

# HealthOne, Healthcare Priority Claims Consultants

## Increasing Health Care Provider Revenues, One Claim at a Time

Everything Burns McFarland needed to know to run a successful business, he learned in Sunday School. Play fair. Care about others. Be a helper. Use your gifts. Today, the Mississippi-bred attorney is living those simple tenets through his legal consulting business, HealthOne.

Based in Mississippi, HealthOne recently expanded to the Midwest, opening an office in Sioux Falls in association with Hagan Benefits, Inc. Using copyrighted documents and procedures, HealthOne focuses exclusively on self-pay, Medicare and Medicaid eligible patients who are involved in accidents where a third party may be liable for the bill. Although designed for use in hospitals, the program is effective for providers of all types and sizes who treat accident victims or other trauma patients.

“In simple terms, HealthOne is designed to help providers increase

their recovery rate in third-party trauma cases,” McFarland explains. “We have designed a unique system that places the provider in the position of a priority creditor with respect to the patient’s claim for damages against a third party who is responsible for their injuries.” Even though government “Payor of Last Resort” regulations require doctors and hospitals to make an effort to exhaust any available private insurance funds before filing for payment from public assistance programs, McFarland says billions of dollars go uncollected, and thousands of Medicare and Medicaid claims are filed each year that might have been avoided with HealthOne’s help. Although the insurance proceeds are earmarked to pay medical bills, more often than not, providers receive only a fraction of the money at best. In addition to removing the burden of paying for this care from the

**“HealthOne is designed to help providers increase their recovery rate in third-party trauma cases,” explains Burns McFarland, shown here with Jeff Pederson of Hagan Benefits, Inc. in Sioux Falls.**



taxpayers through Medicare, Medicaid and other government funding programs and subsidies, HealthOne's cutting-edge program provides much needed operating revenue for hospitals and other providers, enabling them to keep the rising cost of health care in check, provide more charity care to indigent patients, purchase new equipment and continue to provide essential services to the patients they serve. The biggest roadblock, McFarland says, is that too many providers don't even realize how much is being lost. "Statistics show that for every one \$100,000 owed them, most collect only \$8,000 or \$10,000. We just don't think that's fair, and HealthOne is able to fix it."

Although self-pay patients who are admitted to the hospital, treated by orthopedists, rehabilitation clinics or other providers because of an accident usually have to sign a form agreeing to pay their bill, liability settlements are typically handled by the patient's attorney, whose primary focus is collecting on behalf of the client and covering his or her own legal fees. The provider is often entirely cut out of the equation without legal recourse. HealthOne seeks to ensure the provider's financial interests are protected by making it a priority creditor. In exchange, HealthOne receives a portion of the recovered funds.

McFarland's idea is more than theoretical, and it represents a major breakthrough in the industry. The HealthOne System has been working successfully in several Southern states for more than seven years. Mississippi's only Level One Trauma Center, the University of Mississippi Medical Center, has recovered more than \$3.5 million in full or partial account recoveries in less than two years of working with HealthOne. Much of this is new money that otherwise would have been written off either as bad debt or Medicare/Medicaid adjustments. This success is in spite of the fact that, until January of this year, the state of Mississippi had minimum liability requirements of \$10,000 per person and \$20,000 per accident, and there is still no requirement that Mississippi drivers carry either uninsured or under-insured coverage. In contrast, the requirements in South Dakota are more than double Mississippi's at \$25,000/\$50,000, with the additional requirement that drivers carry uninsured/underinsured coverage in amounts equal to the general liability limits; Iowa's requirements are similar. McFarland says HealthOne's results in this region can therefore be higher and cases can be settled much sooner.

"Providers don't have the tools, experience or resources to obtain this money," laments McFarland. "The only right they have is a very weak lien law. Often, the best they can hope for is to wait the required 120 days and file a Medicare claim, which usually ends up paying about 20 percent of the charges. Once in a blue moon, they file a lien and they get a little of it paid. Even for smaller hospitals, this can mean millions of dollars in losses."

But McFarland stresses that HealthOne is not a collection agency, coming in after the fact to collect an unpaid debt. Instead, he compares the more proactive HealthOne system to placing a deed of trust on a house. A house with a deed of trust on it can't be sold without satisfying the debt to the bank. Similarly, the patient's attorney can't settle the claim and not pay the provider once the provider is under the protection of the HealthOne umbrella.

Once the provider has priority creditor status on a given claim, HealthOne is empowered to deal directly with the insurance carrier for the responsible party on the provider's behalf, avoiding the long



PHOTOS BY CATHY PENNEY

**HealthOne and Hagan Benefits, partnered for success.**

delay frequently associated with typical negotiation and litigation processes in the settlement of claims. If no insurance money is available, HealthOne can document this fact quickly, allowing the provider to fulfill its Medicare obligations, file a claim and collect far in advance of the 120-day waiting period. The result is fewer outstanding accounts, both through earlier filing and preventing accident and potential liability claims from being pended or denied.

This simple plan for righting what McFarland sees as a serious legal wrong has earned him and HealthOne some impressive accolades. Leading Washington, D.C.-based think tank the Cato Institute praised the system in a 1997 study, saying, "There are often small changes that can have a significant impact on health care costs. Changing the way providers and courts treat third-party liability cases is one of these small changes that can have big results."

Based upon his 20-plus years of experience, McFarland says, "The HealthOne system is far superior to any other method or approach that targets these funds. As revenue and cash flow challenges become increasingly difficult to manage, providers cannot afford to pass up a program that provides immediate impact to the bottom line by maximizing recovery on existing accounts. Because, ultimately, we are all paying the price for these medical bills that are never collected."

For more information on HealthOne, visit their website at [www.health-one.net](http://www.health-one.net), or call Marcus Thompson at (888) 432-5551. ■