



A QUARTER CENTURY OF SUCCESS IN  
HEALTHCARE RECEIVABLES

- ✓ MISSION STATEMENT
- ✓ ESTABLISHED '83
- ✓ MERCY HOSPITAL
- ✓ CHANGES IN OWNERSHIP
- ✓ RECENT DIVERSIFICATION
- ✓ ABOUT THE PRINCIPALS
- ✓ MEDICAL DEBT PORTFOLIO PURCHASING



MEDICAL ACCOUNTS SYSTEMS  
HISTORY AND OWNERSHIP

## **MEDICAL ACCOUNTS SYSTEMS**

### **MISSION STATEMENT**

*To improve the level of healthcare available to the public by maximizing healthcare provider reimbursement, allowing hospitals, physicians, and other medical providers to concentrate on their core competency- providing the highest level of medical services.*

*To, secure the highest possible recoveries on behalf of the client, while maintaining the integrity of the healthcare provider and its relationship with the patient community.*

### **ABOUT THE AGENCY**

Medical Accounts Systems (MAS) was established in 1983 in response to the increasing volume of bad debt generated by its then parent company, Mercy Hospital, Inc., and the expenses the hospital incurred in outsourcing its delinquent accounts receivable. As the hospital's delinquent receivables continued to grow, so too did the receivables of those divisions of the hospital that provided ancillary services. In 1998, Mercy Hospital sold its controlling interest in MAS to Government Financial Management, Inc. (GFM), an independent entity concentrating in the acquisition and management of debt collection agencies.

In recent years, MAS has moved into the field of providing collection services to the entire Florida healthcare community. The agency currently receives in excess of \$25 million in new placements annually from medical management and professional associations, acute care hospitals, and medical centers. Since the collection and recovery of delinquent accounts is the agency's principal goal, we have committed ourselves to providing our clients with highly effective and practical collection solutions.

MAS relies on an experienced and highly motivated collection team that dedicates itself to the business of collecting even the most difficult unpaid medical accounts. Headed by a collection manager with over 20 years experience, MAS actively pursues reimbursement from individual debtors, private and governmental insurers and other third parties liable for payment. The collection staff at MAS regularly participates in intensive training and development programs designed to instruct the collection staff to more efficiently work delinquent accounts and ensure that all possible recovery avenues are fully explored and exhausted following the placement of an account for collection.

### **PORTFOLIO PURCHASING**

In addition to providing collection services under a standard contingency fee arrangement, Medical Accounts Systems routinely purchases healthcare receivables.

Healthcare providers have historically been reluctant to sell their delinquent receivables. Medical Accounts Systems simplifies the sales process by quickly and efficiently valuating the debt, and ensuring that the seller maintains significant control over the manner in which recovery is pursued. Medical Accounts Systems will assist the seller in segregating and stratifying its problem receivables, providing immediate cash infusions.

## ABOUT THE PRINCIPALS

Jorge M. Abril and Craig R. Lewis, the principals of Medical Account Systems, are practicing attorneys with an extensive background in all aspects of debt collection.

Mr. Abril has been involved in the debt collection industry at every level. He spent over ten years as a collector and collection manager, where he acquired extensive experience in the business of debt recovery. In 1988 Mr. Abril purchased Shafer & Simon, Inc., his first employer in the collection industry, and along with an active law practice, he has been managing debt collection agencies ever since. Mr. Abril is a frequent lecturer on healthcare reimbursement issues as well as general collection and collection-related topics.

Mr. Abril's firm, which was established in 1991, represents several South Florida healthcare providers, including Mercy Health Systems, Mt. Sinai Medical Center, Columbia Kendall, Larkin Community and Jackson Memorial Hospital.

Craig joined the firm in 2006 as a law clerk and upon graduation from law school and passage of the Florida Bar joined the firm as an Associate practicing in managed care, commercial collections, and construction litigation.

