



— IMPROVING REVENUES. DELIVERING RESULTS.

MeDCom
SOLUTIONS

Healthcare Financial Services
and Technologies



IMPROVING REVENUES. DELIVERING RESULTS.



We recognize that people hire consultants, not prestigious consulting firms. Our clients come back because our consultants and software technology experts customize the solutions that fit their needs. Furthermore, we realize that in the ever-changing field of healthcare, our customers need personalized attention and the most cutting edge solutions to keep their staff informed, their Chargemaster compliant and their Pricing defensible and transparent.

We also take pride in being a state-of-the-art software and technology firm with one of the most sophisticated reimbursement measurement systems in the world. At MedCom Solutions, our expert staff of consultants analyze, interpret and diagnose each client's unique situation. Then, along with our team of IT professionals, we provide our clients with the right mix of consulting and software technology solutions to implement the changes they need to solve their problems, minimize their

risks, avoid regulatory pitfalls, seize opportunities, and to experience the return on investment they deserve.

As MedCom Solutions continues to expand, to reach out to new clients and foster the relationships that have contributed to our over 20 years of success, our focus will remain on the two fundamental standards that are both the heart of our success and the driving force of our future: professional excellence and delivering results. Respect, integrity and professionalism are at the core of every client engagement. Our experience and technical expertise provide the results.

Bill Hunt
President and Founder

MeDCom
SOLUTIONS

EXPERIENCE. INTEGRITY. EXCEEDING EXPECTATIONS.



MedCom Solutions is not just another Chargemaster Consulting Firm.

MedCom Solutions has been providing Chargemaster and Pricing solutions for healthcare providers since 1986. Based in Pittsburgh, PA, our national firm has evolved into a full service consulting and software technology firm offering integrated solutions for your Chargemaster and Pricing needs. Our unique combination of experience, expertise and technology has earned us a reputation for delivering results and exceeding our clients' expectations.

Experience in the Industry is Everything.

MedCom Solutions prides itself on hiring the best and most qualified employees in the industry. Our Chargemaster consulting staff has an average of 20 years experience in the healthcare industry in a variety of areas including hospitals, insurance companies and physician practices. Our consulting staff are experts in the field of coding, finance and Medicare compliance. They receive ongoing continuing education to stay abreast of the latest developments in Chargemaster topics, revenue improvement, Medicare regulations and insurance requirements.

MedCom Solutions' technology group has extensive knowledge in programming, software development, large hospital IT systems, and web-based technologies. Our in-depth experience allows us to customize technology solutions to address current issues and meet the needs of our clients.



CONSULTING SERVICES

- Clinical, Coding, & Financial Expertise
- Average 20 years Experience
- Responsive & Personalized Service
- Solutions that fit our Clients' Needs
- Technical & Professional
Chargemaster Knowledge

SOFTWARE TECHNOLOGIES

- State-of-the-art IT Expertise
- Sophisticated, Patented Software
- Customized IT Solutions
- Secure & HIPAA Compliant IT Site
- Remote Data Transfer Capabilities

CONNECTIVITY CAN AFFECT REIMBURSEMENT

MedCom engaged with a large physician managed clinic to provide a Chargemaster Review. MedCom reviewed their 17 Order Entry Systems and found a multitude of "mapping errors" between the facility's Chargemaster and their OE systems. Within several months, MedCom corrected all necessary connectivity and improved net revenue by over \$25 million.

"HERDING CATS" AND THE CDM

The reality for hospital clients is that Chargemaster Management quickly becomes an exercise in "herding cats". MedCom applied our Chargemaster solution and worked closely with the hospital's IT staff to deliver an online tool that enables comparative reviews of every CDM request. Within the first year, MedCom handled over 22,000 CDM requests, 85% of which required editing to meet the hospital's approved standard. MedCom's answer assures a consistent and up-to-date Chargemaster, which helps the hospital to manage cash flow while optimizing net revenues.



