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## Strategic Medical Bill Review for Large Businesses (250+ employees)

Your health care expenses are not increasing because of rising costs but because of unchecked charge increases. Merrit Quarum, MD and CEO of Qmedtrix explained in his presentation at the Florida Forum, a Florida Chamber of Commerce event, that in addition to charge inflation medical bills contain “flukes”, “fudges”, and “fraud”. These represent medical bill errors, abuse, and fraud – which are prevalent in medical bills today and represent a significant, unnecessary expense to your company.

Below are questions you need to ask, answers you need to receive, and actions you need to take now.

1. Stop focusing on the 70% of the medical bills that pertain to routine and preventive patient check-ups and start talking about the ten percent that are causing the real charge inflation.
  - Up to 30% of your costs are being driven by facility bills (hospital, outpatient surgery, emergency room, and ambulatory surgery center bills).
  - If the facility is part of your network (PPO, for example) the discount is minimal or simply applied to the total charges.
  - Unnecessary charges are frequently on the bill as line items.
2. Audit every bill, including network bills, before you make payment. Your network discount should not be applied until AFTER billing abuses and errors are removed.
3. Focus on bills that are not covered by a contract or discounted agreement – these may be 20 to 50 percent of your medical bill volume.
  - Out of network bills are often “prompt pay” discounted, meaning that someone is calling the provider and asking for a 3 to 10% discount for no reason other than to “try and get something”. This is not a good strategy for any business.
  - Occasionally these bills are “re-priced” without a clearly defined reason or methodology. Unfortunately, provider disputes almost always occur, forcing individuals and businesses to go back and pay more on the same bill– otherwise known as paying additional allocations or paying on reconsideration (recon). You should ask your vendor for their “reconsideration rate” and ask for proof of this reconsideration process. Then validate it with your accounting and risk management departments.
4. Networks should not be handling your out of network medical bills. It is not in their best interest to obtain the best savings for you – particularly if the savings are greater than what their network discount might obtain.

5. Network contracts are likely your most utilized cost containment strategy. When was the last time you carefully reviewed this strategy? You should be asking the following:
- Do my network contracts allow for a “lesser of the three” payment (paid to either state fee schedule, usual and customary or a contracted discount rate, whichever is less). How often are fee schedules and usual and customary actually used for payment? Ask for documentation detailed by state. You will likely find that the network discount is predominantly applied, which may not be the best choice.
  - Do you use “stacked networks”? If the network is getting 20% or less in savings and no checks are occurring for abusive and fraudulent billing, stop taking the risk and seek a better alternative.

To take advantage of Qmedtrix’s no-cost, no-obligation strategic consultation and sample review services, please contact Debra Bell, Marketing Director (503) 963-3368 or email [dbell@qmedtrix.com](mailto:dbell@qmedtrix.com).

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