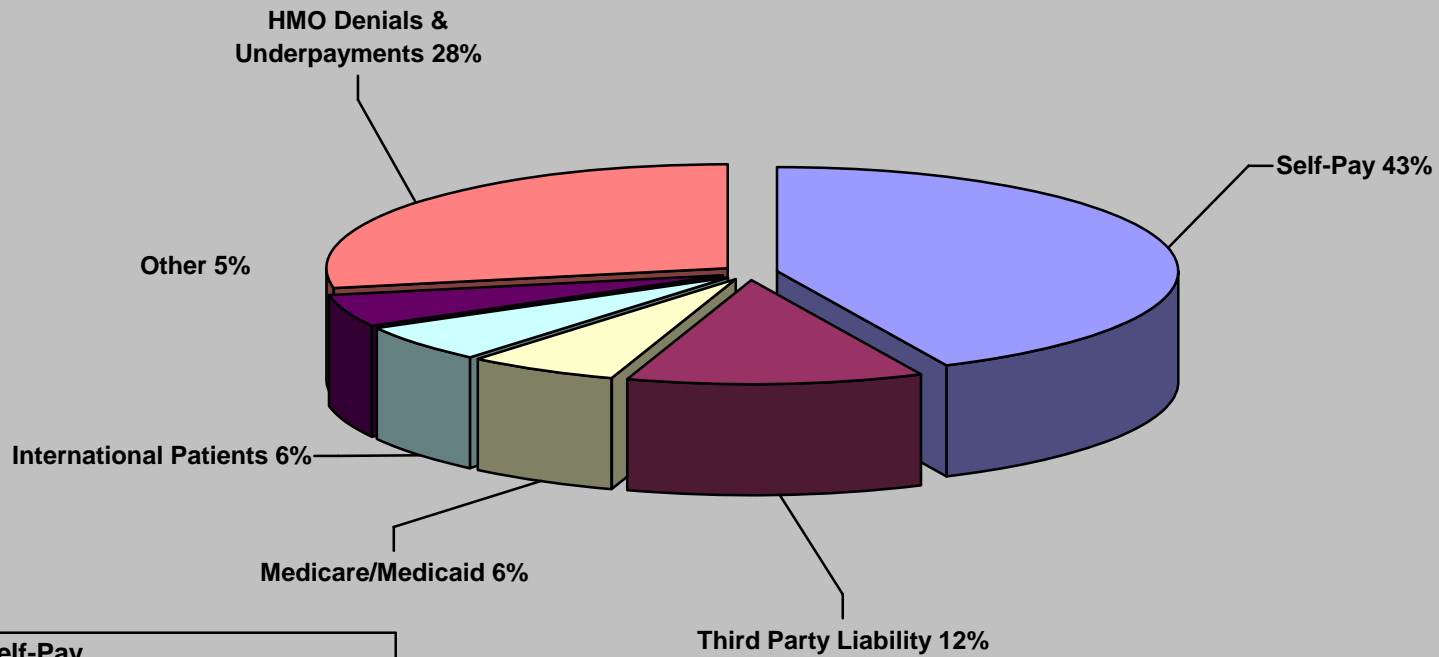
MEDICAL ACCOUNTS SYSTEMS SPECIALIZES IN DEBT COLLECTION IN THE HEALTHCARE INDUSTRY, AND NOT JUST SELF PAY ACCOUNTS. WE CAN ASSIST YOUR ORGANIZATION WITH:

- ✓ MANAGED CARE / THIRD PARTY REIMBURSEMENT
- ✓ INDIVIDUAL OR AGGREGATE CLAIM SUBMITTAL
- ✓ AGING AND RECOVERY ANALYSIS
- ✓ CONTRACT NEGOTIATION
- ✓ HIPAA COMPLIANCE TRAINING
- ✓ MEDICARE / MEDICAID CLAIMS
- ✓ SUITWORTHINESS ANALYSIS



MEDICAL DEBT COLLECTIONS

# 2007 REFERRAL SUMMARY



- Self-Pay
- Third Party Liability
- Medicare/Medicaid
- International Patients
- Other
- HMO Denials & Underpayments

## MANAGED HEALTHCARE REIMBURSEMENT ISSUES

The professionals and staff at *Medical Accounts Systems* possess a unique understanding of managed healthcare reimbursement issues.

