



Wellness Wishes' Director of Funding Advisors, Erin Morrow
INTERVIEWS
Lee Jacobs, President of AR Billing Services
[transcript]



ERIN MORROW: *Hi, I'm Erin Morrow, Director of Funding Advisors for Wellness Wishes, a non-profit based out of Columbus, Ohio. Today, we're interviewing one of the leading industry experts in healthcare patient billing, Lee Jacobs, President of AR Billing Services; and we're discussing one of Wellness Wishes' funding vehicles, a healthcare payment integrity analysis. Lee, welcome.*

LEE JACOBS: *Thank you for having me, Erin.*

ERIN MORROW: *AR Billing Services is an accounts receivable call center specializing in the billing of self-pay patient balances on behalf of their medical clients. Lee, what habits, mindsets, or practices have helped you stay unstoppable in business?*

LEE JACOBS: *Staying flexible and always keeping an eye out for opportunity. Our healthcare client's excel in treating patients, but staying abreast of ever-changing billing procedures, compliance issues, federal regulations, etc. can be quite a struggle. AR Billing Services helps specifically by managing the patient billing experience and assisting our clients' patients in understanding their financial responsibilities. While we focus on the patient, we obviously have a lot of expertise in insurance billing. We talk to patients every day that are having trouble understanding just what their insurance should have paid and, quite frankly, wondering if it was enough.*

ERIN MORROW: *Well, we're talking today about a great program Wellness Wishes has to offer, our payment integrity analysis. Lee, tell me a little bit about the healthcare industry problem this program is solving.*

LEE JACOBS: *Erin, each year, over \$125 billion is lost by healthcare organizations due to underpaid claims. This is obviously a staggering number. These underpayments can be the result of a number of factors, such as contractual misinterpretations, fee schedule changes, inappropriate denials, mis-coding, among others. By conducting your payment integrity analysis and catching these underpayments, you're solving a major industry problem.*

ERIN MORROW: *Lee, in your opinion, how big is the market you see this addressing?*

LEE JACOBS: *Erin, this program is a great fit for nearly any healthcare organization, from larger practices and surgery or specialty centers, as well as small and medium-sized hospitals, all the way up to large hospital networks.*

ERIN MORROW: *Wellness Wishes is turning challenges of large amounts of underpayments these organizations are facing, into opportunities to recover lost revenue they were previously even unaware of.*

LEE JACOBS: *That is correct.*

ERIN MORROW: *So, just a little bit of background for our listeners. Our software developer, Brian Meredith, has been creating software for the healthcare industry for over 25 years. He began this project about 4 years ago because he saw this tremendous need in the industry for a program that focused solely on underpaid claims; and he had a passion to fill that need. Originally, this software was developed as a product to be bought and used internally by these healthcare organizations. But what Brian found was that these organizations lacked the time, resources or staff skilled at utilizing this software and/or negotiating with the payors to recover those funds. So about a year ago, he turned it into a program and recovery service, which Wellness Wishes included in its funding portfolio the beginning of 2018.*

Lee, can you pick up from there and help us tell the story about our analysis and Claims Recovery, Community Enrichment Program?

LEE JACOBS: *Sure. I think there are multiple issues that lie within these healthcare organizations that your program brings solutions to. First, there's really just a lack of awareness that these underpayments are occurring, and that they're identifiable and recoverable. Internally, these organizations lack collaboration between their departments to identify underpayments; or they erroneously assume any claims not paid in full are the responsibility of another division or another party. Also, ever-changing and complex coding, along with obscure contract management practices create an environment only sophisticated software and skilled analysts and recovery teams can navigate. All-in-all, this really is just a modern issue that only an innovative solution like yours can provide.*

ERIN MORROW: *These issues that you just described, are they issues that your clients have dealt with, or are currently dealing with?*

LEE JACOBS: *Well, Yes and No, to be honest. We'll run into individual errors in the course of our work occasionally, but once the bill is designated as self-pay and the insurance has remitted, how many times is that payment amount questioned? Our client's get a check and an EOB from the carrier, and in good faith they assume the contract they have established with the insurer is being followed, but mistakes happen. How do they really ever know that what they received was correct without a complicated, expensive and time-consuming audit? Our client's resources are stretched thin already – they need alternative solutions.*

ERIN MORROW: *The problems you just described are very real, and they're ones that we're seeing over and over in healthcare organizations, as I'm sure you are. And this solution is very real. Currently we're averaging about twenty-two percent in found underpayments. It varies from about ten to thirty-five percent. In one instance, we found one payor to have underpaid the hospital one hundred percent of the time...all of the claims were underpaid. Now these aren't dollar amounts, those can vary from pennies to literally thousands per claim. In terms of dollars, we're averaging about nine percent recovery. So if you look at a practice with ten million dollars in revenue, we're recovering nine hundred thousand dollars. If you look at a smaller hospital with a hundred million in revenue, you're looking at nine million dollars in recovered funds.*

Lee, many of our listeners are in the healthcare space, however some might not be. Can you provide a brief explanation of our claims recovery program in general, layman's terms?

