

## Solving the Business Office Puzzle...



Outsourcing  
Human Resources Mgmt  
Accounting Services



Prepared for the  
June 10, 2011 Ortho/Spine/Pain Mgmt Conference

1

---

---

---

---

---

---

---

---

## Introduction

Thank you for allowing us to visit with you this afternoon.

Our goal today is to present the cost savings strategies in the area of human capital management for Ambulatory Surgery Centers.

Since 2002 MedHQ has been the healthcare industry's single source provider for financial and HR management services. Our goal is to provide healthcare business needed resources to thrive in today's economic and regulatory challenged environment.

---

---

---

---

---

---

---

---

© 2011 MedHQ, LLC 2

## Business Office Services

### ► Outsourcing Drivers

- PEO/BPO/HRO/ASO Industry
- Cloud Computing / Saas / Web Services-compatible HR, payroll and accounting systems
- Online learning management solutions (LMS)
- Human Capital Risk Management
- Effectiveness of front line managers
- Talent Acquisition, on-boarding and off-boarding
- Employee Benefit Management
- Benefit ROI an impact on employee retention
- Operational Efficiencies
- Financial reporting
- Cash management / distribution check processing

© 2011 MedHQ, LLC 3

---

---

---

---

---

---

---

---

## Accounting Services Highlights

- ▶ **Innovative Solution Delivery**
  - Deliver monthly financial statements and benchmarking reports on a consistent schedule
- ▶ **Scorekeeping**
  - The accumulation and classification of financial data.
- ▶ **Attention directing**
  - Reporting and interpreting information that helps managers to focus on operating problems, imperfections, inefficiencies, and opportunities.
- ▶ **Problem solving**
  - The aspect of accounting that quantifies the likely results of possible courses of action and often recommends the best course of action to follow.

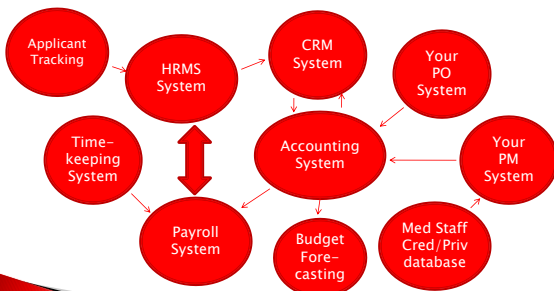
© 2011 MedHQ, LLC 4

## Accounting Deliverables

- ▶ **Financial Reports**
  - Income Statement, Balance Sheet, Cash Flow
  - Key performance indicators
- ▶ **Financial Analyst**
  - Net medical revenue analysis
- ▶ **Accounting Management / Oversight**
  - Process controls
- ▶ **Accounts Payable Processing and Cash Management**
  - A/P and Distribution check processing

© 2011 MedHQ, LLC 5

## System Integration



© 2011 MedHQ, LLC 6

## What's the additional investment?

Back Office Functional Service Area	Internal Staffing Costs	Equipment/Software Investment and Support Costs
Payroll System	N/A	N/A
HRIS	N/A	N/A
Timekeeping System	N/A	N/A
Applicant Tracking	N/A	N/A
Management Training	N/A	N/A
General Ledger Accounting	N/A	N/A
MSDS Online	N/A	N/A
Healthstream	N/A	N/A

© 2011 MedHQ, LLC 7

## Human Capital Management

### ► Impact

- Staff turnover rates reduced from 30% to 15%
- Management training programs for health care managers
  - 75–\$150 per person (3–7 people); compare to \$1,250 per person or more for equivalent programs.

