



Streamlining Physician Practices
for Increased Revenues

TeamPraxis™



Executive Summary

For the physician practice, a higher rate of claims collection can mean the difference between thriving or just surviving. Many practices suffer from declining collections because they are unequipped to handle changes in payer rules and government compliance. As the denials, no-pay remittances

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and zero explanations of benefits pile up, the office billing staff falls further behind. Eventually the office spirals downward into a vicious cycle of trying to catch-up while dealing with appeals, re-submittals and secondary or tertiary claims. High staff turnover due to low unemployment rates further compounds the problem. Meanwhile, payer rules change, the situation deteriorates, and physicians get paid even less for their services.

In order to help our clients thrive, TeamPraxis and DataHouse have teamed up to capture the business logic of these complex billing procedures and encode it into state of

the art software. Over the last two years, we have invested more than half a million dollars in software development to automate the workflow of provider practices. Our vision of streamlined physician practices has resulted in a system that submits clean claims and automates re-filing and secondary claims. Our investment has paid off for our customers in higher collection rates and an improved bottom line for their practices. **By combining the billing expertise of TeamPraxis with the experience of 30 years of system development at DataHouse, we have built software that is unique,** not only because it understands the rules and procedures of local payers, but because it has reached a level of workflow automation that is second to none.

Lost Time is Lost Money

It is safe to say that most doctors did not go into private practice to lose money. Unfortunately, that is what late and uncollected claims amount to for the physician's office. As private practices face mounting financial pressure from higher malpractice premiums and Medicare payment cuts, many providers are working harder than ever to realize the same or lower level of income. Meanwhile, they leave thousands of dollars uncollected.

Many providers do not realize the dramatic effects aging accounts receivable have on the bottom line of their practices. Providers should understand two simple principles:

1. As accounts receivables age, they become harder to collect.
2. Accounts receivables age because of an inefficient claims billing process.

TeamPraxis gauges the success of earlier collections in terms of a higher collection ratio.

Per the principles outlined above, earlier collections mean more collections, in other words a higher collection ratio. A higher collection ratio translates to higher revenue for the provider.

Besides recovering the dollars lost to uncollected claims, private practices gain other benefits of earlier collections:

- Clean claims which reduces the risk of being out of compliance
- Lower staff costs due to less time tracking faulty claims
- Lower accounts receivables which translates to more money growing in the bank
- Higher patient satisfaction due to swift claims resolution and timely patient billing

Revenue Lost

It is difficult to benchmark collection ratios because billing performance is dependent upon payer mix, the practice's specialty, fee structure and other factors but a collection ratio of 85% to 90% is common among providers. Receiving 85% of payment on 100% of work would be unacceptable in any other industry.

To illustrate the bottom line improvement of a higher collection ratio, consider the typical office collecting on 85% of its claims by processing in-house. By improving its collection ratio from 85% to 95% by using TeamPraxis services that office would recover \$100,000 of top line revenue in a timely manner per \$1 million a year in claims. See the table below for an example of how much money an office could benefit from a 10% improvement in their collection ratio by using TeamPraxis services.

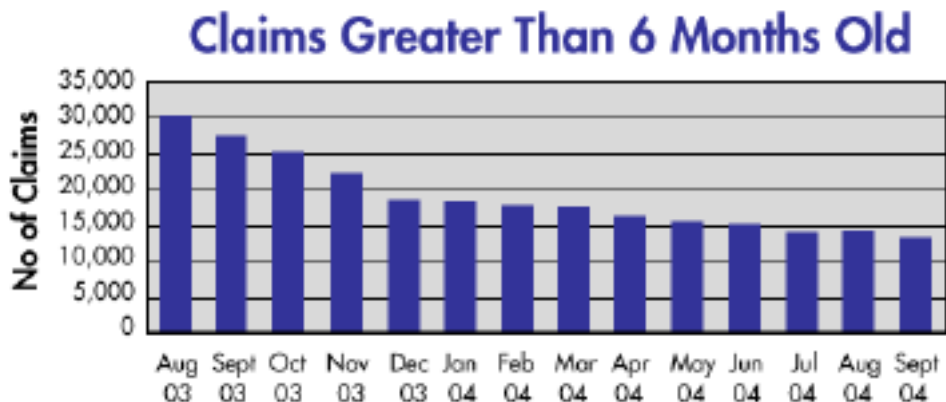
85% Collections In-house Billing		95% Collections TeamPraxis Services without reduction in physician office staff	
Billing Costs per year		Billing Costs per year	
Biller \$30,000 + 30% benefits	\$39,000	Biller \$30,000 + 30% benefits	\$39,000
Billing System fees	\$1,500	Billing System fees	\$1,500
Statements/Forms/Postage/Office Supplies	\$3,000	Statements/Forms/Postage/Office Supplies	\$0
		TeamPraxis Fee 6%	\$57,000
Total Costs	\$43,500	Total Costs	\$96,000
85% collections of \$1,000,000	\$850,000	95% collections of \$1,000,000	\$950,000
Net Revenue	\$806,500	Net Revenue	\$854,000

