US Health Care System 2009
Administration Cost 1/3 of the Healthcare Dollar

Where is the opportunity to reduce administration cost in the US healthcare system in 2010?

EOBREEZE™
Fly Through Payment Processing

Accounting and Administration is one third of health care cost, no other industry is as high.

N Engl J Med 2003;349(25):2461.

28% = Health Care Administrative and Accounting Cost, Billing, Revenue and Collections

Everything Else in Health Care, Physicians, Hospitals, Bandages

EOBREEZE™

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Administrative Cost Healthcare
Revenue Cycle Accounting #1

Revenue Cycle, Getting Paid, Working Denials, Collecting.

The Problem

Insurance Payers are motivated to pay as little as they have to and Providers are motivated to make as much as they can.

☒ Governmental Payers must pay less or tax more (everybody pays)

☒ Commercial Payers deny claims, delay claims, communicate slow and analog when they can

☒ Healthcare Providers operate on thin margins, everybody wants service level high.

The Solution

Forces must align supply and demand, lower cost, drive revenues. What forces?

☑ The Government

☑ Economic

☑ Technology, Specifically Accounting Technology

Government: Medicare, Medicaid, HIPAA, HITECH, States

Economic: Risk, Fees, Cost, Patients, Consolidation

Technology: Driven by Entrepreneurism

☑ Technology Replaces Labor

☑ Technology Allows Labor Arbitrage

☑ Technology Levels Analog Playing Field

- ✓ Paper Payments

- ✓ Paper Remittance Advice

- ✓ Missing Payment Data

- ✓ Data / Daytime Overload

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Administrative Cost Healthcare
Where is the cost in Administration?

Admissions, Benefit Verification, Billing, Revenue Cycle, Collections.

Mostly Automated

☒ Admissions, on line benefits verification, address validation

☒ Billing, EMR coming on line, Clearinghouses entrenched, Perot, Emdeon,

☒ Collections Subbed Out and Highly Electronic

Where Does Technology Need to Take Root?

☑ Revenue Cycle

☑ Paper Based, Checks, Paper EOBs,

☑ 50% Automation Nationally through 835 standards

2009 Healthcare Payments Automation Summit

☑ The 2009 HPAS was held this past week (September 13th - 15th) in downtown Chicago. The lively discussions covered timely subjects from Payments Automation to Patient Collections Strategies. Over 200 healthcare professionals gathered for two days to share and learn best practices in revenue cycle. Some were to carry the message to Washington in following weeks.

☑ Highlight From the Event, The Fi Med Story One organization that has created a dramatic cost reduction in their healthcare administrative cost. Small Business of the Year, Fi Med, leveraged TECHNOLOGY to dramatically impact ACCOUNTING COST.

Mr. Adrian Velasquez
President
Fi-Med Management, Inc.

"EOBreeze has worked closely with our IT and EDI Departments along with our accounts receivable manager to plan, design and implement a superior payment posting solution for our company. It changed the payment posting dynamics from one person manually posting 130 transactions per hour to that same person autoposting 4,000 transactions per hour using EOBreeze. Five other vendors promised and failed but EOBreeze delivered."