CHARGEMASTER CONSULTING SERVICES AND SOFTWARE TECHNOLOGIES

Because of our Breadth of Experience and Technology, MedCom Solutions can Offer the Right Mix of Products and Services that Provide Results.

We understand the challenges our clients face in today's healthcare environment and the complexities of the Chargemaster, Defensible Pricing strategies and Medicare regulations. We offer a scope of consulting services and technology products that can provide customized solutions to critical issues such as maintaining regulatory compliance, optimizing reimbursement, improving accuracy of billing and educating staff about coding updates and how to charge for services.

MedCom Solutions Specializes in the Chargemaster, Defensible and Transparent Pricing Strategies and Regulatory Issues.

Unlike many firms in the industry, we focus on the charge cycle and have in-depth knowledge of how each area works, how changes affect it and how it impacts compliance issues and reimbursements. We also do not use a "cookie cutter" approach to solve our clients' complex issues. Instead, we utilize our technology and consulting expertise to provide customized analyses and solutions along with an implementation plan. As a result, many of our clients have experienced a dramatic increase in revenues and a healthier and compliant bottom line.



AREAS OF EXPERTISE

Chargemaster Services & Software

- Chargemaster Reviews
- Defensible Pricing Audits
- Order Entry/Charge Capture Audits
- Chargemaster Consulting
- Chargemaster Management
- Chargemaster Software Technologies
- On-site Education & Training of Staff

Medicare Technologies

- 835 Outpatient Payment Audits
- 835 Cost-Report Reimbursement Auditor
- ABN Professional & Technical Technology
- 3-Day Window Technology
- DRG Transfer Technology
- Medical Necessity Audits

Defensible Pricing Services and Software

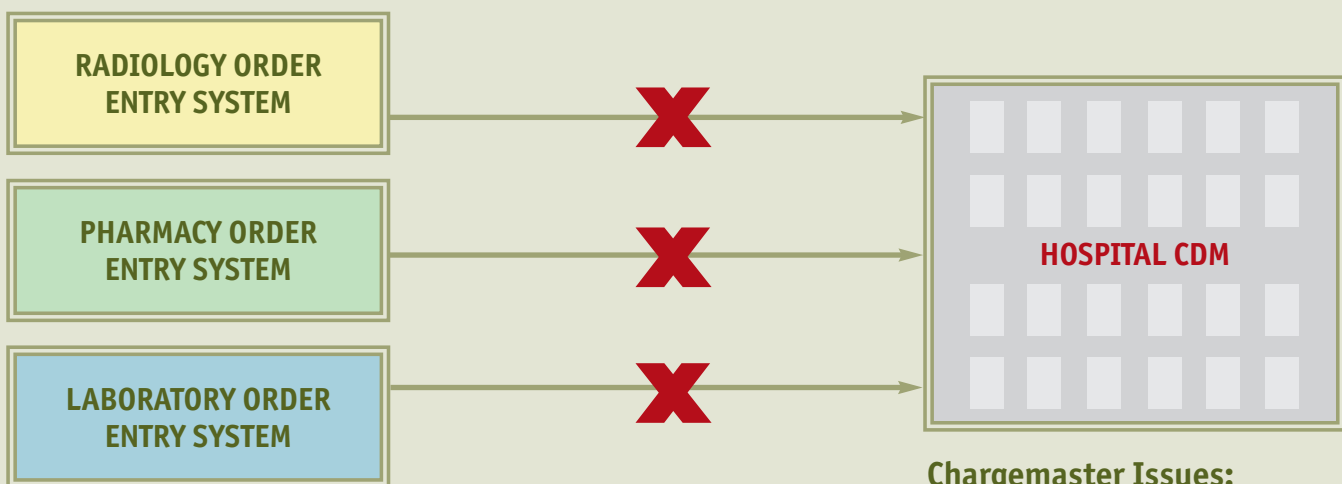
- Defensible Pricing Audits
- Transparency Testing
- Sophisticated Pricing Algorithms
- Healthcare Pricing Software Technologies

CHALLENGES OF THE CHARGE CYCLE

Accounting for the organization and operating structure of a hospital Charge Cycle system is no easy feat.