This simplified example illustrates the bottom line improvement to a practice's operations without downsizing in-house billing staff. By using TeamPraxis' full suite of software and services, a practice could reassign staff to other duties to help improve patient care and satisfaction, or a practice could reduce in-house billing staff hours to realize even greater cost savings.

Why TeamPraxis?

Simple. Our 95% Collection Ratio Guarantee.

Through workflow automation, low-cost offshore data processing, and our team of highly skilled professionals, TeamPraxis has improved its collection ratio to the point where we can offer a 95% collection ratio guarantee. As seen in the chart below, the total number of claims in our system moving greater than 6 months old has steadily declined. This decline actually illustrates two important points:



1. The fact that the total number of claims is declining indicates that currently, very few claims now entering our system ever reach 6 months.
2. Existing claims greater than 6 months old continue to decline because we automatically and continually follow-up on every claim until it is resolved. We expect that as all claims are eventually resolved, the number of claims greater than 6 months will approach zero, thereby virtually eliminating past filing deadline (PFD) claims.

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This improvement is even more dramatic when you consider that the total number of claims processed by TeamPraxis has increased over the same time period. As of October 2004, TeamPraxis processed almost 50,000 claims per month. The decreasing number of claims moving into the PFD bucket results in our customers realizing improvements to their bottom line. In fact, we can guarantee a 95% collection ratio because we have improved our performance to the point of collecting on 97%-99% of claims for many offices.

Formula for Success

After over 12 years of providing billing solutions to local physicians, TeamPraxis has formulated a strategy that will ensure claims billing success for many years to come. The four unique elements of our strategy complement each other and create synergies which continually drive innovation at TeamPraxis.

- No Claim Left Behind Workflow Automation
- Off Shore Data Processing
- Highly Skilled Software Support
- Committed Team of Billing Professionals

No Claim Left Behind



TeamPraxis has distilled 12 years of billing experience into a simple and powerful concept: **No Claim Left Behind**. As a result we have developed PraxFlow, our in-house software that submits clean claims early in the process, automatically reviews every claim in our system each month, and tracks each and every claim until it is collected. PraxFlow is an automated process made intel-

ligent by capturing the business knowledge of our professional claims specialists. PraxFlow choreographs the decision-making process of managing denied or underpaid claims by automatically generating information requests or re-filing claims based upon error codes and messages received from payers. PraxFlow also attaches proper notes to each claim as they are processed to facilitate audit trails and future tracking. Best of all PraxFlow creates unbeatable efficiencies in the claims process by automating many of the time-consuming tasks previously performed by claims specialists.

PraxFlow integrates with our ConnxtMD integrated solution or Misys PM practice management system to create a seamless office workflow from charge entry to finalized billing. From scrubbing claims as they enter the system to automatic information request tracking, re-filing, and tracking near filing and past filing deadlines, PraxFlow creates efficiencies which allow TeamPraxis to process claims faster and more accurately than ever before. The automation of the claims process also enables our claims specialists to concentrate on updating payer rules and tuning the PraxFlow rules engine to ensure the highest collection rate possible. This synergy between PraxFlow and billing specialists creates a positive feedback loop that fuels one of the prime engines at TeamPraxis: **innovation**.

