Collect Rx Expertise
A Growing Company to Serve You

• Sole focus – helping providers maximize reimbursements on out-of-network bills

• Started in 2006

• More than 1,000 customers nation-wide

• Customers include many of the largest ASC management companies, free-standing ASCs, physician-owned hospitals, large health systems, and provider groups
Out-of-Network Experts

Don Greenberg, M.D., M.B.A.
Founder & Chairman
- M.D. – Univ. of Pennsylvania School of Medicine
- M.B.A. – The Wharton School, Univ. of Pennsylvania
- Launched the out-of-network (OON) negotiation industry in 1991
- Trained and supervised over 200 negotiators for Concentra / Viant

John Bartos, J.D.
Chief Executive Officer
- A.B. – Princeton University
- J.D. – American University Wash College of Law
- Executive leadership positions in companies providing products and services for payors, hospitals, and providers
- Litigator, K&L Gates (formerly Kirkpatrick & Lockhart)

Sonny Bloom, M.B.A.
President
- M.B.A. – Harvard Business School
- Developed, implemented and managed out-of-network (OON) negotiation services at Concentra / Viant and About Health, Inc.
- Provided industry-leading results for OON negotiations for 10+ years
CRXIS™ Business Intelligence Engine

- Analyzes thousands of insurance policies
- Aggregates data from hundreds of customers
- Identifies “holes” in insurance company data
- Profiles insurance companies and vendors
- Suggests “best case” results
How does Collect Rx do it???

Out-of-Network Bill

CRXIS™ Business Intelligence Engine

Apply Expertise

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Out-of-Network Strategy
The payers’ outside experts reduce payments to providers for OON cases in multiple ways.
How payers reduce OON payments

1. Bill reduction tactics
2. Limited benefit policies
3. Rate agreements – Third Party Rental Network Contracts & Continuous Discount Agreements
Bill Reduction Tactics

Negotiation

- Faxed settlement proposals
- Short turnaround time
- Collect Rx Negotiation (Pre-Payment) Service
Bill Reduction Tactics

Re-pricing

- Insurance company sends significantly reduced payments
- Collect Rx (Post-Payment) Appeal Service
Over 100 companies are helping payors reduce out-of-network payments to providers.

$5 billion per year in reduced provider revenues for out-of-network bills.*

Limited Benefit Policies

- Limited benefit policies to *reduce allowable / R&C Amounts*

- Utilize Medicare-based pricing (ex: United Healthcare MNRP and Cigna MRC II policies)

- Utilize fee schedule (ex: Humana MAF)
Developing Your Out-of-Network Strategy – A Hybrid Approach
Developing Your Out-of-Network Strategy –

- Local payer mix
- Local employer mix
- Comparable reimbursement levels for most common procedures
- Relative market share
OON Strategy

Compare in-network to out-of-network reimbursement levels for common procedures -

Number of cases

\[ \times \]

Average Reimbursement Levels =

Total Reimbursement
OON Strategy

Executing Your Out-of-Network Strategy –

- Resource allocation
- Expertise
  - Reviewing EOBs
  - Assignment of benefits
  - Documenting all calls
  - Recording reference numbers
- Determine whether to outsource
OON Strategy

Appeal Process

1. Docs
2. Payor Verification
3. Strategy
4. Payor Engagement
5. Settlement & Follow-up
Auditing OON Activity – CRXI Select™ Revenue Recovery Service

- Identify accounts with potentially recoverable underpayments
- Minimal staff effort
- Recovered revenue flows to bottom-line
What is the CRXIS©Select™ audit process?

- Starts by **running a report** of out-of-network activity for the past year.

- Collect Rx **analyzes the cases** using its proprietary CRXIS™ business intelligence engine and expertise to identify the bills to appeal.

- Collect Rx uses its **proprietary appeals processes** to obtain additional payments from the insurance companies.
OON Strategy

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Executing Your Out-of-Network Strategy –

Expertise – Translating an EOB

EOB Examples:

“Payments of benefits has been made in accordance with the terms of the managed care system”

“Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement”
Executing Your Out-of-Network Strategy – 

Expertise – Assignment of Benefits

(1) assigns the surgery center all rights under the insurance policy (including the right to appeal and the right to receive relevant documentation)

(2) refers to the provider as the patient's authorized representative

(3) references ERISA and a full and fair review of claims
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Outsourcing – Questions to Ask

- Do I have the expertise?
- Do I have the resources?
- Do I have the data?
- How does the outsourced vendor charge for their services? Upfront costs? On-going minimums? On a contingency basis?
- At the end of the day, does it make financial sense?
Impact of the Affordable Care Act
Annually $60B in OON claims

Continued growth in PPO enrollment

People want insurance policies with OON benefits

ACA will lead to more OON patients
Affordable Care Act

Growth in PPO Enrollment

Source: Kaiser Family Foundation Employer Health Benefits 2014 Annual Survey
Affordable Care Act

- Annually $60B in OON claims
- Continued growth in PPO enrollment
- People want insurance policies with OON benefits
- ACA will lead to more OON patients
Emergency Services – Ten Essential Health Benefits

Emergency Services (Trips to the emergency room). Care you receive for conditions that could lead to serious disability or death if not immediately treated, such as accidents or sudden illness. Typically, this is a trip to the emergency room, and includes transport by ambulance. You cannot be penalized for going out-of-network or for not having prior authorization.

Why the ACA will result in an increase in OON patients?

- Increased number of insureds
- Acceleration of narrow networks
Narrow networks are health insurance plans that place severe limits on providers available to their insureds.

ACA has resulted in an acceleration of narrow networks.
Why the ACA will result in an increase in OON patients?

Acceleration of Narrow Networks


Note: The overall percentage of firms whose largest plan includes a high performance provider network is not significantly different between 2013 and previous years (p<.05). A high performance network is one that groups providers within the network based on quality, cost, and/or efficiency of care they deliver.

Why the ACA will result in an increase in OON patients?

Acceleration of Narrow Networks

Narrow networks are health insurance plans that place severe limits on providers available to their insureds.

ACA has resulted in an acceleration of narrow networks.

Health insurance plans charge higher co-payments for OON care – but do not prohibit such care.
Impact of Third Party Rental Networks & Continuous Discount Agreements
What is a third party rental network / silent PPOs?
Rental Networks / Silent PPOs

Who is the customer?

Patient – NO
Provider – NO
Insurance Company - YES
Rental Networks / Silent PPOs

Key Contractual Issues

- Reimbursement levels

- Reimbursements based on allowed or billed charges

- Which payers have the right to access

- No logo requirements

- No notice requirements

- No provider directories
Key Contractual Issues

- Multiple procedure reductions and other edits
- Incorporates facility handbooks
- Payers apply in-network discounts / out-of-network benefits
- Termination – “evergreen” clauses with 180 days notice
Other Important Points

- Not required to use
- Insurance companies access when terminated
- No patient steerage
- Don’t know they’ve been entered
Rate Agreements: What is a continuous discount agreement?

• When signing a single case rate agreement, there’s a box where the provider can indicate they’re willing to accept that level of payment going forward.

Many providers don’t even know they’ve entered into these agreements.

Often at low reimbursement levels.
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