

Copyrighted procedures allow direct payment from liability carriers.

by Tracy Staton Carroll

The E.R. doors burst open. Paramedics push a gurney into the unit as they brief doctors. Twenty-eight year old male, with multiple fractures from an MVA. Doctors and nurses rush to stabilize the man and wheel him to the operating room for complicated surgery.

When it's all said and done, the cost of this man's care will mount into the tens of thousands of dollars. And because this patient has no health insurance through his employer — and makes just a little bit too much money to qualify for Medicaid — his hospital bill will likely go unpaid, despite any liability settlement he might receive.

Every emergency room has seen the type: A trauma patient with extensive injuries but without insurance or the ability — or willingness — to pay the bill. But what some hospitals in four states are discovering is that they have the ability to collect on these bills, and many others that seemed like so much bad debt. With the help of HealthOne, a Jackson-based company, and its copyrighted documents and procedures, hospitals are turning that bad debt into hard cash.

"With our system, hospitals can and do get paid," said Burns McFarland, HealthOne's president and CEO. "In many cases, third party liability insurance will pay 100 percent of the bill, and it's very rare in this day and age to get 100 percent; a PPO agreement might pay 30 percent."

Whether the cause was a knife fight, a slip-and-fall, or a car accident — or one of many other examples — HealthOne has had success in collecting bills for trauma care from auto insurers, liability insurers, even state crime victim's compensation funds. Furthermore, these sources are primary coverages, rather than secondary coverages like health insurance or Medicaid.

"We've also had success with premises liability claims in the case of crime victims," McFarland, also an attorney, explained. "For example, we had a patient who was shot in the parking lot of a gas station at midnight, and we put the service station on notice of our claim because they had inadequate



Burns McFarland, HealthOne president and CEO

security for the area. Had we not been involved, the hospital wouldn't have seen a dime, but we collected fifteen thousand, nearly the full bill."

Typically, HealthOne can intervene in 5 to 8 percent of an average hospital's cases, and in a Level One trauma center, the company may be called in to handle 15 percent of the hospital's bills, McFarland said.

According to company figures, HealthOne increased three hospitals' revenues by a total of \$482,058 during its first quarter of service; by its fourth quarter at work with those institutions, HealthOne was boosting the hospitals' quarterly revenues by a total of \$1.28 million.

HealthOne's collection process starts with copyrighted documents that patients sign upon admission to the hospital. These documents make it possible for HealthOne to collect from insurers as a priority creditor and to bypass a plaintiff's attorney on behalf of the hospital. The documents also allow HealthOne to access accident reports, which are unavailable to hospitals, which help determine the liability and coverage in an accident. In addition, HealthOne trains

hospital admissions staff to sort through trauma cases and identify those the company may need to handle.

"Our consultants know how to analyze insurance, and they know what the appropriate documents and protocols are," John Paxton, HealthOne's general counsel, said. "I know attorneys who don't understand uninsured motorist law as well as our people do."

The company notifies all insurance companies that may be involved with a claim by certified mail within a few days. Often, Paxton said, auto insurers will pay the hospital bill within days of the accident. Without HealthOne, hospitals are forced to wait until a disputed accident claim is taken to trial, and then the hospital may not get paid — or if it does, it may receive less than half the bill.

"What we do is shortcut the process; they typically don't have a problem paying the hospital bill, because they consider that a reasonable claim, but they couldn't, traditionally, pay the hospital directly," he said. "What they don't like to pay is exorbitant demands for pain and suffering."

HealthOne's fees are contingency-based and only apply in cases when money is collected by the company. In cases that are reviewed and only health insurance or Medicaid are identified as money sources, HealthOne charges nothing. And for members of VHA Gulf States or the Mississippi Hospital Association, both of whom have endorsed HealthOne, it discounts its fee percentage. Collecting on these third-party liability cases is time-consuming and labor-intensive for HealthOne, said Paxton, but the service is well worth it to the hospitals.

"Our hospitals say they are pleasantly surprised at how much we bring in," Paxton said, "and how fast. CPAs especially are impressed by the cost-of-money benefit. When you bring in \$40,000 within three weeks of an accident, the value of that compared with \$20,000 14 months later is very significant to the bottom line."

HealthOne can be reached at www.health-one.net.