The ever-increasing number of managed care payment denials has severely impacted the amount of revenues healthcare providers recover for the services they provide to HMO and PPO patients. In response to this venerable accounts receivable crisis, the Agency has established special Managed Healthcare Reimbursement divisions that exclusively address payment denials based upon lack of prior authorization, lack of medical necessity, pre-existing medical conditions, and partially approved hospitalizations (carve-outs). The staffs of these special divisions are comprised of aggressive and experienced professionals and support personnel dedicated to the reversal of HMO and PPO payment denials. These qualified individuals have special knowledge and understanding of the managed healthcare industry and possess the ability and skill to interpret managed care contracts, understand billing and reimbursement policies and navigate successfully through the appeal and grievance procedure.

<u>TOP TEN REASONS FOR DENIALS</u>	
Coordination of Benefits	25.50%
Patient Not Eligible	15.20%
No Authorization	15.00%
Medical Records Requested	10.60%
Untimely Filing	10.60%
Additional Information Pending	8.90%
Non-covered Services	7.20%
Benefits Expired	5.70%
Billing Errors	1.00%
Contract Review	0.30%
<b>Total</b>	<b>100.00%</b>

The presence of experienced healthcare litigation attorneys at *Medical Accounts Systems* gives the agency an additional pool of experience that can be relied upon for assistance at any time.

- ✓ ACCOUNT DOWNLOAD  
(EDI/MANUAL)
- ✓ NEW CASE  
ACKNOWLEDGEMENT
- ✓ AUTOMATIC INITIAL  
DEMAND
- ✓ PERIODIC TELEPHONE  
CONTACT
- ✓ SKIP TRACING AND  
DEBTOR LOCATING  
SERVICES

- ✓ AUTOMATED MAIL  
SCRUBBING
- ✓ DEBTOR SCORING  
PROFILES
- ✓ PROPRIETARY  
DATABASES
- ✓ CREDIT ANALYSIS &  
REPORTING



COLLECTION METHODOLOGY

## COLLECTION METHODOLOGY

- ***Account Download/Data Entry*** - The Agency receives delinquent account data from the client and loads the information into the automated collection system (called Collection-Master, designed by Commercial Legal Software), by direct electronic transfer means. The use of direct electronic uploading preserves data integrity by minimizing human error. Immediately upon transfer, accounts are routed to specific collectors based on payor type, balance, language, client parameters, etc. Simultaneously, the Agency produces and transmits an *Open Case Acknowledgment Report* to the client ensuring the accuracy of all account information.
- ***Initial Demand Letter*** - When accounts are downloaded, the system automatically creates an initial demand letter which is then printed and sent to the debtor's address as compiled by the client. In the event responsibility for the debt lies with a third party (i.e., attorney, employer, HMO, etc.), the system will automatically generate the corresponding demand.

Each and every demand letter contains the appropriate language necessary to bring the document into compliance with the legal requirements of the Federal Fair Debt Collection Practices Act (FDCPA) and related Florida consumer protection laws. The client will have the option of reviewing and pre-approving the initial demand letter and all dunning notices before the Agency dispatches the letters on a large-scale basis.

- ***Initial Telephone Contact*** - The Agency's supervisory personnel, prompted by the scheduling features of the automated collection system and its predictive dialer, will direct the collection staff to initiate telephone contact with the debtors. Management will ensure that the staff conducts all outbound calls in full compliance with the provisions of the FDCPA and other regulatory provisions.

The collection staff will attempt to contact the debtor at his or her residential telephone number. If there is no answer or if the number is not valid, the staff will attempt to reach the debtor at his or her place of employment.