© 2011 MedHQ, LLC 8

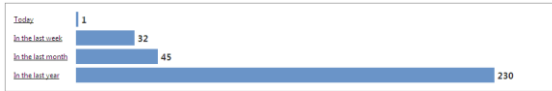
## Risk Management

### ► Impact

- Experienced HR manager to mentor supervisors
- Annual legal cost of “Unmanaged” HRM strategy ranges from \$350 to \$6,000 PEPY
  - Measure success rate in EEO office, state UI office, Work Comp board reviews.
- “Managed” HRM strategy
  - 85% of firms average incremental (outside) legal cost of less than \$6 PEPY
  - 15% of firms average \$250 PEPY

© 2011 MedHQ, LLC 9

## Online Management Training Solutions



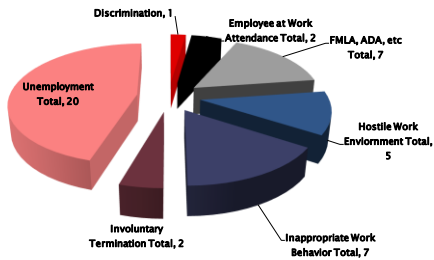
### Most Popular Courses

Course	Completed Sessions	% Passed	Average Duration	Average Score
Customer Service Skills--How Via Can All Improve	50	100	0:21:00	98
Effective Meetings--How To for Supervisors	40	100	0:28:54	98
Employment Law For Supervisors--What You Should and Shouldn't Do	36	97.2	0:37:27	83
Progressive Discipline	34	97.1	0:29:15	90
Motivating Employees--Tips and Tactics for Supervisors	33	100	0:22:14	98

© 2011 MedHQ, LLC 10

## Employment Practices Risk Management Distribution

Average annual data, per 100 EE's



© 2011 MedHQ, LLC 11

## HR RISK MANAGEMENT ASSESSMENT TOOL

Date of Incident	Description of Risk Area	Level of Risk	Status	Est. Cost
2/25/2010	Discrimination	High	Closed	\$100,000
	Discrimination Total		0	\$100,000
	Discrimination Count		1	1
10/27/2010	Employee at Work Attendance	Medium	Open	\$5,000
12/14/2010	Employee at Work Attendance	High	Closed	\$10,000
	Employee at Work Attendance Total		0	\$15,000
	Employee at Work Attendance Count		2	2
1/6/2009	FMLA, ADA, etc.	High	Closed	\$50,000
7/19/2010	FMLA, ADA, etc.	High	Closed	\$50,000
11/19/2010	FMLA, ADA, etc.	Low	Closed	\$12,500
1/5/2011	FMLA, ADA, etc.	High	Closed	\$50,000
2/1/2011	FMLA, ADA, etc.	High	Closed	\$50,000
2/11/2011	FMLA, ADA, etc.	High	Closed	\$50,000
3/22/2011	FMLA, ADA, etc.	High	Open	\$50,000
	FMLA, ADA, etc Total		0	\$312,500
	FMLA, ADA, etc Count		7	7

© 2011 MedHQ, LLC 12

HR RISK MANAGEMENT ASSESSMENT TOOL				
Date of Incident	Description of Risk Area	Level of Risk	Status	Est. Cost
1/9/2010	Work Comp	Low	Closed	\$5,000
11/19/2010	Work Comp	Low	Closed	\$5,000
7/23/2010	Work Comp	Low	Closed	\$5,000
1/8/2011	Work Comp	Low	Closed	\$5,000
Work Comp Total		0		\$20,000
Work Comp Count		4		4
Grand Total		0		\$863,750
Grand Count		48		48

**\$863,750 Risk Savings**

© 2011 MedHQ, LLC 13

## Closing Comments

### ► Outsourcing Program Highlights

- Solutions custom-built for health care businesses including surgery centers and hospitals.
- Integrated, four-part human capital management solution: Talent acquisition, timekeeping, payroll, HRIS
- Integrated accounting/general ledger solution
- No additional Capital Equipment; No Additional Staff

© 2011 MedHQ, LLC 14

## Close and Thank You

Thank you for having us this evening!

Please feel free to contact us at any time.

[www.MedHQ.net](http://www.MedHQ.net)

Tom Jacobs – Managing Member  
[tjacobs@medhq.net](mailto:tjacobs@medhq.net)  
 John Merski, Jr. – Executive Director of HR  
[jmerski@medhq.net](mailto:jmerski@medhq.net)

Office: 708-492-0519



**MedHQ**

© 2011 MedHQ, LLC 15