

M.D. NEWS

A BUSINESS AND LIFESTYLE MAGAZINE FOR PHYSICIANS



Fi-Med Management, Inc.

The Pulse of Your Practice

Fi-Med Management, Inc.

In the Fast Changing Landscape of Health Care,
Wisconsin-Based Fi-Med Helps Physicians and Facilities
Across the Country Stay on Track and Profitable

By Tonya Poole

On Tuesday, January 29, the California Department of Insurance (CDI) in conjunction with the California Department of Managed Health Care (DMHC) announced joint legal action against UnitedHealth Group’s subsidiary, PacifiCare, for allegations of poor

claims handling. The announcement came after a joint investigation uncovered more than 130,000 processing violations. But while the legal action — the first of its kind for the CDI and the DMHC — is being hailed as a “historic step” in the fight against claims mishandling, the allegations brought against PacifiCare are not unique.

The dichotomy is lost on no one: rising health care costs and record insurance industry profits should result in better compensation and conditions for physicians, surgeons and other health care professionals. Instead, shrinking reimbursements, more complicated compliance requirements and increasing pressure to boost patient volume while reducing costs has squeezed thousands of medical



PHOTO BY JOHN ROBERTS

ON THE COVER

**Adrian Velasquez and Christine Krause of
Fi-Med Management, Inc.**

“They’ve helped us become more efficient, they’ve put more cash in the bank and that’s what it’s all about.”

David Parker — CFO of East Coast Pathology Lab



PHOTO BY DON RASK OF DTR PHOTOGRAPHY

professionals out of the field, unable to keep up with the financial impact of an insurance industry out of control.

Recognizing the potential for disaster 15 years ago, health care business and technology specialist Adrian Velasquez paired up with certified compliance consultant and health care operations expert Christine Krause to form Fi-Med Management, Inc. Their goal: to completely reengineer the way health care professionals do business by giving them access to the tools, technology and reporting capabilities once available only to very large health care organizations.

“Health care payers have become more sophisticated in their methods for keeping money away from physicians,” says Velasquez, President of Fi-Med. “They’ve made the physician’s appeal process harder and physicians just don’t have the time to battle those things when they’re trying to focus on patients. We’re proactive with our clients, identifying reimbursement problems and keeping track of critical details for providers so they don’t have to step away from practicing medicine to do it themselves.”

MORE THAN A BILLING COMPANY

Far and above a traditional medical billing company, Fi-Med’s portfolio of services includes accounts receivable management, sophisticated lockbox services, claims appeals, encounter form scanning and transmission, compliance monitoring and risk reduction, contract negotiation, coding and credentialing, in-depth client training, detailed reporting and data analysis.

To keep client practices up and running and free of the industry snags that can hide around any corner, Fi-Med’s certified staff works closely with clients to ensure they’re in consistent compliance with HIPAA and other frequently changing regulations, and outfits



PHOTO BY DON RASK OF DTR PHOTOGRAPHY

Adrian Velasquez, President of Fi-Med Management. Photo taken at the Milwaukee Art Museum.

Testimonial

“We started in 1985 and one of my secretaries did our billing. We were very much a mom-and-pop operation. But in the last 10 years the process has become so onerous and the payers have gotten so difficult that we really needed a professional to do it. Yes, it was going to cost us something, but in the long run it would pay for itself.

“With our old billing company, we’d get complaints from patients about errors and other problems, but we’ve been with Fi-Med for about a year now and I can’t say enough good things about them. They’re good to our patients, we’ve had no complaints and I get a very good monthly report I can look at to see where the collections are coming from. I speak with Adrian, the company’s president, and he gives me a very thorough idea of how we’re doing.

“All the folks that I’ve dealt with there have been extremely responsive. I get on the phone and I get through to somebody every time.”

— David J. Miner, M.D., FACP

provider offices with compliant technologies like firewalls and data encryption. Together, with the company’s impressive monitoring and reporting resources, Fi-Med helps its clients stay at the forefront of pay-for-performance regulations, improving outcomes, customer service and provider efficiency, and keeping the practice competitive and profitable.

Part of that process involves identifying discrepancies in costs for procedures — from immunization shots to X-rays to appendectomies — to ensure they’re adequately covered through contracted plan rates. Careful evaluation by Fi-Med specialists can help clients determine if a managed care deal is profitable.

Increasingly popular among physicians, Fi-Med’s lockbox service acts as a virtual bank for clients. The service shaves more than a week off the normal payment cycle for most accounts, and eliminates time spent opening and sorting checks and EOBs, filling out deposit slips and taking deposits to the bank. Physicians rest easy knowing Fi-Med’s lockbox service takes human error at the office level out of the equation, eliminates the potential of employee theft and makes account reconciliation faster and easier — all for less than banks, often unfamiliar with insurance payments, EOBs and the supporting documents they require, usually charge for the same service.



Christine Krause, Vice President and Director of Operations of Fi-Med Management

“Physicians using our lockbox services have more immediate access to their money,” says Velasquez, “and they enjoy faster billing of secondary claims to insurance companies.”

On the national level, average A/R turnaround time for most physicians ranges between 90 and 120 days from the date of service to the time they’re paid, and Velasquez says that best practices could put a provider at the 60-day mark. “At Fi-Med we turn their accounts receivable in 24-42 days,” he says. “That’s a result of our technology, the protocols we have in place and the incredible staff that we have.”

By managing the receivables process, Fi-Med is also able to quickly identify how much waste exists in the cycle, and thanks to Fi-Med’s coding and compliance specialists, claims are sent out clean the first time, every time, significantly reducing and in some cases completely eliminating claim denials and resulting delays.

