciliation. *Id.* at 4:18-34.

iii. vPayment Interview[8]

vPayment Interview includes the transcript of an interview of GE's Mike O'Malley pertaining to vPayment, a GE payment service. According to Mr.

[8] Ex. 1001 at ¶57.

O'Malley, the vPayment service "runs on the MasterCard railroad track" and allowed authorization of specific payment amounts. vPayment Interview at 2. vPayment Interview further describes providing a website that permits users to configure payments including caps on transaction amounts and provides card numbers and related card information—expiration date and credit card verification code—that users would then provide to merchants or service providers for payment. vPayment Interview at 3. vPayment Interview also discloses faxing the card number and other card information to merchants or service providers. *Id.* vPayment Interview also discloses aspects of vPayment that assist with reconciliation such as the card transaction record including exact PO numbers or account codes. vPayment Interview at 3.

iv. Image Statement Products[9]

Image Statement Products is a joint press release regarding a collaborative effort between Viewpointe Archive Services LLC and Payformance Corporation to generate statements with check images inserted therein for ViewPointe's financial institution customers. Image Statement Products at 1-2. Image Statement Products discloses deploying Payformance's Data Transformation Engine to receive statement data from the financial institutions, retrieve check images from Viewpointe's archive, and "insert the check images electronically into individual

[9] Ex. 1001 at ¶58.

statements." Image Statement Products at 2. Image Statement Products further discloses either (a) transmitting the combined statements to the financial institution customer or (b) storing and rendering the statements on behalf of the financial institution. Image Statement Products at 2.

v. Combination of Kennedy, Watson, vPayment Interview and Image Statement Products

The combined teachings of Kennedy, Watson, vPayment Interview and Image Statement Products disclose each and every element as recited in claim 1 of the '904 Patent. As discussed above, Kennedy discloses a system for healthcare claims adjudication and payment for healthcare services including the generation of an electronic claim, processing of the claim by a third party payer, generation of an EOB/ERA data file in an industry standard format known as ANSI 835, transmission of the EOB/ERA data file to the healthcare provider, and expediting payment from health insurance companies through ACH transactions. *See* Kennedy at Abstract, Fig. 7, [0027], [0051], [0055]-[0058] and [0064]. In the Kennedy system, an image including EOB information and payment amounts is rendered from the EOB/ERA data file and displayed at a POS terminal at a healthcare provider location. *Id.* at [0057], [0062], Fig. 7. Furthermore, it is well-known in the art that an EOB/ERA data file in the ANSI 835 format may contain payment information for a payment from the payer (e.g. insurance company) to the health care provider. Ex. 1001 at, e.g., ¶¶34, 38, 122. Kennedy's disclosure of

processing ACH payments from a payer to the provider after the EOB/ERA data file had been transmitted to the provider demonstrates that the EOB/ERA data file of Kennedy included payment information for a payment from a payer to the health care provider. Kennedy at [0057], [0064]. Therefore, the only difference between Kennedy and the claimed method is the form of payment (ACH versus the claimed stored-value card) and the type of file containing the payment information and EOB (EOB/ERA data file versus an image file).

As discussed above, both Watson[10] and vPayment Interview disclose details of GE's vPayment service. The vPayment service "assigns end users a unique credit card number for a specific purchase." vPayment Interview at 3. In other words, the service generates a unique, single-use credit card number that is used to effect a payment from one party to another. Watson also discloses that the

[10] *See* Ex. 1009: *How vPayment Works* ("The vPayment system serves as a bridge between the customer's Accounts Payable or procurement system and the credit card authorization system at Total Systems (TSYS). . . . TSYS uses GE Corporate Payment Services' patented Pre-Authorization technology."); *see, also*, Ex. 1008: *GE Pre-Authorization* ("GE Corporate Payment Services has developed a patented approach to paying for goods and services by bankcard (Patent No. 5,991,750). The GE Pre-Authorization System™ is a business-to-business payment solution that eliminates check writing and provides key controls that prevent card misuse.").

vPayment account is pre-authorized for a single authorized payment of a specific amount. Watson at 1:45-60. In other words, an amount of credit equal to the amount of the specific payment is assigned or allocated to, or associated with, the underlying account. Watson discloses the ability to authorize the unique, single-use credit card number only for use at POS terminals designated with specific standard industrial codes (SIC) corresponding to their predominate business function of a merchant (e.g. medical service provider). Watson at 1:48-56. Finally, Watson discloses preauthorized payments from insurers for a specific insurance claim number through the described credit-card like device. Watson at 9:13-16, 9:28-32.

Accordingly, it would have been obvious to one of ordinary skill in the art to incorporate the vPayment method disclosed in Watson and vPayment Interview into the Kennedy system to effect payment from the insurance company to the health care provider.[11] Furthermore, the most obvious way to do so would have been for the insurance company to simply transmit vPayment information along with the EOB/ERA data file disclosed by Kennedy in a single combined electronic file.[12] It would have been a trivial matter to combine the electronic EOB/ERA data file with basic data such as the vPayment credit card account number and its

[11] Ex. 1001 at, e.g., ¶¶ 65-68, 74-80.
[12] Ex. 1001 at, e.g., ¶¶ 74.

associated card verification value code and expiration date (described at page 3 of vPayment Interview).[13]

In addition, using the account control mechanisms taught in Watson and vPayment Interview, it would have been a trivial exercise to ensure that a particular vPayment card number could be used only in connection with medical services (i.e., so that the vPayment account could be chargeable only through a medical services terminal) and to require that the vPayment card number be used to pay only the exact amount of an authorized health care claim.[14] For example, a vPayment account number could be associated with SIC to wholly bar all categories of transactions other than those relating to medical services and for designating transactions relating to medical services as requiring specific authorization according to a pre-authorization parameter that allows for a payment in only an exact amount. *See* Watson at 1:45-60, 4:35-45, 9:28-32.[15]

With respect to the requirement that the file be an "image file," it is important to understand that, at the time of the priority date of the '904 Patent, the vast majority of providers were not equipped to receive ANSI 835-formatted EOB/ERA data files. Ex. 1001 at ¶ 33. Because of this, the need create and make available image files containing EOB and payment information in lieu of ANSI

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[13] *Id.*
[14] Ex. 1001 at, e.g., ¶¶ 55, 63, 152
[15] Ex. 1001 at, e.g., ¶¶ 55, 63, 152

835-formatted files was well-known and widely-practiced in the industry. *Id.* In fact, it was common practice in the industry at the time for third party payment distribution services to receive native ANSI 835-formatted files, generate human-readable images of those files, and to include either ACH payment information or an image of a check. *Id*. at ¶¶ 34-36. Given this well-known need and common practice in the industry, vPayment Interview's disclosure that the unique vPayment credit card number could be delivered to the payee by fax (an electronic transmission of an image), and Image Statement Products' disclosure of inserting an image of a payment instrument (a check) into a statement, it would have been obvious to one of ordinary skill in the art to create an image file containing the information in the ANSI 835-formatted EOB/ERA data file of Kennedy and the vPayment information and to fax that image file to a health care provider. [16] *See also,* vPayment Interview at 3, Image Statement Products at 2. As mentioned, Watson and vPayment Interview disclose reconciliation of the charged account to verify that the payee received payment.

vi. Claim Chart for Claim 1

Claim 1	Description of Prior Art
1. A method of facilitating payment of adjudicated health care benefits to a	*See, e.g.,* Kennedy at [0031], [0064]. *See also, e.g.,* Kennedy at Title, Abstract, [0006], [0027], [0029], and evidence cited below with respect to elements [a]-[e] of claim 1.

