



Three Ideas to Streamline Costs and Improve Profits

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June 10, 2011

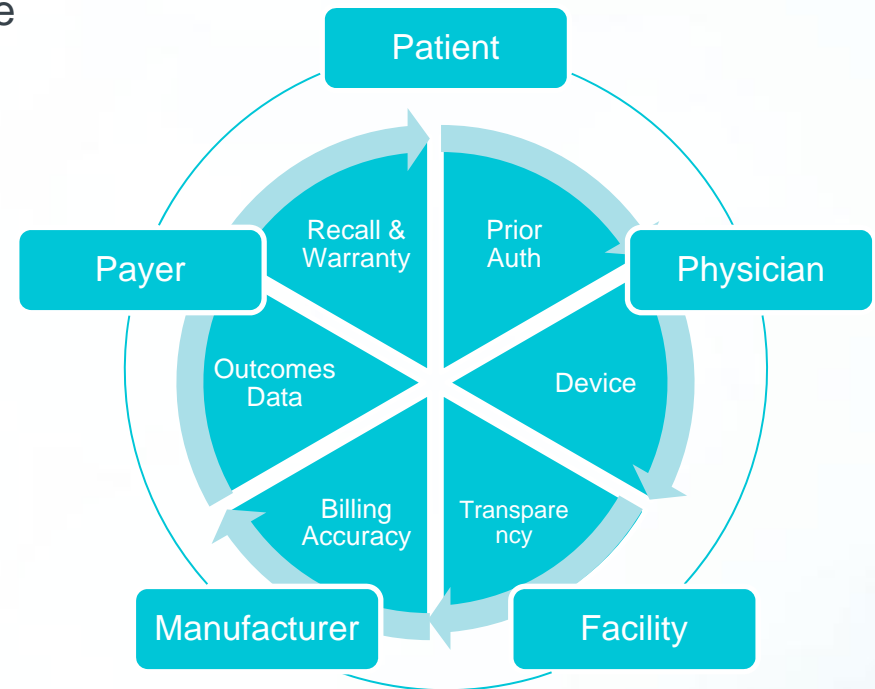
Agenda

- AMQ Overview
- Surgical Implant Market Issues and Facility Challenges
- Opportunities
- AMQ Surgical Care Network Product Offerings/Benefits
- Case Studies

Access MediQuip Overview

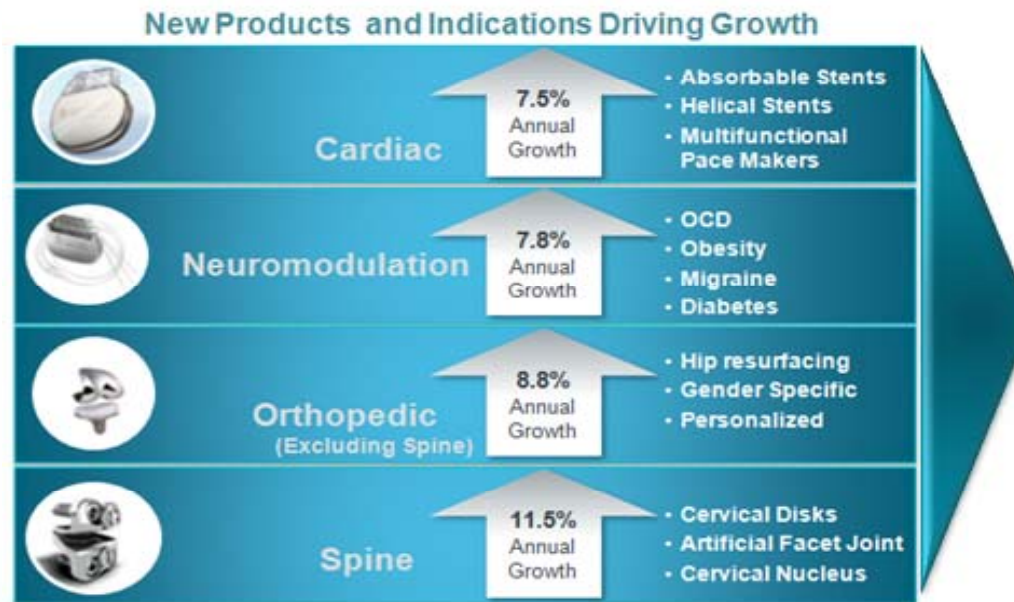
Access MediQuip reduces acquisition costs and reimbursement risks associated with implantable medical devices and surgical care