From the point of order entry to the moment a claim is issued for reimbursement, numerous errors can occur at different parts of the Charge Cycle. Whether it is a line item mis-mapping in the order entry system or an incorrect CPT code in the hospital Chargemaster, the result is rejected claims and a significant loss of revenue each month. At MedCom Solutions, when we uncover any of these errors in our clients' Charge Cycle Systems, we refer to these moments as "broken" and focus our attention on finding the right solutions to fix these "Broken Parts".

THE CHARGE CYCLE "BROKEN PARTS"



Order Entry Mapping Errors:

- Mis-mapping of line items
- Inconsistent Item Descriptors

Chargemaster Issues:

- Incorrect, outdated or missing CPT, HCPCS Codes and Revenue Codes
- Incorrect System Flags

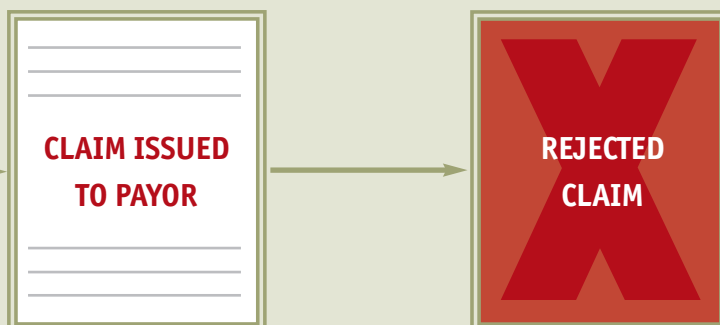


CHARGE CYCLE ISSUES

LOST REIMBURSEMENT

Healthcare professionals across the board are missing hundreds of millions of dollars in lost reimbursement.

In our experience, we have found that most of our clients never knew how much annual net revenue was slipping through the cracks of their broken Charge Cycle System until we were able to show them. Due to the complexities of charging and coding regulations in the healthcare industry, many claims are routinely denied. Denied claims often fail to be properly reimbursed even when resubmitted. At MedCom Solutions, we will not only audit your order entry systems, but we can also review your Chargemaster, educate your staff, and assist you in managing your Chargemaster with the constancy and attention to detail that is necessary to maintain a Charge Cycle systems free of errors.



Reasons For Lost Reimbursement:

- The number one reason that bills do not get paid is coding errors and incorrect charging
- Because of the complexities of the Chargemaster and associated Order Entry System, it is extremely difficult to know if your CDM is accurate
- Errors in the Chargemaster can impact reimbursement, delay cash flow and create compliance issues



RESPONDING TO REGULATORY PRESSURES

Maintaining Compliance and Keeping up with Changing Medicare Regulations is one of Healthcare's most Challenging Issues.

Staying compliant in your billing practices and the OIG work plan is becoming more and more complex and difficult to manage. Even with a Compliance expert, it is almost impossible to keep up with the multitude of changes that occur including:

- Keeping up with the daily regulatory changes
- Knowing how to interpret the regulatory changes
- Knowing what to charge for services
- Knowing how to implement and audit the changes

Another challenging area is the Order Entry System. It is usually a separate system and works independently from the Chargemaster. When your Chargemaster and its associated Order Entry System are not accurate, billing inconsistencies and compliance issues occur. It is not enough just to populate your Chargemaster. Bills need to be accurate according to regulations and medical necessity guidelines. Noncompliance almost always leads to rejected claims resulting in decreased reimbursements and cash flow.