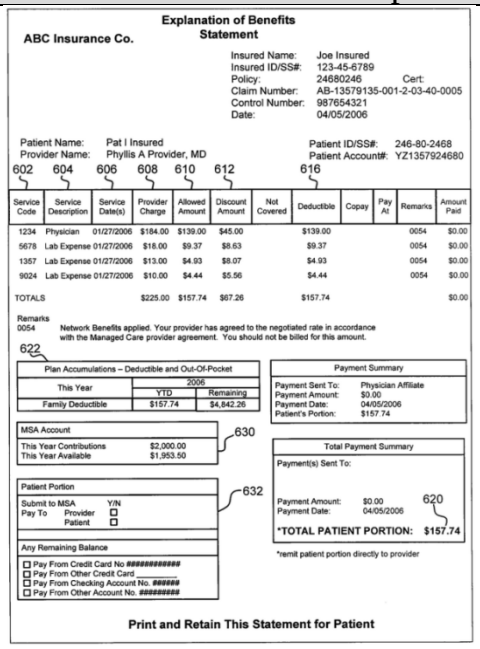
[16] Ex. 1001 at, e.g., ¶ 74-76.

Claim 1	Description of Prior Art
health care provider on behalf of a payer comprising the steps of:	
[a] loading a unique, single-use, stored-value card account with an amount equal to a single, authorized benefit payment, the card account only chargeable through a medical services terminal;	*See, e.g.*, Kennedy at [0057]: "FIG. 6 illustrates the EOB message sent from the DBMS 120 to the provider host 106, for purposes of creating the displayed EOB statement. The message is a data packet--also referred to as an electronic remittance advice (ERA) message--formatted in accordance with ANSI Accredited Standards Committee X12N, "Health Care Claim Payment/Advice 835 Implementation Guide (ASC X12N 835) . . . The Detail level includes the data needed for generating and displaying the EOB statement, including Claim Payment (amount of claim submitted, treatment/service codes, etc.), Claim Adjustment (agreed to payment, adjustments to claimed amount, patient responsibility, etc.) . . ." *See also, e.g.*, Kennedy at [0031], [0064], [0080]. *See, e.g.*, Watson at 1:45-60: "Exemplary desired account limitations include restrictions on the types of services and goods that may be procured by an account user 104 as directed by account manager 102. Industry standards have been established for the partitioning of goods and services into categories designated by a standard industrial code (SIC). A merchant 106 is assigned a specific standard industrial code corresponding to their predominate business function. For business transactions that adhere to the SIC coding, transactions originating at a point of sale terminal having a restricted SIC identifier may be unable to obtain proper authorization to complete a transaction with an account user. Other limitations frequently desired by account managers include transactional limits. Transactional limits may include single transaction limits or aggregate limitations upon successive transactions.") *See, e.g.*, Watson at 4:61-67: "In the present invention, once an account is established with a card issuer, an account manager

Claim 1	Description of Prior Art
	may perform preauthorization of transactions with the card issuer directly. In the preferred embodiment, an account manager using a personal computer may routinely generate pre-authorization requests by transferring pre-authorization parameters to the card issuer via the INERNET." *See, e.g.,* Watson at 5:12-27: "The account manager issues a pre-authorization request to the card issuer via a personal computer. The account manager in the pre-authorization request specifies an account number for which pre-authorization transaction parameters apply. In the preferred embodiment, one or more transaction parameters including a quote amount resulting from the quotation process, an acceptable variance or deviation range from the quotation amount, a merchant identifier (MID) or an acquiring bank identification number… are dispatched to the card issuer. . . ." *See, e.g.,* Watson at 7:34-52: "FIG. 2 is a flow diagram of account processing incorporating pre-authorization of individual transactions or transaction types, in accordance with a preferred embodiment of the present invention. . . . During an account establishment phase of an account process, an account manager 202 approaches a card issuer 214 to establish an account as represented in FIG. 2 by establish account step 216. During the establishment of an account, limitations on transactions relating to that account are negotiated between account manager 202 and card issuer 214. Transaction limitations generally include items such as transaction limits, account balance limit, limitations on categories of goods or services as denoted by standard industrial codes (SIC) and other parameters that may be incorporated into a specific account scheme." *See, e.g.,* Watson at 9:13-16: "…payment presentment 228 takes the form of presentment of a transaction card or other credit card-like credentials bearing an account number as previously assigned for use by account user 204." *See, e.g.,* Watson at 9:28-32: "Such a process has application

Claim 1	Description of Prior Art
	to businesses such as the insurance industry wherein account manager 202 may play the role of a claims adjuster disclosing an account number to merchant 206 for payment of services rendered for an insurance claim." *See, e.g.,* vPayment Interview at 3: "Debbie: Isn't that the GE application that assigns end users a unique credit card number for a specific purchase, so managers aren't just handing over a credit card? Mike: That's it. vPayment runs on the MasterCard railroad track. It uses a pool of accounts that authorized buyers access in an automated fashion, through integration with procurement systems like Oracle or through batch A/P. . . . vPayment also sets up caps for each transaction, plus a small buffer on the approved amounts . . . for tax and freight, or you can authorize the exact amount of the purchase." *See, e.g.,* vPayment Interview at 2: "Here's how it works. Let's say I want to pay a subscription invoice for Cool Tools. I log into the website and request a payment number, cap the value, and set a date that you have to process it by. In the user-defined field I enter, 'Cool Tools, invoice number XYZ,' or whatever accounting string I want. That information appends to the transaction. I hit submit, and then 'boop boop beep,' a card number, an expiration date, and a CVC (credit card verification code) number comes back."
[b] generating an explanation of benefits associated with the payment;	*See, e.g.,* Kennedy at [0009]: "In some embodiments, claim adjudication may be achieved by estimating amounts to be paid (e.g., to be paid by a third party payer or by the patient), in response to a healthcare claim. In other embodiments, some payers provide real-time claim adjudication and some do not. The system may receive real-time, actual EOB information relating to some payers (real-time adjudication of a claim) and estimated EOB information relating to other payers (e.g., an estimating system estimates EOB information, but actual adjudication and actual EOB information may be provided later). … payment can be made by the patient based on information provided at the time a healthcare claim is made." *See, e.g.,* Kennedy at [0057]: "Fig. 6 illustrates the EOB

Claim 1	Description of Prior Art
	message sent from the DBMS 120 to the provider host 106, for purposes of creating the displayed EOB statement. The message is a data packet . . . The Detail level includes the data needed for generating and displaying the EOB statement, including Claim Payment (amount of claim submitted, treatment/service codes, etc.), Claim Adjustment (agreed to payment, adjustments to claimed amount, patient responsibility, etc.).” *See, e.g.*, Kennedy at [0071]: “FIG. 8 illustrates… the flow of information and payment between the parties… in the claim adjudication process (patient 810, provider 820, health plan / network 830, and financial networks 840)… provider submits a claim to the health plan and receives back EOB information in the form of an ERA (electronic remittance advice)”
[c] creating a computer-generated image file containing the stored-value card account number, the amount, a card verification value code, an expiration date, and the explanation of benefits;	*See, e.g.*, Kennedy at [0059]: “FIG. 7 illustrates the display of an EOB statement at the POS terminal 102, using the data contained in the electronic EOB message transmitted from the health network 116. As can be seen, the EOB statement has information pertaining to the claim submitted, including various services (identified by Service Codes 602 and Service Descriptions 604), and for each service or treatment, the Service Date(s) 606, and the Provider Charge 608 submitted by the provider. *See, e.g.*, Kennedy, Fig. 7:

Claim 1	Description of Prior Art
	 **Explanation of Benefits Statement** **ABC Insurance Co.** Insured Name: Joe Insured Insured ID/SS#: 123-45-6789 Policy: 24680246 Cert: Claim Number: AB-13579135-001-2-03-40-0005 Control Number: 987654321 Date: 04/05/2006 Patient Name: Pat I Insured Provider Name: Phyllis A Provider, MD Patient ID/SS#: 246-80-2468 Patient Account#: YZ1357924680 602 604 606 608 610 612 616 Service Code / Service Description / Service Date(s) / Provider Charge / Allowed Amount / Discount Amount / Not Covered / Deductible / Copay / Pay At / Remarks / Amount Paid 1234 Physician 01/27/2006 $184.00 $139.00 $45.00 $139.00 0054 $0.00 5678 Lab Expense 01/27/2006 $18.00 $9.37 $8.63 $9.37 0054 $0.00 1357 Lab Expense 01/27/2006 $13.00 $4.93 $8.07 $4.93 0054 $0.00 9024 Lab Expense 01/27/2006 $10.00 $4.44 $5.56 $4.44 0054 $0.00 TOTALS $225.00 $157.74 $67.26 $157.74 $0.00 Remarks 0054 Network Benefits applied. Your provider has agreed to the negotiated rate in accordance with the Managed Care provider agreement. You should not be billed for this amount. 622 Plan Accumulations – Deductible and Out-Of-Pocket This Year 2006 YTD Remaining Family Deductible $157.74 $4,842.26 Payment Summary Payment Sent To: Physician Affiliate Payment Amount: $0.00 Payment Date: 04/05/2006 Patient's Portion: $157.74 MSA Account This Year Contributions $2,000.00 This Year Available $1,953.50 630 Total Payment Summary Payment(s) Sent To: Payment Amount: $0.00 Payment Date: 04/05/2006 620 *TOTAL PATIENT PORTION: $157.74 *remit patient portion directly to provider Patient Portion Submit to MSA Y/N Pay To Provider ☐ Patient ☐ 632 Any Remaining Balance ☐ Pay From Credit Card No ########## ☐ Pay From Other Credit Card _____ ☐ Pay From Checking Account No. ###### ☐ Pay From Other Account No. ######## **Print and Retain This Statement for Patient** *See, e.g.*, Watson at 9:13-16: "[P]ayment presentment 228 takes the form of presentment of a transaction card or other credit card-like credentials bearing an account number as previously assigned for use by account user 204." *See, e.g.*, vPayment Interview at 3: "Let's say I want to pay a subscription invoice for Cool Tools. I log into the website and request a payment number, cap the value, and set a date that you have to process it by. In the user-defined field I enter, 'Cool Tools, invoice number XYZ,' or whatever accounting string I want. That information appends to the transaction. I hit submit, and then 'boop boop beep,' a card number, an expiration date, and a CVC (credit card verification code) number comes back. I can fax that information to you." *See, e.g.*, vPayment Interview at 3: "It's just like buying something with a normal MasterCard credit card. . . . To the supplier, vPayment looks just like a regular MasterCard." *See, e.g.*, Image Statement Products at 1: "Image statements allow financial institutions to return electronic or printed images of processed checks to customers within their monthly account statement in lieu of the original check document."

Claim 1	Description of Prior Art
	See, e.g., Image Statement Products at 2: "Under the agreement with Payformance, Viewpointe will deploy Payformance's Data Transformation Engine – a combination of services, capable of processing over 500 images per second, operating within a Linux based server cluster. Viewpointe will receive statement data from financial institutions, retrieve the appropriate check and document images from its shared national archive, insert them electronically into individual statements, and either return the statements back to the financial institution for printing, or store and render the statements on behalf of the bank."
[d] transmitting the image file by fax to the health care provider; and	*See, e.g.,* Kennedy at [0071]: "FIG. 8 illustrates one embodiment . . . particularly the flow of information and payment between the parties involved in the claim adjudication process (patient 810, provider 820, health plan/network 830, and financial networks 840). As seen, the provider submits a claim to the health plan and receives back EOB information in the form of an ERA (electronic remittance advice)." *See, e.g.,* vPayment Interview at 3: "Let's say I want to pay a subscription invoice for Cool Tools. I log into the website and request a payment number, cap the value, and set a date that you have to process it by. In the user-defined field I enter, "Cool Tools, invoice number XYZ," or whatever accounting string I want. That information appends to the transaction. I hit submit, and then 'boop boop beep,' a card number, an expiration date, and a CVC (credit card verification code) number comes back. I can fax that information to you. vPayment offers all the benefits of control and reconciliation, but it doesn't have the electronic back-end of eProcurement system. It's a very simple check replacement tool."
[e] reconciling the charged card account to confirm that the health care provider has received	*See, e.g.,* Kennedy at [0064]: "… the system 100 may expedite an automatic payment to the provider (by the health network), further reducing administrative costs and eliminating delays in settling accounts. Thus, as illustrated in FIG. 5, the financial network 110 may process payments (using a conventional ACH banking network) from the health network 116 to the provider, by electronically processing a bank transaction that

Claim 1	Description of Prior Art
payment.	debits a health network bank account (for the amount of any insurance payment for the treatment of the patient) and that credits such amount to a bank account of the provider (step 534). Such payment can be reflected at the provider host by updating the patient's individual account and the provider's accounts receivables (step 536). A payment for any patient portion of the charge may also be electronically processed and credited to the provider account as part of step 534." *See, e.g.,* Watson at 4:18-34: "A further advancement… provides a method and system for allowing an account manager to define a transaction identifier (e.g., insurance claim number, purchase order number, work order number, etc.) and attach the transaction identifier through a pre-authorization of a transaction. Upon the initiation and authorization of a requested transaction…, the transaction identifier is included with the generic billing information (e.g., transaction amount, merchant information, etc.) thus allowing an account manager to reconcile their accounting from a billing account information containing the transaction having the transaction identifier associated thereto with a pre-transaction assignment of a traditional identifier such as purchase order number, work order number, or insurance claim number." *See, e.g.,* vPayment Interview at 3: "… when a user requests a vPayment number on demand, they can manually input a description and accounting information into the record, so reconciliation is easy. When vPayment is integrated in a procurement system, a unique transaction ID automatically transfers over to the transaction file. It doesn't matter whether the supplier they're buying from is at level 1, 2, or 3 in terms of data capture. They're going to get the exact PO number or account code in the credit card transaction record. . . . for example, the only time someone touches the accounting code is when they build their shopping cart. It all happens at the front end; posting to the general ledger is hands free." *See, e.g.,* vPayment Interview at 3: "vPayment offers all the benefits of control and reconciliation, but it doesn't have the

Claim 1	Description of Prior Art
	electronic back-end of eProcurement system. It's a very simple check replacement tool."

B. Claim 2: obvious over Kennedy, Watson, vPayment Interview and Image Statement Products[17]

Claim 2 recites a method of facilitating payment of adjudicated health care benefits to a health care provider that involves (a) identifying the health care provider that renders medical services in anticipation of payment, (b) identifying a payer that has agreed to pay the health care provider on behalf of a patient subject to preselected conditions, (c) identifying an administrator that determines whether the medical services conducted by the service provider meet the preselected conditions by the payer, generates an explanation of benefits, and authorizes payment of the service provider for an authorized amount, (d) intercepting the explanation of benefits and payment information transmitted from the administrator to the health care provider, (e) acquiring a single-use, stored-value card account number and loading it with funds equal to the authorized amount, (f) merging the stored-value card account number, the authorized amount, a card verification value code, and an expiration date with the explanation of benefits into a computer-generated image file, and (g) transmitting the image file to the health care provider via a computer-implemented transmission.