- Established the concept of outsourced device management in 1997
- National network of facilities and surgeons
 - Over 2500 physicians
 - Greater than 800 facilities
 - 250 manufacturers/distributors
- National and regional payer client contracts representing over 70 million lives
- State of the art implant management technology and operations platform
- Experienced personnel that focus on implantable device sourcing, billing and cost management solutions



Surgical Implant Market: Implant Unit Costs Growing at over 8% CAGR

- Medical device cost and utilization impact facility margins and ability to perform certain procedures profitably
- Sub-optimal alignment of facilities and surgeons relative to device selection
- Even large facilities lack sufficient data and volume to assess cost and quality
- Market trends driven by utilization of high cost, new technology without evidence of improved outcomes
- Payers and facilities are seeking alternative solutions - narrow networks on the rise



Facility Challenges

- Billing and collections challenges
- Implant capital and cash flow exposure
- Administrative burden



**Device Supply
Chain Solutions**

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- Lack of information related to clinical outcomes
 - Limited data on device utilization patterns and costs
 - Limited patient feedback



Data Solutions

-
- Reimbursement risk
 - Alignment between physician and facility
 - Patient experience and satisfaction often not captured
 - Selective (suboptimal) utilization of ASC setting



**Healthcare
Management
Solutions**

AMQ Surgical Care Network Membership

Product Offerings

- **Device Supply Chain Solutions**

- Device Carve-out (Capital, Cash-Flow and Reimbursement Risk)
- Consolidated Claim (Worker's Compensation)
- Assignment Model (Commercial)

**Device Supply
Chain Solutions**

- **Data Solutions**

- Collection of surgical and clinical outcomes data
- Revenue Cycle Management Analysis and Reporting
- Patient satisfaction and feedback

Data Solutions

- **Healthcare Management Solutions**

- Sourcing initiatives, P4P, Service Fee, Signals Program
- Preferred provider or network steerage programs
- Bundled payment model (facility fee, device and surgeon)

**Healthcare
Management
Solutions**



Metrics for Illustrating AMQ Value Proposition

Value Proposition Reports

- Inventory Management/Par levels
- DSO comparison and Cash Flow Impact
- Percentage Increase Surgical Margins
- Increased Case Volume
- Overall reduction in COGS – (Signals, Admin Fee, P4P)
- Patient satisfaction reporting
- Quarterly Business Reviews

Facility Support

- Local account management support
- Houston & Florida operations centers
- Partners in Focus website
 - Web-based tool for authorization/denial status
 - Updates every 15 minutes
 - Secure facility username & password
 - Reporting tools for facility



Access MEDICAL

Partners in Focus
Medical Device Solutions
Powered by Experience

Announcements
There are no announcements at this time.

Today's Snapshot:
14 4 1 of 1 > >

Today's Schedule: 2/5/2009
**Report will be blank if no procedures are scheduled for 2/5/2009

Last Name	Procedure	Case Map
Ortiz-Rivera	Shoulder Repair	In Progress
Thomas	Arthroscopic Debridement with Arthroscopy	In Progress

Click on a marked day to see the schedule

February 2009

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

March 2009

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Legend: In Progress In Progress

Schedule for 02/12/2009

Last Name	Procedure	Case Map	Physician	Case ID
Bergman	Arthroscopic Debridement with Arthroscopy	Authorized	Dr. J. Bergman	09-000001

Case Management Report Links

Activity Report
New Report - Contains 3 reports: Open Cases, Cancelled Cases and Closed Cases. The cancelled and charged report will list cases that were cancelled or charged within the last 24 days. Report the report into Date and each activity report (open, cancelled and charged) will break out into separate tabs in Excel.

Referral History by Patient Name and Date of Service
Search referral details by selecting the patient's name and by the month(s) in which the date of service occurred.

Referral History by Date of Service
Search referral details by selecting the month(s) in which the date of service occurred.

Purchasing Reports Links

Purchasing Detail Report
Report shows patient and case information by purchase order number.

Reimbursement Report
Report shows reimbursement information by purchase order number and patient information.