WE HELP YOU MAINTAIN COMPLIANCE ACROSS ALL REGULATORY AREAS



- REGULATORY INTERPRETATION
- PRICING
- CHARGING PRACTICES
- ORDER ENTRY
- SYSTEM FLAGS
- MEDICAL NECESSITY



REGULATORY COMPLIANCE

DEFENSIBLE PRICING

In Today's Healthcare Environment, Defensible Pricing has taken on New Importance.

Transparency is the word of the day when it comes to hospital price-setting. Ensuring that your facility's patient charges will pass public scrutiny, while also working to keep your organization competitive and financially sound, has become a delicate balancing act. A defensible and transparent pricing strategy protects you and your patients.

The regulatory environment has changed dramatically. Performing a detailed review of your Chargemaster prices can help position your organization for increased patient satisfaction and increased leverage with your managed care payors. A line-by-line critical assessment is essential to evaluating your pricing position in the market, how it impacts revenues and how your organization will develop a defensible and transparent pricing strategy.

INCESSANT REGULATORY CHANGES AND DENIED CLAIMS

During a Chargemaster Review at a large healthcare system, MedCom discovered the coding error that was causing an increasing number of failed patient claims to be rejected by Medicare due to the regulatory changes of the year. Patient bills were being sent to Medicare with the inappropriate HCPCS C-coded supply appended to the bill (device code edit). With more investigation, MedCom determined that the reason for this error was that pre-packaged supplies were being coded as a single line item when they needed to be reported as multiple coded supplies by Medicare regulations. MedCom performed a full-audit of these supplies and restructured the line items as explode charges, resulting in a stop-loss of denied claims while at the same time avoiding any additional burden during the charge capture process, the result an increase of \$1.5 million to net revenue.



SOLUTIONS THAT PROVIDE RESULTS AND IMPROVE THE BOTTOM LINE

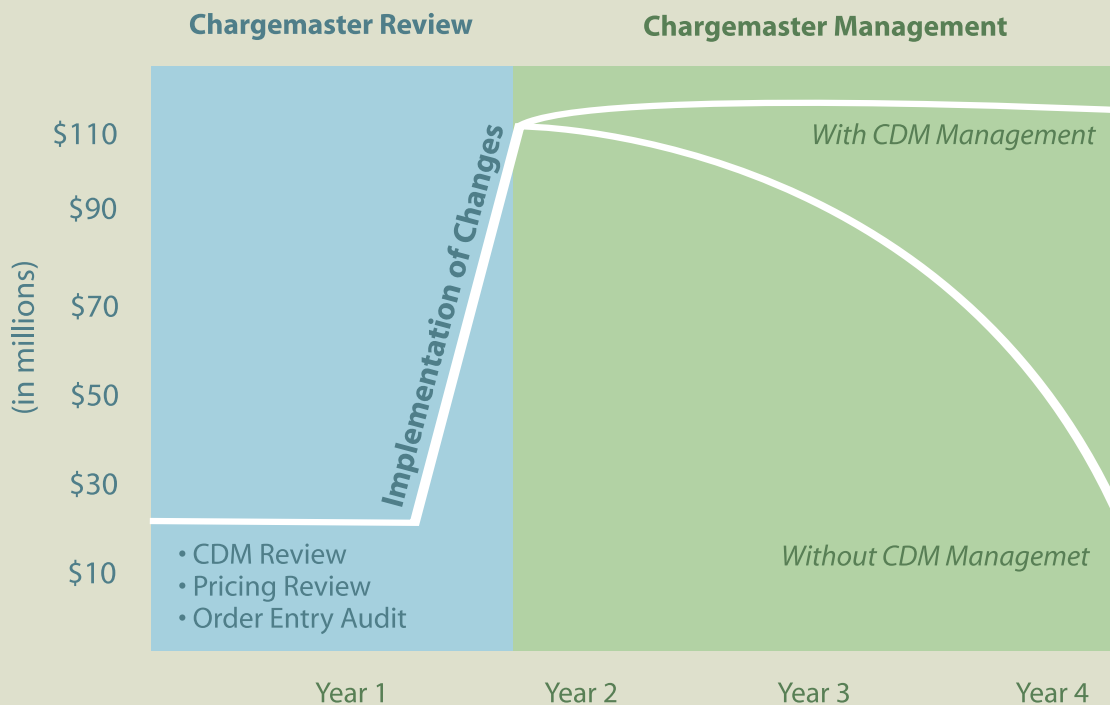
Commitment to Providing Results.