As compared to claim 1, claim 2 recites additional steps that would

[17] Ex. 1001 at ¶¶81-100.

necessarily be included in a method of facilitating payment of adjudicated health care benefits to a health care provider, such as the steps of identifying the health care provider that renders medical services, identifying a payer that has agreed to pay the health care provider on behalf of a patient and identifying an administrator that determines whether the medical services meet the preselected conditions, generates an EOB, and authorizes payment of the service provider.[18] Beyond recitation of these additional necessary method steps, the limitations of claim 2 are very similar to those of claim 1. As such, for reasons substantially similar to those described with respect to claim 1, it would have been obvious for a person of ordinary skill in the art to combine the teachings of Kennedy with those of Watson, vPayment Interview, and Image Statement Products to arrive at the method of claim 2. The prior art references are in the same field of endeavor and their combined teachings result in systems and methods that facilitate payment of health care benefits to a health care provider on behalf of an insurer or other payer.[19] Image Statement Products describes that a healthcare claims and payment service provider had adopted technology for generating statements with check images inserted therein.

i. Kennedy

As discussed above with respect to claim 1, Kennedy discloses a system for

[18] Ex. 1001 at ¶¶ 84-92
[19] Ex. 1001 at ¶¶ 93-100.

permitting real-time payment of healthcare charges from multiple sources of payment. *See* Kennedy at Abstract. Kennedy discloses a healthcare provider entering information at a point of service ("POS") terminal regarding the patient and a treatment. Kennedy at [0031]. Kennedy further discloses using the entered information to generate an electronic claim and submitting the claim to a third party payer, with EOB data generated and returned in real-time fashion by the insurer for display at the POS terminal. *Id.* at [0031]. Kennedy discloses a third party payer processing the claim information by querying a database to determine whether the patient is covered/eligible, to determine the features of the patient's coverage such as co-pays and deductibles, and to determine the permitted charge for the treatment rendered by the provider under the claim. *Id.* at [0054]. Kennedy further discloses that the EOB data sent to the provider may be in electronic remittance advice ("ERA") format. *Id.* at 57.

In addition, Kennedy discloses looking up a patient's account information "to identify or locate the patient's payer (i.e., the insurer or other third party payer)" prior to generating and sending the electronic claim through the network. *Id.* at [0054]. Kennedy also discloses that the EOB information received by the provider contains patient information, payer information, and provider-specific adjustment information. *Id.* at [0057]. Therefore it is clear that Kennedy discloses identifying the provider and payer. Moreover, Kennedy explicitly discloses that

"payer" as used therein may be a third party administrator. *Id.* at [0029]. Thus, Kennedy explicitly discloses that the determination of the eligibility and coverage of the patient's treatment may be performed by a third party administrator.

Also, as discussed above with respect to claim 1, Kennedy discloses that the EOB information is used to generate an EOB statement and may include the amount of claim submitted, an agreed to payment, adjustments to the claimed amount, and the patient responsibility. *Id.* at [0057]. Kennedy further discloses that the EOB statement displayed at a POS terminal may include the patient's credit card or debit card information and that the patient may authorize that the owed amount may be paid using a displayed account. *Id.* at [0062], Fig. 7. Kennedy also discloses that payment from the insurance company to the healthcare provider may be completed through an electronic ACH transaction. *Id.* at [0064].

In one disclosed embodiment, a third party processing entity submits claims from the provider to a health plan/network, receives corresponding EOB data, and forwards the EOB data to the provider. *Id.* at [0072]. Kennedy also discloses performing a nominal authorization of a patient's credit card to verify the existence and good standing of an account which may be used to pay the patient's portion of the healthcare charge. *Id.* at [0080]. Finally, Kennedy discloses updating patients' individual accounts and provider accounts receivable to reflect payments made by health insurance networks and/or patients. *Id.* at [0064].

ii. Watson

See the description of Watson provided above for claim 1.

iii. vPayment Interview

See the description of the vPayment Interview provided above for claim 1.

iv. Image Statement Products

See the description of the Image Statement Products above for claim 1.

v. Combination of Kennedy, Watson, vPayment Interview and Image Statement Products

The combined teachings of Kennedy, Watson, vPayment Interview, and Image Statement Products disclose each and every element as recited in claim 2 of the ’904 Patent. As discussed above, Kennedy discloses a system for healthcare claims adjudication and payment for healthcare services including the generation of an electronic claim, processing of the claim by a third party payer, generation of an EOB/ERA data file in an industry standard format known as ANSI 835, transmission of the EOB/ERA data file to the healthcare provider, and expediting payment from health insurance companies through ACH transactions. *See* Kennedy at Abstract, Fig. 7, [0027], [0051], [0055]-[0058] and [0064]. In the Kennedy system, an image including EOB information and payment amounts is rendered from the EOB/ERA data file and displayed at a POS terminal at a healthcare provider location. *Id.* at [0057], [0062], Fig. 7. Furthermore, it is well-known in the art that an EOB/ERA data file in the ANSI 835 format may contain

payment information for a payment from the payer (e.g. insurance company) to the health care provider. Ex. 1001 at, e.g., ¶¶ 34, 38, 122. Kennedy's disclosure of processing ACH payments from a payer to the provider after the EOB/ERA data file had been transmitted to the provider demonstrates that the EOB/ERA data file of Kennedy included payment information for a payment from a payer to the health care provider. Kennedy at [0057], [0064]. Therefore, the only difference between Kennedy and the claimed method is the form of payment (ACH versus the claimed stored-value card) and the type of file containing the payment information and EOB (EOB/ERA data file versus an image file).

As discussed above, both Watson and vPayment Interview disclose details of GE's vPayment service offering. The vPayment service "assigns end users a unique credit card number for a specific purchase." vPayment Interview at 3. In other words, the service generates a unique, single-use credit card number that is used to effect a payment from one party to another. Watson also discloses that the vPayment account is pre-authorized for a single authorized payment of a specific amount. Watson at 1:45-60. In other words, an amount of credit equal to the amount of the specific payment is assigned or allocated to, or associated with, the underlying account. Watson also discloses the ability to authorize the unique, single-use credit card number only for use at POS terminals designated with a specific standard industrial code (SIC) corresponding to the predominate business

function of a merchant (e.g. medical service provider). Watson at 1:48-56. Watson discloses preauthorized payments from insurers for a specific insurance claim number through the described credit-card like device. Watson at 9:13-16, 9:28-32.

Thus, it would have been obvious to one of ordinary skill in the art to incorporate the vPayment method of Watson and vPayment Interview into the Kennedy system to effect payment from the insurance company to the health care provider.[20] Furthermore, the most obvious way to do so would have been for the insurance company transmit vPayment information along with the EOB/ERA data file disclosed by Kennedy in a single combined electronic file.[21] Therefore, it would have been a trivial matter to combine the electronic EOB/ERA data file with basic data such as the vPayment credit card account number and its associated card verification value code and expiration date (described by vPayment Interview).[22]

In addition, using the account control mechanisms taught in Watson and vPayment Interview, it would have been a trivial exercise to ensure that a particular vPayment card number could be used only in connection with medical services (i.e., so that the vPayment account could be chargeable only through a medical services terminal) and to require that the vPayment card number be used to

[20] Ex. 1001 at, e.g., ¶¶ 65-68, 74-80.
[21] Ex. 1001 at, e.g., ¶ 74.
[22] *Id.*

pay only the exact amount of an authorized health care claim.[23] For example, a vPayment account number could be associated with SIC to wholly bar all categories of transactions other than those relating to medical services and for designating transactions relating to medical services as requiring specific authorization according to a pre-authorization parameter that allows for a payment in only an exact amount. *See* Watson at 1:45-60, 4:35-45, 9:28-32.[24]