Wherever the Agency attempts to reach the debtor, the staff will in no way disclose confidential information about the debt or the debtor to any third party without the express authorization of the debtor.

Upon initial contact with the debtor or an authorized representative of the debtor, the staff will attempt to verify the debtor's name, his or her current residential address and telephone number, employer name, address and telephone number and other pertinent information for potential use in litigation.

- ***Debtor Reminder*** - The staff will identify that the Agency represents the client in the collection of an overdue debt and inform the debtor as to the nature of the debt. The staff will advise when the debtor incurred the debt, the outstanding balance on the debt and the delinquent status of the debt. The staff will obtain any pertinent insurance coverage and third party liability information. The Agency will inform the debtor of all applicable co-payments, deductibles and co-insurance. The collector will further inform as to the type(s)

of services and supplies provided to the debtor on the service date(s) and any additional information that will confirm and establish the validity of the outstanding balance owed by the debtor.

- ***Confirmation & Debtor Information Update*** - Following each and every debtor encounter, whether through returned mail or through direct telephone contact, the staff will reconfirm the validity of the information on file for the debtor and update the system with any new data as required. The automated collection system will prompt the staff to enter new data directly onto their interface, and all new information will automatically become part of the permanent database.
- ***Payment in Full Promise*** - The staff will attempt to persuade the debtor or authorized representative to make a commitment to pay the full balance due on the account immediately. If the debtor cannot issue payment in full immediately, the staff will propose an arrangement for payment of the outstanding balance in full based upon pre-determined payment parameters established by management and pre-authorized by the client.
- ***Partial Payments/Payment Arrangements*** - By evaluating the particular circumstances preventing the debtor from issuing an immediate payment in full, the staff will fix an agreed date when the debtor will send the payment. The staff will advise the debtor to include identifying information that must accompany the payment to ensure proper crediting and instruct the debtor to send the payment to our office. The staff will then input the payment promise information by annotating the computer system. The annotation will setup a "tickler" date to prompt the staff to make a "broken promise" follow-up telephone call in the event that the debtor neglects to issue the payment as promised.

Alternatively, if an analysis of the debtor's financial profile warrants the use of an installment-type payment arrangement, the staff will propose to the debtor that he or she enter into an agreement for the payment of the balance in full over time. The staff will only propose payment plans that span a relatively short period of time based on the amount of the debt and any special debtor circumstances. All installment-type arrangements must have the pre-approval of management and the client.

In the instances when the debtor seeks to reduce the balance owed on his or her account by asking for a "discount" on the outstanding balance, the Agency will only negotiate account discounts and reductions upon the pre-authorization of the client and only upon parameters recommended and approved by the client. If the client has authorized the Agency to negotiate account discounts, the supervisory staff will attempt to negotiate the highest percentage "lump sum" payment.

- ✓ SCANNING INTERFACE
- ✓ ELECTRONIC DATA INTERCHANGE
- ✓ ONE-TOUCH AUTO DIALER
- ✓ CREDIT REPORT INTERFACE
- ✓ SOFTWARE-INTEGRATED SKIPTRACING
- ✓ INSTANT CLIENT/FORWARDER STATISTICS
- ✓ SMART DIARY SYSTEM
- ✓ INTERACTIVE VOICE RESPONSE INTERFACE

- ✓ AUTOMATIC WORD PROCESSING DOCUMENT MERGE
- ✓ MANAGEMENT REPORTS
- ✓ SUPERVISORY REPORTS
- ✓ COLLECTOR OPERATIONS REPORTS
- ✓ TRACKING & REPORTING REQUIREMENTS
- ✓ SAMPLE FORMATS ATTACHED