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Off Shore Data Processing

Consistent work yields consistent results. TeamPraxis leverages the services of off shore claims processors to perform the repetitive tasks associated with claims billing. Having this work done off shore reduces labor costs so that we can reinvest in improving our billing processes and software. More importantly, off shore processing provides TeamPraxis with a consistent supply of claims specialists so that the momentum of our claims billing workflow powered by PraxFlow is never interrupted.



Enabled by high speed Internet technology, having some of the claims processing tasks performed off shore also enables us to leverage the time difference overseas so that we can process claims overnight. This virtual 24 hour workday further accelerates the claims billing workflow so that claims can be processed faster than ever. Also, instead of having to repeat mundane tasks in order to keep up with the fast-moving workflow, our local billing professionals can concentrate on keeping up with changes in payer rules, government regulations and technological change.

Our off shore resources share the same high-level of professionalism our customers have come to expect from our local billing professionals and they complement our team by meeting Federal compliance standards and by understanding our unique billing system. More than simply low-cost labor, our off shore resources represent a key element in our seamless workflow. Our utilization of off shore resources is another example of how TeamPraxis leverages economies of scale not available to most individual practices.

The TeamPraxis Total Solution.

PRACTICE MANAGEMENT SYSTEM + TEAMPRAXIS + DATAHOUSE = Total Resources for Success



DataHouse Software Expertise

DataHouse brings **over 30 years of application development experience and vast domain expertise in the healthcare industry** to the partnership. DataHouse includes HMSA, Clinical Laboratories of Hawaii, Diagnostic Laboratory Services, and Kapiolani Health Hawaii as clients. No other technology firm in Hawaii has this unique combination of technical expertise and local industry experience. By partnering with DataHouse, TeamPraxis enjoys continual software enhancements and customization unparalleled in the industry.

Committed Team of Billing Professionals

Even with state of the art software and off shore resources, our dedicated team of billing and software professionals remains the key element of our strategy for success. By combining the software expertise of our parent company DataHouse with the dedicated staff of billing professionals at TeamPraxis, we have created synergies that drive innovation and prepare us for the future.

Founded in 1992, TeamPraxis is a community-based organization whose mission is to give physicians independence and empower them to manage change in the healthcare industry. **At TeamPraxis, our primary focus is to lower the cost of operating a practice and improve the coordination of care.** We do this by offering solutions that leverage technology and the expertise of our people.

To ensure that our staff provides the highest possible service, all TeamPraxis account managers receive a monthly grade based on the following criteria:

- Total A/R days
- MGMA national benchmarks for aged A/R
- Credit balance maintenance
- Completion of daily processing timelines
- Customer satisfaction

And of course, we chart all claims and accounts receivable data on every individual practice we support so that our clients can track the improvements to the fiscal well-being of their practice.

Due diligence

In an environment of shrinking margins it is incumbent upon physicians and business managers to be fiscally responsible for their practices by selecting the claims billing system that returns the highest collection ratio possible at a reasonable cost. Whether you outsource or try to do it in-house, the criteria for selecting a vendor and managing your claims process should include the following:

	In-house	XYZ Co.	TeamPraxis
Enter and send claims daily	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Claims editor with payer, practice and specialty-specific claims edits	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Electronic claims rejects managed daily	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Insurance denial reports managed daily	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Insurance and patient payments deposited and balanced daily	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Post payments daily	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payments posted by line item	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Automatic underpayment detection	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Automated outstanding claims status checking	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bank lockbox processing	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Documented and measured claims follow up every 30 days	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Staff performance measurements	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Patient statements mailed the same week that an insurance payment is received . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Credit card option on patient statements	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Electronic imaging of claims-related documents	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HIPAA compliant electronic transactions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Local help desk and information technology support	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reconciliation of patient visits to claims filed	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Automated eligibility checking with HMSA and Medicare	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
95 % Collection ratio guarantee	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Dedicated personnel to handle patient billing inquiries and each call documented . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monthly status and analysis reports to assess the condition of the account	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Annual review of fee schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Daily backup of data	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
System up time as close to 24 hours a day, 7 days a week	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Software testing, upgrades, and system maintenance included	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Finally, after evaluating your options, it is important to consider how your prospective billing system will adapt to change. With consumer-driven healthcare and electronic medical records on the horizon, it is critical to consider how your billing system will be able to respond to change.

At TeamPraxis and DataHouse, it is our mission to help our customers adapt and thrive in an environment of change.