With respect to requirement that the file be an "image file," it is important to understand that, at the time of the priority date of the '904 Patent, the vast majority of providers were not equipped to receive ANSI 835-formatted EOB/ERA data files. Ex. 1001 at ¶ 33. Because of this, the need create and make available image files containing EOB and payment information in lieu of ANSI 835-formatted files was well-known and widely-practiced in the industry. *Id.* In fact, it was common practice in the industry at the time for third party payment distribution services to receive native ANSI 835-formatted files, generate human-readable images of those files, and to include either ACH payment information or an image of a check. Ex. 1001 at ¶ 33. Given this well-known need and common practice in the industry, vPayment Interview's disclosure that the unique vPayment credit card number could be delivered to the payee by fax (an electronic transmission of an image), and Image Statement Products' disclosure of inserting an image of a payment

[23] Ex. 1001 at, e.g., ¶¶ 55, 63, 152
[24] Ex. 1001 at, e.g., ¶¶ 55, 63, 152

instrument (a check) into a statement, it would have been obvious to one of ordinary skill in the art to create an image file containing the information in the ANSI 835-formatted EOB/ERA data file of Kennedy and the vPayment information and to fax that image file to a health care provider.[25] *See also,* vPayment Interview at 3, Image Statement Products at 2. As mentioned, Watson and vPayment Interview both disclose reconciliation of the charged account to verify that the payee received payment.

vi. Claim Chart for Claim 2

Claim 2	Description of Prior Art
2. A method of facilitating payment of adjudicated health care benefits to a health care provider comprising:	*See, e.g.*, evidence set forth above with respect to the preamble of claim 1. *See also, e.g.*, Kennedy at Abstract and evidence cited below with respect to elements [a]-[g] of claim 2.
[a] identifying the health care provider that renders medical services in anticipation of payment;	*See, e.g.*, Kennedy at [0057]: "Fig. 6 illustrates the EOB message sent from the DBMS 120 to the provider host 106, for purposes of creating the displayed EOB statement. The message is a data packet . . . The Header level includes Transaction Information (to indicate the start of a transaction), Payer Identification, and Payee Identification. The Detail level includes the data needed for generating and displaying the EOB statement, including Claim Payment (amount of claim submitted, treatment/service codes, etc.), Claim Adjustment (agreed to payment, adjustments to claimed amount, patient responsibility, etc.), Patient Information (patient name and other identification) and Insured Information (insured name and other information)."

[25] Ex. 1001 at ¶ 74-76.

Claim 2	Description of Prior Art
	See, e.g., Kennedy at [0072]: "FIG. 9 illustrates. . . a third party processing entity/intermediary/network 825 is used for processing claims and payments. Such a third party could operate a web host/server that runs applications using POS terminals 102 for generating claims from the provider, submitting those claims to the health plan, receiving back the ERA message and forwarding the ERA message to the provider in order to generate the EOB statement for the patient at the provider POS terminal."
[b] identifying a payer that has agreed to pay the health care provider on behalf of a patient subject to preselected conditions;	*See, e.g.,* Kennedy at [0042]: "an identifying presentation instrument or card 150 that could be used by a consumer when visiting a healthcare provider. The card 150 has as its primary purpose the identification of the consumer and the consumer's insurer or third party payer, to assist the provider in processing a claim for reimbursement…" *See, e.g.,* Kennedy at [0053]: "[T]he patient first seeks treatment from a provider at step 502 and then provides the presentation instrument or card 150 at step 504, when the patient's treatment charge is to be processed. The card 150 is read at the POS terminal 102 so the patient's identifying data (along with any treatment data) may be sent to the provider host 106 at step 506." *See, e.g.,* Kennedy at [0054]: "The provider host performs a look-up of the patient's account information in order to identify or locate the patient's payer (i.e., the insurer or other third party payer) at step 508." *See, e.g.,* Kennedy at [0057]: "Fig. 6 illustrates the EOB message sent from the DBMS 120 to the provider host 106, for purposes of creating the displayed EOB statement. The message is a data packet-also referred to as an electronic remittance advice (ERA) message-formatted in accordance with ANSI Accredited Standards Committee X12N, "Health Care Claim Payment/Advice 835 Implementation Guide (ASC X12N 835), currently published by Washington Publishing Company (www.wpc-edi.com). As seen in Fig. 6, the data

Claim 2	Description of Prior Art
	packet or message includes data transmitted in three overall levels (Header, Detail and Summary). The Header level includes Transaction Information (to indicate the start of a transaction), Payer Identification, and Payee Identification."
[c] identifying an administrator that determines whether the medical services conducted by the service provider meet the preselected conditions by the payer, generates an explanation of benefits, and authorizes payment of the service provider for an authorized amount;	*See, e.g.,* Kennedy at [0029]: "The term 'payer' may be a third party payer, such as a health insurance company, health maintenance organization (HMO), third party administrator, self-insured employer, and the like." *See, e.g.,* Kennedy at [0054]: "The provider host performs a look-up of the patient's account information… to identify or locate the patient's payer (i.e., the insurer or other third party payer) at step 508…an electronic claim is generated by the host and sent through the network (step 514) to the third party payer (at one of the health networks 116), where at step 516 the claim information is processed by the DBMS 120 (and the patient/insured information is retrieved at the database 122…the DBMS will query the database 122 to make sure that the patient is covered/eligible, determine the features of the patient's coverage (co-pays, deductibles, etc.), and determine the permitted charge for the treatment rendered by the provider under the claim." *See, e.g.,* Kennedy at [0057]: "Fig. 6 illustrates the EOB message sent from the DBMS 120 to the provider host 106, for purposes of creating the displayed EOB statement. The message is a data packet-also referred to as an electronic remittance advice (ERA) message-formatted in accordance with ANSI Accredited Standards Committee X12N, "Health Care Claim Payment/Advice 835 Implementation Guide (ASC X12N 835) . . . The Detail level includes the data needed for generating and displaying the EOB statement, including Claim Payment (amount of claim submitted, treatment/service codes, etc.), Claim Adjustment (agreed to payment, adjustments to claimed amount, patient responsibility, etc.) . . ." *See, e.g.,* Kennedy at [0064]: "Thus, as illustrated in FIG. 5, the financial network 110 may process payments (using a conventional ACH banking network) from the health network

Claim 2	Description of Prior Art
	116 to the provider, by electronically processing a bank transaction that debits a health network bank account (for the amount of any insurance payment for the treatment of the patient) and that credits such amount to a bank account of the provider (step 534)."
[d] intercepting the explanation of benefits and payment information transmitted from the administrator to the health care provider;	*See, e.g.,* Kennedy at [0071]: "FIG. 8 illustrates . . . the flow of information and payment between the parties . . . in the claim adjudication process (patient 810, provider 820, health plan/network 830, and financial networks 840) . . . provider submits a claim to the health plan and receives back EOB information in the form of an ERA…." *See, e.g.,* Kennedy at [0072]: "FIG. 9 illustrates. . . a third party processing entity/intermediary/network 825… processing claims and payments. Such a third party could operate a web host/server that runs applications using POS terminals 102 for generating claims from the provider, submitting those claims to the health plan, receiving back the ERA message and forwarding the ERA message to the provider. . ." *See, e.g.,* Kennedy at [0057]: "Fig. 6 illustrates the EOB message sent from the DBMS 120 to the provider host 106, for purposes of creating the displayed EOB statement. The message is a data packet-also referred to as an electronic remittance advice (ERA) message-formatted in accordance with ANSI Accredited Standards Committee X12N, "Health Care Claim Payment/Advice 835 Implementation Guide (ASC X12N 835) . . . The Detail level includes the data needed for generating and displaying the EOB statement, including Claim Payment (amount of claim submitted, treatment/service codes, etc.) . . ."
[e] acquiring a single-use, stored-value card account number and loading it with funds equal to the authorized amount;	*See, e.g.,* evidence set forth above with respect to limitation [a] of claim 1.