If a claim should be denied, however, the team quickly and aggressively appeals it, armed with detailed information to support it and the expert knowledge of the latest regulations and guidelines necessary to make a strong case.

THE PULSE OF YOUR PRACTICE

At the beginning of each month, Fi-Med’s trained financial analysts review and evaluate client data to forecast monthly cash flow. Krause, Vice President at Fi-Med, says account managers will typically know by the end of the first week of the month what the month’s targeted revenue will be, and can detect and adjust for any roadblocks early on.

Most of the time, she says, problems surface because of a proliferation of holes in the system providers couldn’t see or were at a loss for how to fix. Fi-Med is able to find and plug holes, stop-gapping financial losses before they become unmanageable.

Velasquez says that once Fi-Med establishes a financial baseline for its clients, a first step in setting up any new account, the benefits of the company’s systems are often immediate. At six months, the account is mature enough and has accumulated enough data to highlight how much a client’s bottom line has improved — often a remarkable achievement for physicians and centers who have suffered financial losses for many years. After Fi-Med’s fees are deducted from the calculation, Krause says most clients see a 3-5% net increase in revenue.

“What’s also happening out there is that there all of these health plans that have silent PPOs and providers think they’ve got a contract with Health Plan A, but the insurer has really enrolled them in another plan with lower reimbursements,” says Velasquez. “It’s completely legal, and they use multiple fee schedules and end up paying on the lowest possible of those. These are the things we monitor closely for our providers and groups.”

Fi-Med’s staff is also trained to be an early warning system for providers — to note patterns in client denials or delays that alert them to industry changes before they’re even published, giving account managers an opportunity to be proactive and research those changes. Staff can then quickly notify and educate clients before they’re affected.

A STEP AHEAD OF THE PROCESS

Fi-Med invests heavily in sophisticated technology designed for speed, accuracy and volume, enabling it to work with clients ranging from small, independent physicians to mid-size labs and surgical

Fi-Med’s account specialists meet monthly to evaluate client data.



centers to large hospitals and physician networks. Clients are able to take advantage of cutting-edge technology at a fraction of the cost they'd spend acquiring and operating it on their own, and benefit from the wide-ranging expertise behind it.

Since they opened their doors in 1993, Fi-Med has outgrown two facilities and now counts on a highly qualified staff of more than 60 to serve its growing national clientele. Velasquez considers the firm's exponential growth, 200% in the last three years alone, to be unquestionable evidence of a health care system in dire need of a lifeline.

In response, Fi-Med announced earlier this year its acquisition of California and Utah-based Mediplete, a medical billing firm with extensive contracting and compliance expertise, but lacking the technology to keep up with industry changes. The two have merged existing clients, employees and management teams to build a stronger company, adding offices in Orange, CA; and Draper, UT.

"We wanted to team up with Fi-Med to do more," says Jeffrey Clem, Manager of Utah Operations and former co-owner at Mediplete. Clem brings a strong legal background to Fi-Med, specializing in fast-paced credentialing and lucrative contract negotiations, and says merging with Fi-Med will add value to both sides. "Fi-Med is constantly pushing the envelope with technology that helps doctors get the most money for the time they spend running their practices."

Barbara Clem, former owner of Mediplete and now Manager of Fi-Med's California operations, is an expert, certified coder with years of experience as a surgical R.N. She, too, agrees that Fi-Med's



PHOTO BY DON RASK OF DTR PHOTOGRAPHY

Fi-Med's technology, spearheaded by Rosa Rodriguez, is leading the way in the business management of health care.

Awards & Press

In its 15 years in business, Fi-Med has been the recipient of numerous industry and small business awards, including:

- The Better Business Bureau's 2007 Torch Award for Business Ethics and Integrity
- The 2007 MMAC Future 50 Award
- A finalist for the 2007 Inc. 5000 list (ranked No. 6 in Wisconsin, No. 51 of health companies nationwide, and No. 794 overall)
- The Bravo! Entrepreneur Award
- The SBA Wisconsin 2007 Small Business Award



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Torch Award
For Business Ethics & Integrity
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technology is far above what most providers have access to, and coupled with the knowledge and expertise both sides bring to the team, the deal's true winners are the clients.

"Knowledge without technology doesn't work," she says. "And technology without knowledge doesn't work. To succeed in this marketplace, you have to have both."

"We've got all of the pieces of the puzzle here in one place now," says Chris Clem, also formerly of Mediplete. "Being a physician today is not what it was 20 years ago, or even five years ago. Medicine is a financially driven business today and there are a lot of competing interests to navigate. For our providers, results aren't just the bottom line, they're the only line."

Velasquez says Fi-Med is excited about the acquisition, and agrees that combining forces will bring an even higher level of quality and customer care to Fi-Med's clients across the country.

"Technology has always played a large role in our growth," he says. "But more than that, it's people that drive our success. We're bringing on some really exciting talent and expertise here to help us be and do more, and the more we can do, the more we *want* to do. We're careful to keep a balance between growth and capabilities,



Left to right: Adrian Velasquez and Christine Krause with Barbara and Jeff Clem, managers of Fi-Med's California and Utah operations.

and I think our success is testament that we've been able to do that. Excellence is never an accident."

For more information on how Fi-Med Management can assist your practice,

call their main office at: (414) 258-9511. You can also visit them online at: www.fimed.com. Corporate office location: 2200 North Mayfair Road, Suite 200, Wauwatosa, WI 53226. ■



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THE PULSE OF YOUR PRACTICE

Fi-Med goes beyond traditional medical billing services by providing full-service financial and compliance management for independent physicians.

Call today Toll-Free 1-800-318-0019



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