LEE JACOBS: *Well think of it this way... You join a buyer's club to get a discount. It can be any club, but the point is that by being a member, you are entitled to certain discounts on goods and services, similar to the contract negotiated between a healthcare facility and an insurer – it's an understanding of the costs. So, a year later, you find out your best friend, a member of the same club, has been getting twice the discount as you! You didn't miss the money all that previous year – you thought you were getting a good discount, but now, Wow – that's not cool! Well here's the difference with Wellness Wishes –in this scenario, your best friend not only lets you know you've not been treated unfairly; he goes to bat for you. He goes through all your past receipts. He calls the club and he gets you reimbursed! I don't know if my own best friend would go through all that for me!*

ERIN MORROW: *[laughter] That was great. I think the single most amazing thing about this program is its simplicity. We're talking about payment integrity and analysis, and large amounts of money, so you'd think it would be really complex. But the fact is we come in and provide this service in 4 easy steps. All of the steps were designed for maximum efficiency...we don't want to take precious time or resources away from the organization any more than we need to, so all of the heavy lifting is done by our Wish Recovery Services Team. A kick-off call is step one. Step two is implementation and data retrieval, and our Wish Recovery Services Team will come on site and handle that at no additional cost. After the analysis is complete in step three comes the recovery, and Step four is community enrichment.*

LEE JACOBS: *Yes, these steps are very straightforward. And with Wellness Wishes establishing and monitoring a timeline throughout the project, hospitals can have these recovered funds in about sixty days.*

ERIN MORROW: *Lee, can you touch on why healthcare organizations need to implement this program sooner rather than later?*

LEE JACOBS: Sure. The urgency behind this is very real. Healthcare contracts are designed to allow for this type of analysis and recovery, but only going back 12 months, typically. So once that time period has elapsed, the payors retain those monies and the hospitals lose their ability to collect. So every day that passes, means expired claims for hospitals that can never be recovered.

I know that in keeping with tight project management practices, Wellness Wishes only accepts a certain number of organizations for this program per quarter. So time really is of the essence for these hospitals to sign up and get their analysis started right away.

ERIN MORROW: Lee, that's absolutely true. Can you talk a little bit about what differentiates Wellness Wishes claims recovery program from other players, and why it's better?

LEE JACOBS: Absolutely. We've seen this type of analysis built into existing billing or contract management platforms. But at the end of the day, its rolled up into dozens of other features; nothing pulls out an analysis and focuses solely on zero-balance claims...there are no checks and balances. And this is not a buy-out of accounts receivable as some might guess. Those types of services will purchase receivables for pennies on the dollar. This is money owed the hospital and Wellness Wishes identifies and collects on behalf of the hospital.

ERIN MORROW: So let's talk about the money owed the hospital. Wellness Wishes program is conducted at no up-front cost, no risk to the hospital...we only get paid on funds that we recover. We split that amount fifty-fifty with the hospital.

LEE JACOBS: Yes, and my favorite part of this is the community enrichment, where the Wellness Wishes Foundation is giving up to 10% back out of their half to go to the hospital's foundation, philanthropy partner or other community enrichment project.

ERIN MORROW: Yes, it's a wonderful way for us to give back to the communities of those hospitals. Does AR Billing Services have a cause close to their heart?

LEE JACOBS: Uh, yes, we have a few organizations that we try to lend a hand, but one of my personal favorites, local to us, is the Ohio Wildlife Center. The past couple years AR Billing Services has donated items for their annual auction fundraiser benefiting their free wildlife rehabilitation hospital in northwest Columbus, and education programs serving thousands of school children, community groups, and visitors from across the state. They do great work for Ohio's wildlife.

ERIN MORROW: *Lee that sounds like a great cause, and something that Wellness Wishes can certainly get behind. So, in addition to the monies we're getting back for these hospitals, and the added amounts we're giving back to the foundations, we're using Wellness Wishes' take to fund our great programs and projects. We have several tapped for rollout in 2018, including Wishes on Wheels, a food recovery and meal distribution program. A veteran's hiring and assistance program; and first responder health and fitness programming, among others.*

Lee, thank you so much for your time today. Your expertise of this issue is very apparent and we're glad to have you as a champion of our cause.

LEE JACOBS: *Well, Erin, thank you so much. It has been an absolute pleasure.*

ERIN MORROW: *Thanks Lee!*