Claim 2	Description of Prior Art
[f] merging the stored-value card account number, the authorized amount, a card verification value code, and an expiration date with the explanation of benefits into a computer-generated image file; and	*See, e.g.,* evidence set forth above with respect to limitation [c] of claim 1.
[g] transmitting the image file to the health care provider via a computer-implemented transmission.	*See, e.g.,* evidence set forth above with respect to limitations [c] and [d] of claim 1. *See, e.g.,* Kennedy at [0071]: "FIG. 8 illustrates . . . the flow of information and payment between the parties . . . in the claim adjudication process (patient 810, provider 820, health plan /network 830, and financial networks 840) . . . provider submits a claim to the health plan and receives back EOB information in the form of an ERA…" *See, e.g.,* Kennedy at [0072]: "FIG. 9 illustrates another embodiment . . . where . . . a third party processing entity /intermediary/network 825 is used for processing claims and payments. Such a third party could operate a web host/server that runs applications using POS terminals 102 for generating claims from the provider, submitting those claims to the health plan, receiving back the ERA message and forwarding the ERA message to the provider. . ." *See e.g.,* Kennedy at [0034]: "Turning now to FIG. 1, a system 100 includes a plurality of POS terminals 102. The terminals 102 communicate through a provider network 104 to a provider host 106." *See e.g.,* Kennedy at [0037]: "The provider host 106 may

Claim 2	Description of Prior Art
	maintain data (such as financial and insurance information) for each patient, and manage the flow of data between the terminals 102, and through the network 104 to a banking or financial network 110 and to one or more external health networks 116. . . . The health networks 116 each have an associated database management system (DBMS) 120, which manages a database 122, and terminals 126. The database 122 stores data such as claims history, pending claims, permitted charges (e.g., flat fees or a discount off the provider's normal charges), deductibles, co-pays and other information used for processing claims and generating electronic EOBs (to be describe in greater detail later). . .” *See e.g.*, Kennedy at [0038]: “The networks 104, 110 and 116 may be implemented using the Internet, an intranet, a wide area network (WAN), a local area network (LAN), a virtual private network, or any combination of the foregoing. The networks may include both wired and wireless connections, including optical links.”

C. Claim 6: obvious over Kennedy, Watson, vPayment Interview, Image Statement Products and Knowledge[26]

The limitations of claim 6 are substantially identical to limitations of claim 1, with two exceptions. First, limitation [d] of claim 6 requires transmitting the image file by a computer-implemented electronic transmission medium selected from the group consisting of fax, SMTP, SMS, MMS, HTTP, HTTPS, and FTP to the health care provider whereas limitation [d] of claim 1 is narrower in that it specifies transmission of the image file is to be by fax. Second, limitation [d] of claim 6 specifies that the electronic transmission includes a computer-generated

[26] Ex. 1001 at ¶¶101-112.

image of a physical card, where claim 1 is not so limited. However, for the same reasons described above with respect to claim 1, it would have been obvious to combine the teachings of Kennedy with those of Watson, vPayment Interview, and Image Statement Products to arrive at the method of claim 6.

In particular, transmission by any of fax, HTTP, HTTPS or FTP satisfies the electronic transmission medium limitation of claim 6. As set forth above with respect to claim 1, it would have been obvious to include vPayment information described in Watson and vPayment Interview in an image file with the EOB/ERA information of Kennedy. As taught by vPayment Interview, the image file containing the vPayment information and the EOB/ERA information can be transmitted to a health care provider via fax. Further, Kennedy explicitly discloses a third party using a web server to forward the EOB/ERA data file to the provider. It was well known to one of ordinary skill in the art that web servers employ communication protocols such as HTTP, HTTPS, and FTP to transmit data.

One of ordinary skill in the art would have recognized in view of Kennedy, Watson, vPayment Interview, Image Statement Products and Knowledge that the vPayment information of Watson and vPayment Interview could have been presented as an image of a physical card.[27] As discussed above, Image Statement Products discloses inserting images of a physical payment modality (a check) into

[27] Ex. 1001 at ¶ 110.

a statement. Moreover, generating image files containing EOB/ERA information and ACH payment information or the image of a physical check was pervasive in the industry prior to the priority date of the ’904 patent. Ex. 1001 at, e.g., ¶¶ 45-46. Therefore, whether to present stored-value card information as text or as text on an image of a card would have been a mere design choice between two well-known and widely used methods. One skilled in the art would have been motivated to present stored-value card information on an image of a physical card so as to make such information more easily and quickly recognizable on the EOB statement.[28]

Claim 6	Description of Prior Art
6. A method of facilitating payment of adjudicated health care benefits to a health care provider on behalf of a payer comprising the steps of:	*See* exemplary evidence set forth above for the preamble of claim 1.
[a] loading a unique, single-use, stored-value card account with an amount equal to a single, authorized benefit payment, the card account only chargeable through a medical services terminal;	*See* exemplary evidence set forth above for limitation [a] of claim 1.
[b] generating an explanation of benefits associated with the payment;	*See* exemplary evidence set forth above for limitation [a] of claim 1.
[c]creating a computer-generated image file containing the stored-value card account number, the amount, a card verification value code, an expiration date, and the explanation of benefits;	*See* exemplary evidence set forth above with respect to limitation [c] of claim 1.
[d] transmitting the image file by a computer-implemented electronic transmission medium selected from the group consisting of fax, SMTP, SMS, MMS, HTTP, HTTPS, and FTP to the health care	*See* exemplary evidence set forth above with respect to limitations [c] and [d] of claim 1.

[28] *Id.*

provider wherein the electronic transmission includes a computer-generated image of a physical card; and	
[e] reconciling the charged card account to confirm that the health care provider has received payment.	*See* exemplary evidence set forth above for limitation [e] of claim 1.

D. Claim 7: obvious over Kennedy, Watson, vPayment Interview and Image Statement Products[29]

The limitations of claim 7 are substantially similar to limitations of claims 1 and 2. For the reasons noted respect to claims 1 and 2, it would have been obvious to combine the teachings of Kennedy with those of Watson, vPayment Interview, and Image Statement Products to arrive at the method of claim 7.

In addition, claim 7 non-substantively differs from claim 1 in that it explicitly requires that the "loading a unique, single-use stored-value card account," "creating a computer-generated file . . .," and "transmitting the file . . . to the health care provider" are performed "by one or more computers" and only requires a "computer-generated file" not an "image file." It would have been evident to one of ordinary skill in the art from the disclosure of the '904 Patent that these limitations, regardless of whether they explicitly recite "by one or more computers," would be carried out or implemented by computers. Similarly, one of ordinary skill in the art would read the evidence from the prior art set forth with respect to the corresponding limitations of claim 1 to involve the use of computers.

[29] Ex. 1001 at ¶¶113-125.

For example, the loading of a unique, single-use stored-value card account is by one or more computers is disclosed by both Watson and vPayment Interview. In particular, Watson discloses that "once an account is established with a card issuer, account manager 202 may perform pre-authorization of transactions with card issuer 214 directly" and that "account manager 202 using a personal computer may routinely generate pre-authorization requests by transferring pre-authorization parameters to card issuer 214 via the INTERNET." Watson at 8:9-15. The disclosure of vPayment Interview parallels Watson in that it explicitly states that vPayment provides a "manual interface . . . that allows users to obtain their credit card number online" and that discloses that the user may cap the value at the time of requesting the stored-value card information. vPayment Interview at 3. Moreover, one of ordinary skill in the art would recognize that the stored-value card functionality requires computer-implemented processes for generation and preauthorization of the stored-value card number and authorization at the time of use of the stored-value card. Ex. 1001 at ¶¶ 120, 121.

With respect to "creating a computer-generated file . . . by one or more computers," the disclosures of Kennedy, Watson, vPayment Interview and Image Statement Products all relate to computer-implemented systems.[30] Image Statement Products discloses that insertion of images of payment instruments

[30] Ex. 1001 at ¶ 119.