EOBREEZE™
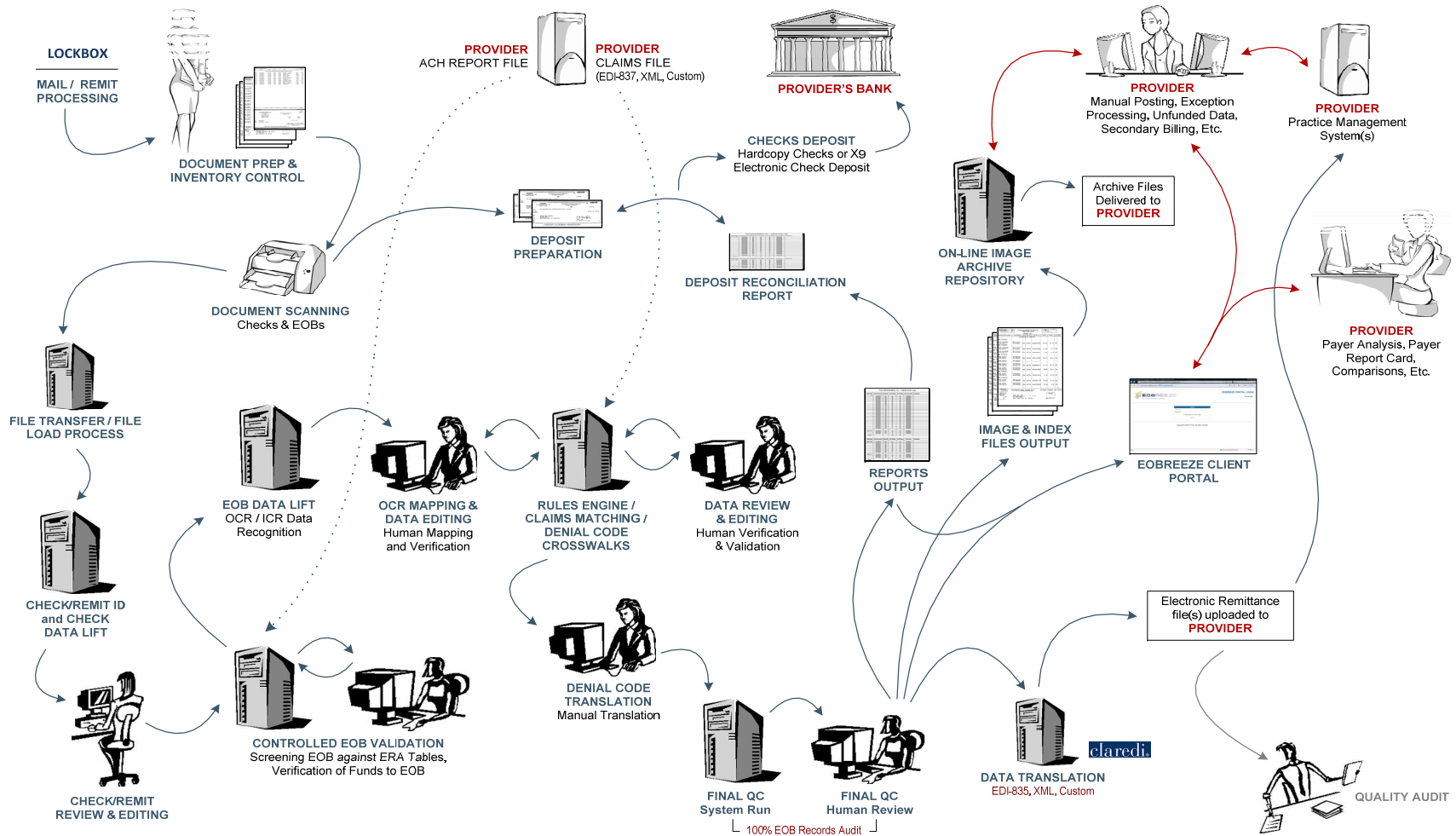Fly Through Payment Processing

BEFORE

AFTER

Significant Accounting
Administrative Cost
Reduction in Healthcare
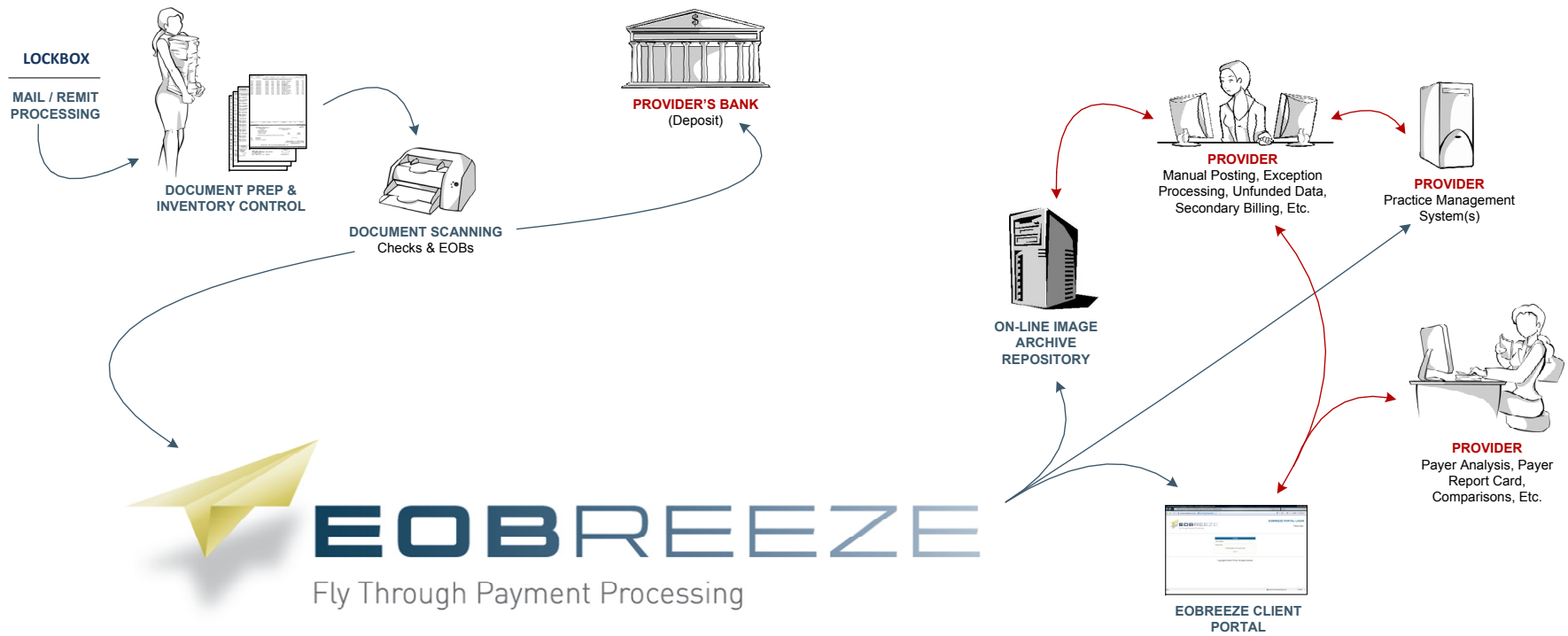Revenue Cycle - Payment
Posting

How Does This Technology Work?
Detailed Workflow

How Does This Technology Work?
Provider Experience

Was it Easy?

"Persistence Pays When Posting Payments "
TODAY TAWPI Magazine Article, Nov. 2009

"Most of the important things in the world have
been accomplished by people who have kept
on trying …" Dale Carnegie

US Health Care System 2009

Where is the opportunity to reduce administration cost in the US healthcare system in 2010?

Government? >>>>>   Increasing Taxes, Layers of Bureaucracy ?

Economic?   >>>>>   Downward Pressure on Quality / Care ?

Technology!   >>>>>Everybody Wins!

Drivers:

☑ Healthcare Providers Pursuit of Increasing Operating Margins

☑ The Advancement of Technologies, Clinical and Accounting / Administrative

☑ American Entrepreneurial Spirit to Drive Innovation

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Conclusion

Thank You

Questions & Answers

Next Steps