

Case Study

MedAssist's Solution for the Rise of Uncompensated Care

LifePoint Hospitals, Inc.

LifePoint Hospitals, Inc. is headquartered in Brentwood, Tennessee and is one of the nation's renown healthcare providers. They are a leading hospital company focused on providing healthcare services for non-urban communities. LifePoint's 48 hospitals are located in 17 states totaling approximately 5,300 beds. Their pledge to the communities they serve is to improve quality of care and expand their partnerships with non-profit organizations.

The Challenge

Due to the growing uninsured and underinsured population, LifePoint's self-pay revenues increased significantly, adding to the hospitals financial burden.

The Solution

LifePoint partnered with MedAssist to decrease their percentage of uncompensated care by providing uninsured and underinsured patients with another payment option

The Results

Since program incorporation, MedAssist has collected \$8,137,845.00 for LifePoint, significantly improving upfront collections and maximizing cash flow.

► The Situation

LifePoint has been faced with many challenges, as have most hospitals across the county, relative to patients who are uninsured and underinsured. With a growing uninsured population, many hospitals need help obtaining compensation for care provided. Healthcare premiums are rising and not all uninsured and underinsured patients qualify for government program assistance. At LifePoint, more than 80% of the dollars in the 150 day aging category are Self-Pay accounts. Due to the increase in Self-Pay revenues, Uncompensated Care has risen from the mid single digits to the low double digits in the past several years at LifePoint.

► The Challenge

LifePoint determined that they needed another option to help uninsured patients while relieving the hospital of the financial burden. They looked for a patient financing program with varying interest rates and feasible qualifying options. LifePoint wanted their hospitals to have the ability to perform electronic cash transactions and recourse only for the amount of the original loan with no added fees. They knew a monthly report listing recourses and a report detailing the loans funded by month would be necessary. Most of all they were looking for a company that had healthcare collections experience and a patient friendly program.

LifePoint chose the Medical Advantage Plan (MAP[™]), a healthcare credit card financing program that offered all of the qualities they were looking for as well as other benefits. MAP[™] provides varying interest options, no qualifying credit score, electronic cash transactions, a low percent charge with no additional in-house costs and daily reports on loans detailing electronic deposits. MAP[™] is setup for the patient's payments to be a minimum of \$10.00 per month or 1% of the balance, plus interest and plus fees, whichever is greater. The balance is only recouped if the patient misses three consecutive payments due, files bankruptcy or is deceased.

LifePoint and MedAssist had an established relationship prior to MAP[™]. MedAssist is LifePoint's preferred vendor for government program eligibility services. Because MAP[™] was added as a part of MedAssist's continuum of services, MedAssist offered LifePoint a more favorable fee structure. On top of the benefits of MAP[™], LifePoint was happy that their patients have the opportunity to create and improve their credit history while resolving their hospital debts.

► The Solution

A pilot program was launched at two facilities in August 2004 and achieved superior results. In the first eight months of the program, LifePoint had \$210,000.00 dollars in sales. The implementation was so successful that 38 LifePoint hospitals have now implemented MAP™. Many hospitals have been exceeding the estimated monthly sales. LifePoint continues to be pleased with the revenue generated from MAP™. Since the pilot program began, MedAssist has collected \$8,137,845.00 for LifePoint with only a 17% recourse rate. MAP™ continues to maximize cash flow and improve point of service collections.

“Overall, our point of service collections have improved considerably. The MAP™ program has made a significant contribution to our point of service collections. In 2007, the MAP™ contribution to point of service collections has ranged 20% to 25%. MAP™ has been a program that benefits both our patients and our hospitals,” said Richard Flores, Vice President, Revenue Cycle Operations.

Since implementing this program, LifePoint has been able to improve upfront collections and cash flow, quickly collect large co-pays and deductibles, and decrease the aging of receivables since collections occur earlier in the revenue cycle. Many of the facilities that have signed up for the program have also experienced a reduction of bad debt expense.

When Mr. Flores was interviewed about MAP™, his response was, “The MAP™ program’s success has far exceeded our expectations. The MAP™ program offers our patients an affordable option to resolve their hospital bill and improve their credit history by making timely payments. The fact that MedAssist seamlessly administers the MAP™ program reduces process and paperwork redundancy as well as eases the burden on the hospital registration staff.”

About MedAssist

MedAssist, a Firstsource Company, provides a comprehensive suite of innovative, technology-driven eligibility and revenue cycle management services, including Medicaid Eligibility, Receivables Solutions, Business Office Outsourcing and Collection Services. MedAssist utilizes a social service approach and a commitment to patient dignity, compassion and integrity to improve cash flow, maximize reimbursement and reduce bad debt. All MedAssist’s major service lines are approved by the HFMA Peer Review.

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► Benefits of MAP™

MAP™ is a low interest hospital credit card that pays the hospital 100% upfront, but spreads the obligation for the patient. It offers the patient an additional option to relieving outstanding balances that might otherwise become bad debt for the hospital.

Patient Benefits

- Minimal qualification criteria
- Flexible payment terms that break down bills into smaller, more manageable payments
- Below market interest rate
- Account balance reduction
- Combines expenses from immediate family into a single account
- Reduces stress
- Helps establish or repair credit history
- Covers future healthcare services

Hospital Benefits

- Maximize cash flow
- Reduce bad debt write-offs
- 72 Hour funding turnaround
- Reduce days in A/R
- Available for all categories
- Resolve account balances
- Creates good will
- Improves overall satisfaction for the billing and collections process



About Firstsource

Firstsource (NSE: FSL.NS, Reuters: FISO.BO, Bloomberg: FSOL@IN) is among India’s leading BPO (business process outsourcing) service providers. Firstsource provides customized business process management to global leaders in the Banking & Financial Services, Telecom & Media and Healthcare sectors. Its clients include “Fortune Global 500” banks, “Fortune Global 500” telecommunications companies and “Fortune 100” healthcare companies. Firstsource has a global delivery model with operations in India, US, UK & Argentina and Philippines. www.firstsource.com