(checks) into statements is carried out Payformance's Data Transformation Engine which operates in a Linux based server cluster. Image Statement Products at 2.

Finally, with respect to "transmitting the file . . . to the health care provider" being performed "by one or more computers," claim 10, which depends from and further limits claim 7, makes clear that transmitting the image file by fax satisfies the "transmitting the file by one or more computers" requirement of limitation [c]. Therefore, the evidence and analysis set forth above with respect to limitation [d] of claim 1 also applies to limitation [c] of claim 7. Moreover, the evidence set forth above with respect to limitation [g] of claim 2 establishes that Kennedy discloses transmitting EOB information between computers over computer-implemented networks such as the Internet, intranets, or other networks.

By only requiring a "computer-generated file," as opposed to an "image file," limitation [b] of claim 7 is broader than limitation [c] of claim 1. Therefore, limitation [b] of claim 7 is met for the same reasons as limitation [c] of claim 1. Moreover, a data file containing EOB information and vPayment information would also satisfy limitation [b] of claim 7. Given that Kennedy discloses creating an ANSI 835-formatted data file containing EOB information and ACH payment information, as discussed above, it would have been obvious to one of ordinary skill to create a file containing EOB information in the ANSI 835 format and

vPayment information in order to easily and conveniently transmit it to providers as payment. Ex. 1001 at ¶¶ 122.

Claim 7	Description of Prior Art
7. A method of facilitating payment of adjudicated health care benefits to a health care provider on behalf of a payer comprising the steps of:	*See* exemplary evidence set forth above for the preamble of claim 1.
[a] loading a unique, single-use stored-value card account by one or more computers with an amount equal to a single, adjudicated benefit payment, generating an explanation of benefits associated with the payment;	*See* the evidence set forth above regarding limitations [a] and [b] of claim 1. *See, e.g.*, Watson at 8:9-15: ". . . once an account is established with a card issuer, account manager 202 may perform pre-authorization of transactions with card issuer 214 directly. In the preferred embodiment, account manager 202 using a personal computer may routinely generate preauthorization requests by transferring pre-authorization parameters to card issuer 214 via the INTERNET." *See, e.g.*, vPayment Interview at 3: "Here's how it works. Let's say I want to pay a subscription invoice for Cool Tools. I log into the website and request a payment number, cap the value, and set a date that you have to process it by. . . . I hit submit, and then 'boop boop beep,' a card number, an expiration date, and a CVC (credit card verification code) number comes back."
[b] creating a computer-generated file containing the stored-value card account number, the adjudicated benefit payment amount, a card verification value code, an expiration date, and the explanation of benefits by one or more computers; and	*See* exemplary evidence set forth above with respect to limitation [c] of claim 1. *See also, e.g.*, Kennedy at [0034]-[0038], [0071], [0072]; Watson at 8:9-15; vPayment Interview at 3; Image Statement Products at 2. *See, e.g.*, Image Statement Products at 2: "Viewpointe will deploy Payformance's Data

	Transformation Engine . . . operating within a Linux based server cluster. Viewpointe will receive statement data from financial institutions, retrieve the appropriate check and document images from its shared national archive, insert them electronically into individual statements . . .”
[c] transmitting the file by one or more computers to the health care provider.	*See* the evidence set forth above for limitations [c] and [d] of claim 1. *See* exemplary evidence set forth above for limitation [g] of claim 2.

E. Claim 12: obvious over Kennedy, Watson, vPayment Interview, and Image Statement Products[31]

The limitations of claim 12 are substantially similar to limitations of claims 1 and 7 with further requirements for the explanation of benefits recited in the claim. In particular, claim 12 requires that the explanation of benefits describes “medical services provided to a patient by a health care provider, an amount billed by the health care provider and an amount paid by the patient’s insurance company.” However, Kennedy discloses generating an EOB message (ERA), as discussed above in relation to claim 1, and further discloses that the EOB message includes “treatment/service codes” that describe the medical services provided to the patient, the “amount of the claim submitted,” “adjustments to claimed amount,” and the “agreed to payment.” Kennedy at [0057]. Accordingly, for the reasons noted above with respect to claims 1 and 7, it would have been obvious to combine the teachings of Kennedy with those of Watson, vPayment Interview, and Image

[31] Ex. 1001 at ¶¶126-131.

Statement Products to arrive at the system of claim 12.

Claim 12	Description of Prior Art
12. A system for payment of adjudicated health care benefits combining payment terms and an explanation of benefits, the system comprising:	*See* the evidence set forth below with respect to limitations [a]-[c] of claim 12.
[a] an explanation of benefits describing medical services provided to a patient by a health care provider, an amount billed by the health care provider and an amount paid by the patient's insurance company; and	*See, e.g.,* Kennedy at [0057]: "FIG. 6 illustrates the EOB message sent from the DBMS 120 to the provider host 106, for purposes of creating the displayed EOB statement. The message is a data packet--also referred to as an electronic remittance advice (ERA) message . . . the data packet or message includes data transmitted in three overall levels (Header, Detail and Summary). . . . The Detail level includes the data needed for generating and displaying the EOB statement, including Claim Payment (amount of claim submitted, treatment/service codes, etc.), Claim Adjustment (agreed to payment, adjustments to claimed amount, patient responsibility, etc.) . . ."
[b] a payment mechanism associated with the explanation of benefits, the payment mechanism merging a stored-value card account number, an adjudicated benefit payment amount, a card verification value code, and an expiration date with the explanation of benefits into a document by one or more computers;	*See* the evidence set forth above with respect to limitation [b] of claim 7.
[c] wherein the stored-value card account number is linked to a unique, single-use stored-value card account prefunded with an amount equal to a single, adjudicated benefit payment, and	*See* the evidence set forth above with respect to limitation [a] of claim 1 and limitation [c] of claim 7.

wherein the document is electronically transmitted to the health care provider as payment for the medical services by said one or more computers.	

F. Claim 17: obvious over Kennedy, Watson, vPayment Interview, and Image Statement Products[32]

The limitations of claim 17 are substantially similar to limitations of claims 2 and 7 with the further requirement of "receiving authorization to pay at least a portion of submitted charges associated with the explanation of benefits and the associated funds for payment." However, Kennedy discloses that, after receiving an EOB message "the financial network 110 may process payments . . . from the health network 116 to the provider, by electronically processing a bank transaction that debits a health network bank account (for the amount of any insurance payment for the treatment of the patient) and that credits such amount to a bank account of the provider (step 534)." Kennedy at [0064]. Therefore, for the reasons noted above with respect to claims 2 and 7, it would have been obvious to combine the teachings of Kennedy, Watson, vPayment Interview, and Image Statement Products to arrive at the method of claim 17.

Claim 17	Description of Prior Art
A computer implemented method for combining payment of adjudicated health care benefits with an associated explanation of	*See* exemplary evidence set forth below with respect to limitations [a]-[e] of claim 17.

[32] Ex. 1001 at ¶¶132-140

benefits, the method comprising:	
[a] receiving an explanation of benefits related to medical services provided by a health care provider;	*See* exemplary evidence set forth above for limitation [d] of claim 2.
[b] receiving authorization to pay at least a portion of submitted charges associated with the explanation of benefits and the associated funds for payment;	*See, e.g.*, evidence set forth above with respect to limitation [c] of claim 2. *See, e.g.*, Kennedy at [0064]: "[T]he system 100 may expedite an automatic payment to the provider (by the health network) . . . the financial network 110 may process payments (using a conventional ACH banking network) from the health network 116 to the provider, by electronically processing a bank transaction that debits a health network bank account (for the amount of any insurance payment for the treatment of the patient) and that credits such amount to a bank account of the provider (step 534)."
[c] funding a unique, single-use stored-value card account with an amount equal to the adjudicated benefit payment by one or more computers;	*See* evidence set forth above for limitation [a] of claim 7.
[d] merging the explanation of benefits with the stored-value card account number, the adjudicated benefit amount of payment, a card verification value code, and an expiration date in an electronic file by said one or more computers; and	*See* exemplary evidence set forth above for limitation [b] of claim 7.
[e] electronically sending the merged file to the health care provider as payment for the services by said one or more computers.	See evidence set forth above for limitation [c] of claim 17.