MedCom Solutions is committed to understanding and meeting our clients' needs. We work through the issues and recommend the best solutions possible. We are able to provide Chargemaster, Pricing and Compliance solutions that deliver the results you need. Our goal is that your investment in our products and services improves your revenue, assists you in maintaining compliancy and adds value to your system's operations.

Results Improve the Bottom Line.

With an improved bottom line, your recovered reimbursement can be used to purchase new medical equipment, improve facilities, attract physicians and, most importantly, increase the quality of care for your patients. We are not just another vendor. We have provided hundreds of millions in revenue improvements for our clients.

FINANCIAL IMPACT OF THE CHARGEMASTER





STEPS TO REVENUE IMPROVEMENT

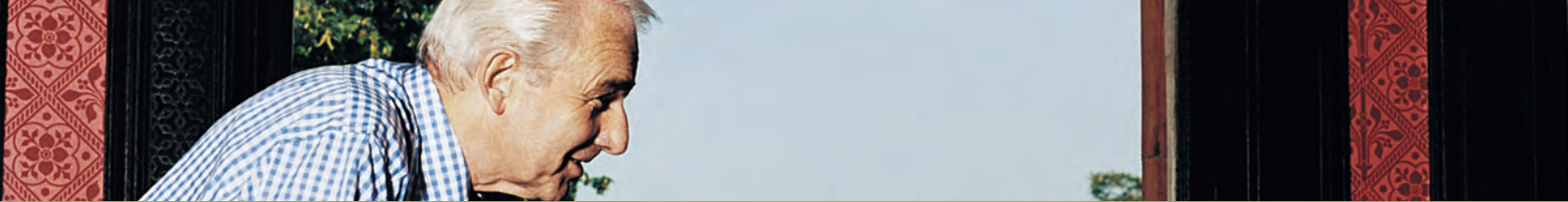
- Conduct Pricing Review
- Conduct Chargemaster Review
- Conduct Audit of Order Entry/Charge Capture Mapping
- Implement Changes
- Audit Implementation of Changes
- On-going Chargemaster Management
- Remain Compliant through Timely Updates and Implementations
- Utilize Medicare Technologies

PRICING TRANSPARENCY & NET REVENUE

A large teaching clinic was concerned about the marketability of physician pricing. After a defensible pricing analysis by MedCom, pricing stratification was carefully evaluated on the basis of “specialty”, “RVU levels”, “E/M” levels, and transparency. The Pricing Review predicted that by adjusting prices to a specified, optimal market percentile while concurrently linking them to common services, the clinic experienced a substantial increase in net revenues. The client now benefits from a \$20 million increase to net revenues over the previous pricing model.

NO ONE PLANS TO FAIL

What would you do if your budget, after expenses and revenue were finalized, had a bottom-line of \$3.4 million in the red? When a non-urban teaching hospital discovered this about their preliminary fiscal budget, they called on MedCom Solutions. After working together, pricing was revised to generate a positive and compliant bottom-line of \$1.3 million. Gross revenue was reduced from a 19% increase to less than 9.1% while increasing net income by \$4.7 million. Our Defensible Pricing Review helped secure the hospital’s financial future by reversing a projected loss to a gain of \$1.3 million.



QUALITY CONSULTANTS

IT EXPERTS

MedCom Solutions has a Team of Programmers, IT Experts and Chargemaster Specialists who have Developed Software Technologies that Support our Consulting Process.