Important Documents

Reference Documents

- Data Dictionary
- PDF User Guide

Printable Forms

- Complete Referral Packet for STX1300
- Complete Referral Packet
- New Cover Sheet
- Patient Demographics Form
- Referral Consent Form
- Physician Profile Form
- Certification Order Form
- Physician Order Form for STX1300

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The Challenge

The cost of device intensive surgical procedures is a significant challenge for the healthcare industry

For Surgery Centers:

- Device cost and reimbursement challenges create cash flow barriers for ambulatory surgery centers seeking to perform surgical procedures involving devices
- Limited human resources to manage billing/collection requirements
- Limited ability to aggregate buying opportunities

Access MediQuip Solution

By working with AMQ, Surgery Centers can reduce surgical costs, take advantage of market realignment to increase share, and by reducing the cost of capital and reimbursement risk - increase the predictability of surgical margins

Surgery Centers Benefit

- Increased procedure volume
- Improved physician and patient satisfaction
- Improved cash flow through participation in device provider program and DSO reduction
- More predictable surgical margins

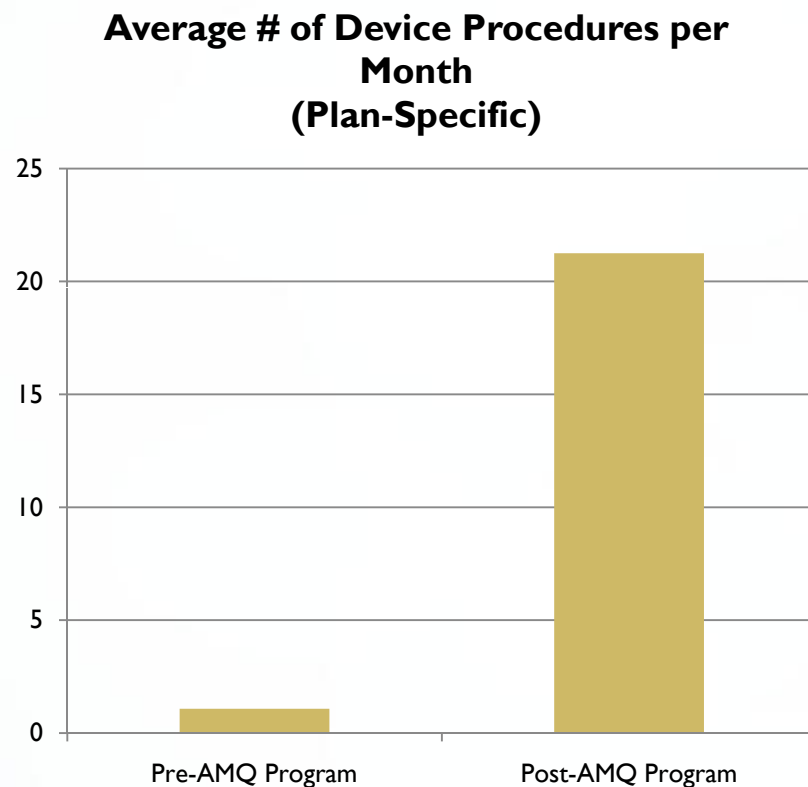


Case Study A

- Problem:
 - ASC was performing limited implantable device procedures due to high device cost and limited reimbursement
 - Device-intensive procedures were being sent to a local inpatient hospital
- Solution:
 - The ASC's implantable device financial barrier was eliminated and costs reduced by leveraging Access MediQuip
- Results:
 - Ten-fold growth in implantable device procedure volume
 - Enhanced physician and patient satisfaction through the ability to perform procedures in an efficient setting



Case Study A Results



Shift occurred over a 5 month period and represented primarily high complexity orthopedics

Case Study B

- Problem:
 - A leading ASC believed that device revenue stream was a profit center
- Solution:
 - Partnering with a leading financial software solution company, Access MediQuip demonstrated that devices were not a profit center
 - Center could significantly reduce their outstanding accounts receivable by using AMQ
- Results:
 - On average, claims involving an implant took 58 days longer to collect, equating to an opportunity cost of \$228,793 and \$42,000 in lost reimbursements
 - Carving out the implant from the claim reduced reimbursement time from 92 to 34 days, resulting in over a million dollars improvement in cash flow



Case Study B Results

Payer	A/R Days with Implant	A/R Days without Implant	Opportunity days	Opportunity (\$)
	108	30	78	\$74,004.33
	90	34	56	\$202,762.73
	136	21	115	\$1,203.17
	46	34	12	\$2,060.75
	109	28	81	\$68,628.83
	38	36	2	\$4,192.12
	109	49	60	\$19,497.41
	103	30	73	\$12,572.37
	36	32	4	\$8,988.99

Typical Implementation Process

- AMQ and Facility execute provider agreement
- Identify implementation training needs & timeline for key departments
 - Administrator
 - Materials Management
 - OR Management
 - Revenue Management
- AMQ conducts program introduction and implementation meetings with key facility stakeholders
- Measure profitability enhancement

Thank You!

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