G. Claim 22: obvious over Kennedy, Watson, vPayment Interview, and Image Statement Products[33]

The limitations of claim 22 are substantially identical to limitations of claims 1, 2 and 7. For the reasons noted with respect to claims 1, 2 and 7, it would have been obvious to combine the teachings of Kennedy, Watson, vPayment Interview, and Image Statement Products to arrive at the system of claim 22.

Claim 22	Description of Prior Art
22. A system for payment of adjudicated health care benefits to a health care provider, the system comprising:	See evidence set forth above for preamble of claim 1.
[a] an administration system operable to receive a benefit claim from the health care provider and to generate an explanation of benefits for the benefit claim along with an approved payment; and	*See* evidence set forth above for limitation [c] of claim 2.
[b] a card processing system operable to fund a single-use stored-value card account with an amount equal to the approved payment by one or more computers, the card processing system also operable to merge the explanation of benefits with the stored-value card account number by one or more computers, the adjudicated amount of payment, a card verification value code, and an expiration date in an electronic file and to send the electronic file to the health care provider as payment for the benefit claim by one or more computers.	*See* exemplary evidence set forth above with respect to limitations [a], [b], and [c] of claim 7.

H. Claims 3, 10, 15, 20, and 25: obvious over Kennedy, Watson, vPayment Interview, and Image Statement Products[34]

Claims 3, 10, 15, 20, and 25 are invalid under 35 U.S.C. § 103 over Kennedy, Watson, vPayment Interview, and Image Statement Products as further explained

[33] Ex. 1001 at ¶¶141-145
[34] Ex. 1001 at ¶ 146-149.

below. The preambles of these claims are not limiting. To the extent the preambles are interpreted as limiting, each of the elements of the preambles of these claims was discussed with respect to the preambles of claims 2, 7, 12, 17, and 22.

Claim 3 further limits claim 2, requiring the computer-implemented transmission used to transmit the image file to the health care provider to be fax. Claim 3 is substantially identical to limitation [d] of claim 1. For the reasons described above with respect to claim 1, it would have been obvious for a person of ordinary skill in the art to combine the teachings of Kennedy, Watson, vPayment Interview, and Image Statement Products to arrive at the method of claim 3. *See* exemplary evidence set forth above for limitation [d] of claim 1.

Claims 10, 15, 20, and 25 further limit claims 7, 12, 17, and 22, respectively, by requiring that the transmitted file/document be sent by a computer-implemented electronic transmission medium selected from the group consisting of fax, SMTP, SMS, MMS, HTTP, HTTPS, and FTP. Claims 10, 15, 20, and 25 are substantially identical to a portion of limitation [d] of claim 6. For the reasons noted above with respect to claim 6, it would have been obvious to combine the teachings of Kennedy with those of Watson, vPayment Interview, and Image Statement Products to arrive at the respective methods and systems of claims 10, 15, 20, and 25. *See* exemplary evidence set forth above for limitation [d] of claim 6.

I. Claims 4, 8, 13, 18, and 23: obvious over Kennedy, Watson, vPayment Interview, and Image Statement Products[35]

Claims 4, 8, 13, 18, and 23 are invalid under 35 U.S.C. § 103 over Kennedy, Watson, vPayment Interview, and Image Statement Products as further explained herein below. The preambles of claims 4, 8, 13, 18, and 23 are not limiting and to the extent that the preambles are interpreted as limiting, each of the elements of the preambles of claims 4, 8, 13, 18, and 23 was discussed with respect to the preambles of claims 2, 7, 12, 17, and 22.

Claims 4, 8, 13, 18, and 23 further limit claims 2, 7, 12, 17, and 22, respectively, by requiring reconciliation of the charged stored-value card account to confirm the health care provider has received payment. Claims 4, 8, 13, 18, and 23 are substantially identical to limitation [e] of claim 1. For the reasons noted with respect to claim 1, it would have been obvious to combine the teachings of Kennedy with those of Watson, vPayment Interview, and Image Statement Products to arrive at the respective methods and systems of claims 4, 8, 13, 18, and 23. *See* exemplary evidence set forth above for limitation [e] of claim 1.

J. Claims 5, 11, 16, 21, and 26: obvious over Kennedy, Watson, vPayment Interview, and Image Statement Products[36]

Claims 5, 11, 16, 21, and 26 are invalid under 35 U.S.C. § 103 over Kennedy, Watson, vPayment Interview, and Image Statement Products as further explained

[35] Ex. 1001 at ¶ 146-147, 150
[36] Ex. 1001 at ¶ 146-147, 151-152

herein below. The preambles of claims 5, 11, 16, 21, and 26 are not limiting and to the extent that the preambles are interpreted as limiting, each of the elements of the preambles of claims 5, 11, 16, 21, and 26 was discussed with respect to the preambles of claims 2, 7, 12, 17, and 22.

Claims 5, 11, 16, 21, and 26 further limit claims 2, 7, 12, 17, and 22, respectively, by requiring the stored-value card account to be only chargeable through a medical services terminal. Claims 5, 11, 16, 21, and 26 are substantially identical to the latter portion of limitation [a] of claim 1. For the reasons noted with respect to claim 1, it would have been obvious to combine the teachings of Kennedy with those of Watson, vPayment Interview, and Image Statement Products to arrive at the respective methods and systems of claims 5, 11, 16, 21, and 26. *See* exemplary evidence set forth above for limitation [a] of claim 1.

K. Claims 9, 14, 19 and 24: obvious over Kennedy, Watson, vPayment Interview, Image Statement Products and Knowledge[37]

Claims 9, 14, 19, and 24 are invalid under 35 U.S.C. § 103 over Kennedy, Watson, vPayment Interview, Image Statement Products and Knowledge as further explained herein below. The preambles of claims 9, 14, 19, and 24 are not limiting and to the extent that the preambles are interpreted as limiting, each of the elements of the preambles of claims 9, 14, 19, and 24 was discussed with respect to the preambles of claims 7, 12, 17, and 22.

[37] Ex. 1001 at ¶ 146-147, 153-154

Claims 9, 14, 19, and 24 further limit claims 7, 12, 17, and 22, respectively, by requiring provision of a computer-generated image of a physical card in the file or document of the claims from which they depend. Claims 9, 14, 19, and 24 are substantially identical to a portion of limitation [d] of claim 6. For the reasons noted above with respect to claim 6, it would have been obvious to combine the teachings of Kennedy with those of Watson, vPayment Interview, Image Statement Products and Knowledge to arrive at the respective systems and methods of claims 9, 14, 19, and 24. *See* evidence set forth above for limitation [d] of claim 6.

VIII. CONCLUSION

The prior art references identified herein contain pertinent, new and non-cumulative technological teachings, explicitly or inherently, that were not previously considered or applied during examination of the ’904 Patent. They establish a reasonable likelihood of success as to Petitioner’s assertions that claims 1-26 of the ’904 Patent are not patent eligible per the grounds presented herein.

Respectfully submitted,
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Re-Submitted with Correction of Regulatory Issues on Sept. 15, 2014

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.8(e) and 42.105(b), the undersigned certifies that on September 16, 2014, a complete and entire copy of this Corrected Petition for *Inter Partes* Review was served on the Patent Owner via Express Mail to the correspondence address of record as follows:

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