For over 20 years, we have been developing unique, patented IT products that are used in conjunction with our Chargemaster Services, Defensible Pricing Reviews, Order Entry Mapping, Chargemaster Management and Medicare regulatory updates. These technologies provide cost-effective, accurate and timely methods of gathering and analyzing data from the Chargemaster. Our sophisticated software and IT technology is used to electronically transfer data so that the information can be utilized by our clinical, coding and financial experts.

While many firms utilize standard software packages, MedCom Solutions' technology is customized to address the unique needs of a variety of clients from small community hospitals to large multi-hospital systems and physician group practices.

MedCom Solutions is dedicated to protecting the security and confidentiality of your Chargemaster data.

All data transferred and stored is secured at levels compliant with HIPAA and your organization's standards using state-of-the-art technology.

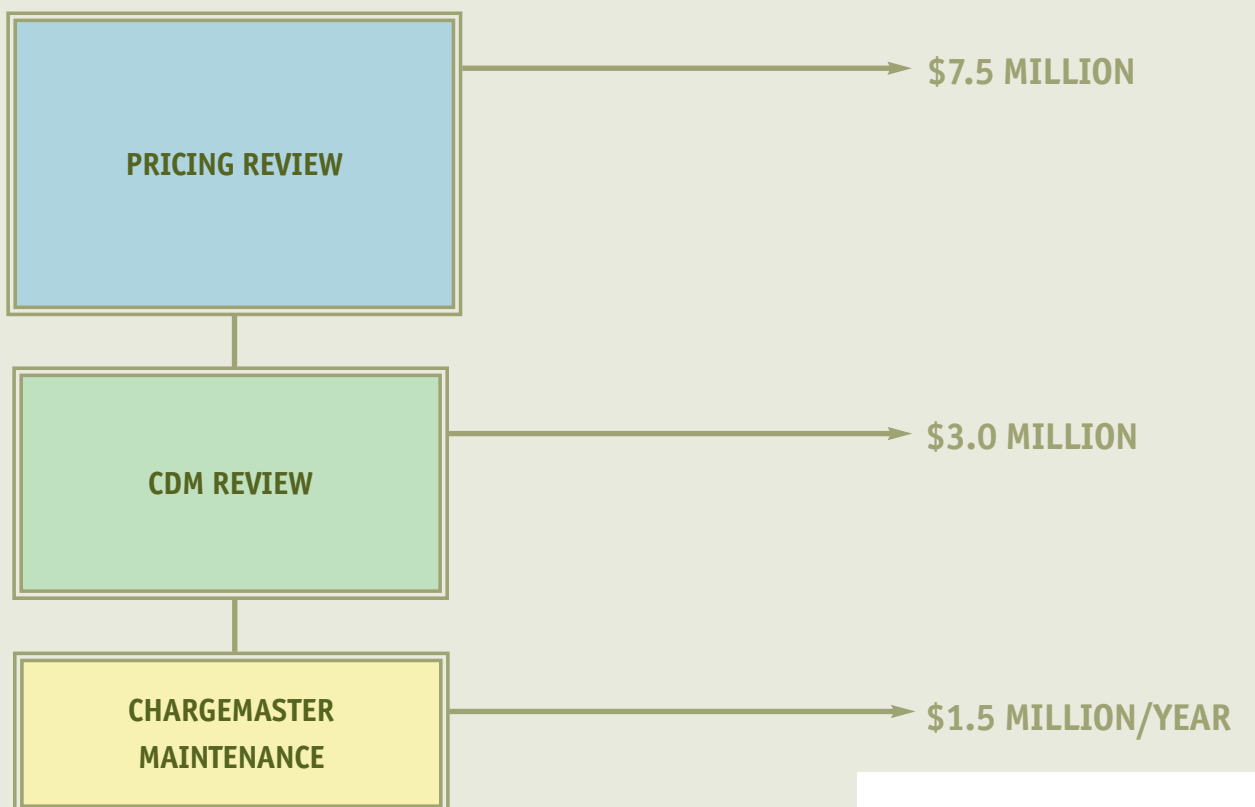


IMPROVING REVENUES FOR A VARIETY OF HEALTHCARE SYSTEMS

95% of our clients have told us that we met or exceeded their expectations when it came to delivering results.