**COLLECTION MASTER SOFTWARE:  
STATE OF THE ART COLLECTION SYSTEMS**

REPORT DATE: 09/18/2008

MEDICAL ACCOUNTS SYSTEMS, LLC  
1201 Brickell Avenue  
Miami, Florida 33133

101

CLIENT NAME  
ADDRESS  
CITY/STATE/ZIP

OPEN CASE ACKNOWLEDGEMENT REPORT

DEBTOR NAME	FILE #	D.O.S.	AMT COLL	AMT DUE
JOHN DOE	123456789	1/23/2007	\$0.00	\$11,285.00
JANE DOE	574869123	9/26/2007	\$0.00	\$413.00
SARA DEBTOR	987654321	10/16/2007	\$0.00	\$3,618.04
JOHN SMITH	101112131	8/28/2007	\$1,676.24	\$2,676.24
			<b>TOTAL AMT PLACED:</b>	<b>\$ 17,992.28</b>

Number of files included in this report -->> 4

CLIENT NAME - #101  
 ADDRESS  
 CITY/STATE/ZIP

MEDICAL ACCOUNTS SYSTEMS, LLC  
 1201 Brickell Avenue, Suite #23C  
 Miami, Florida 33133

COMBINATIONDISBURSEMENT&COLLECTIONREPORT - DATE:09/18/2008

DATE PAID	OUR FILE #	YOUR FILE #	CLAIM INFORMATION	COSTS ADV'D	TRANSACTION DESCRIPTION	CURRENT BALANCE	GROSS AMT COLLECTED	PAID DIRECT	COSTS RET'D	NET AMOUNT	COMM RATE	OUR FEE	CHECK TO CLIENT
8/19/08	JS62424	123456789	SMITH/JOHN	\$0.00	COLLECTION	\$848.00	\$100.00	\$0.00	\$0.00	\$100.00	@ 35.0%	\$35.00	\$100.00
8/21/08	JS51150	578546513	DOE/JOHN	\$0.00	COLLECTION	\$954.21	\$0.00	\$5,000.00	\$0.00	\$0.00	@ 35.0%	\$1,750.00	\$0.00
8/23/08	JS61523	743513587	DEBTOR/SARA	\$0.00	COLLECTION	\$12,755.30	\$250.00	\$0.00	\$0.00	\$250.00	@ 35.0%	\$87.50	\$250.00
<b>TOTALS</b>							<b>\$350.00</b>	<b>\$5,000.00</b>		<b>\$350.00</b>		<b>\$1,872.50</b>	<b>\$350.00</b>

A TOTAL OF: \$ 0.00 IN COSTS RECOVERED WERE RETURNED

AMOUNT OF REMITTANCE: \$ 350.00

This is an invoice for Fees of: \$ 122.50

Invoice for Fees due on Direct Payments: \$1,750.00

Invoice for Costs Advanced: \$ 0.00

\*\*\* THIS IS AN INVOICE FOR: \$1,872.50

ENCLOSED YOU'LL FIND A SAMPLE BUSINESS ASSOCIATE AGREEMENT, WHICH UNDER HIPAA EVERY MEDICAL DEBT COLLECTOR SHOULD EXECUTE WITH THE PROVIDERS THEY REPRESENT, AND A SAMPLE COLLECTION SERVICES AGREEMENT, WHICH DETAILS THE DUTIES AND RESPONSIBILITIES BOTH YOU (THE CREDITOR) AND MEDICAL ACCOUNTS SYSTEMS (THE COLLECTOR) WILL UNDERTAKE UPON ESTABLISHING A BUSINESS RELATIONSHIP. SHOULD YOU HAVE ANY QUESTIONS REGARDING THESE DOCUMENTS OR REGARDING OUR SERVICES IN GENERAL, PLEASE FEEL FREE TO CONTACT US. WE LOOK FORWARD TO SERVING YOUR DEBT COLLECTION NEEDS.

JORGE M. ABRIL, ESQ.

MEDICAL ACCOUNTS SYSTEMS  
JMABRIL@MASRECOVERY.COM



**SAMPLE AGREEMENTS**