MedCom Solutions has yielded hundreds of millions in net revenue improvements for our clients through our Chargemaster and Pricing services and technologies. It is not enough to identify where problems occur in the Chargemaster, but to have the capabilities to implement the changes needed. Your investment in our services and technologies can deliver significant results in net revenue improvements ranging from \$300 thousand to over \$200 million per year.

TYPICAL NET REVENUE FOR A \$400 MILLION HOSPITAL



**TOTAL IMPROVEMENT:
\$12 MILLION**



OUR CLIENTS

MedCom Solutions has provided Chargemaster, Pricing, and Medicare consulting services and software technologies to a variety of healthcare organizations throughout the nation.

Because of our ability to customize solutions, we can accommodate many different types of healthcare providers, such as:

- Large Healthcare Systems
- Academic Medical Centers
- Small Community Hospitals
- Physician Group Practices
- Critical Access Hospitals

Some of our clients include:

- Tenet Healthcare Corporation
- Conemaugh Health System
- Parkview Health System
- Wellmont Health System
- West Penn Allegheny Health System
- Fletcher Allen Health System
- Mercy Hospital of Pittsburgh

LOST REIMBURSEMENT AND MEDICARE CODES

During a Chargemaster Review, MedCom identified a problem in a hospital that was not utilizing a HCPCS code to report Medicare screening PSA and occult blood testing. Because diagnosis codes are not a Medicare covered service when reported as a CPT code, the hospital was losing reimbursement. Upon discovering the usage of CPT codes, MedCom recommended the steps for using the correct HCPCS code to obtain proper reimbursement at \$45 per claim.



CONTACT US



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SOLUTIONS

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MedCom Solutions has office locations throughout the US in Pennsylvania, Ohio, New York, Florida, California and Tennessee.



IT'S THE COMBINATION OF CONSULTING EXPERTISE AND INFORMATION TECHNOLOGY THAT SETS US APART

Results Start with the Quality of the Consultant.

Technology solutions alone cannot provide the kinds of results and expertise that many healthcare providers need. At MedCom Solutions, we offer our clients a highly-qualified group of consultants whose experience ranges from clinical, coding and financial expertise to regulatory knowledge. Each client project is carefully matched to the consultants' background to meet the unique needs of the client. We work with management to develop project goals and strategies and to provide creative solutions to meet your Chargemaster, Pricing and Compliance concerns. Our consultants provide a personalized and responsive "hands-on" experience that you won't get from larger firms.

ORDER ENTRY "GAP" CAUSES BILLING PROBLEMS

During a Chargemaster Review of a client's pharmacy, MedCom corrected numerous mis-mappings between the Chargemaster and the Order Entry System. Also, extensive realignment of the Drug Conversion Factors for Medicare billing was implemented. MedCom's pharmacy consultants then retested these changes vis-à-vis the UB-92 and detail bill output only to reveal another more serious problem. The client's Order Entry System exhibited a "gap" between the connectivity software and the Chargemaster. This prudent fail-safe test provided during all MedCom Chargemaster reviews revealed that many orders were not triggering the Chargemaster billing, thus creating substantial revenue shortfalls. Once identified, not only was this problem corrected, but also all other changes fell into place, resulting in a \$4.5 million net revenue improvement.

ERRORS AND RETURN-TO-PROVIDER

While reviewing several cardiology patient bills, MedCom uncovered an erroneous charging practice. The client was attempting to charge an EP add-on service that under Medicare regulations needs to be appended to an Electro Physiological Study. Consequently, the patient bill was being returned – to – provider due to the missing primary code. MedCom provided education to the department staff. Once services were being appropriately charged, each bill had an approximate increase to reimbursement of \$4,000 per patient.



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