

BUSINESS MANAGEMENT AND CONSULTING FOR PHYSICIAN PRACTICE GROUPS



Increasing physician income through management services specialized in healthcare

The Health Group knows how to increase revenue by improving coding, collections, managed care contracting and eliminating non-productive overhead. The net effect? More revenue, less overhead, higher income and more time for patient care. We handle the business of medicine. The Health Group brings to all its clients a fully integrated practice management and electronic medical records system that would otherwise be too expensive for a small group to obtain on its own. With The Health Group, the small to medium size physician practice can enjoy the expertise and economies of scale that are typically only available to large groups.



“We help doctors to be in business for themselves, but not by themselves.”

The Health Group currently manages the practices of over 40 physicians in the North Texas marketplace in a wide variety of specialties including Internal Medicine, Infectious Diseases, Hospitalists, Ob-Gyn, Urology, Neurology, ENT, Vascular and various other surgical specialties. The Health Group management team also has experience working with many other specialties as well.



9101 LBJ FREEWAY, STE. 710, DALLAS, TX 75243
T 972.792.5700 F 972.788.4707
www.thehealthgroup.org

The Health Group: 25 years of experience in practice management ++++++

The Health Group's support and management of physician practices dates back to 1978. In 1992, David Loomis joined as President, bringing expertise as CEO and senior executive of several multi-million dollar physician corporations. Michele Schaeffer and Debi Glick who joined the company in 1997 and 2001 have nearly 40 years of executive experience between them in practice management and administration.

In the past 15 years, The Health Group has grown significantly due to its superior practice management ability. Diligent management of patient accounts results in higher collection rates. Accounts receivable balances are typically less than 30 days outstanding. Balances over 90 days are less than 10%.

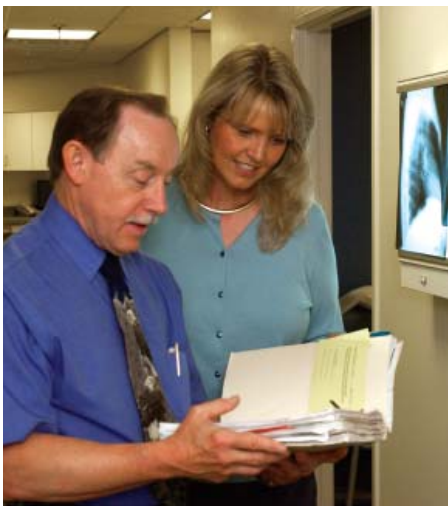
This demonstrates The Health Group's focus on prudent and expedient claims management. The more past due insurance and patient



balances become, the less likely they are to be collected. This is one way The Health Group achieves its goal of providing clients with overhead levels that are equal to or less than prevailing norms in each specialty inclusive of its fees.

The theme of lower cost and increased revenue is carried into all aspects of the company's work. For example, electronic medical records

systems greatly reduce ongoing operating costs of the practices that use them while increasing revenue through improved coding and charge capture. The Health Group provides an electronic medical records system that is available to clients on terms that are much less expensive than an independent practice could achieve on its own.



+++++ The Health Group



The Health Group, based in Dallas, Texas, is a comprehensive physician practice management company founded in 1978. Unlike most practice management companies, The Health Group specializes in the unique needs of the small to medium size physician group. These groups typically present a significant management challenge because they often cannot afford computerized record systems purchased by large groups. The Health Group is able to spread the cost of such systems over many practices thereby providing economy of scale.

“We help doctors to be in business for themselves, but not by themselves.” The Health Group frees physicians from the business of medicine so they are able to focus on the practice of medicine.

Benefits of our work with practices include:

- Increased Patient Volume
- Strengthened Financial Security
- Improved Office Efficiency
- Maximization of Revenue
- Increased Productivity
- Controlled Expenses

Services we provide:

- Operations Management
- Claims Filing and Follow up
- Marketing
- Human Resource Administration
- Accounting
- Information Technology
- Fee Schedule Analysis
- Compliance and Liability Reduction
- Physician Credentialing
- Consulting and Analysis
- New Practice Establishment
- Expansion and Relocation

Services we provide through our team of outside experts:

- Corporate Identity/Naming
- Internet Site Development
- Banking Resources
- Accounting Services
- Personal Financial Planning Services
- Professional Liability Insurance Resources
- Graphic Design Resources
- Space Layout and Design



Operations Management +++++

Physicians often find themselves in crisis management mode without sufficient means to meet the financial needs of their practice. The Health Group provides oversight and supervision of your day-to-day practice operations, your collections and cash flow, and your long-term goals and strategic planning. We handle all administrative aspects of physician practice so that our physician client is able to focus on, and maximize, medical practice without distraction.

From a day-to-day practice operations standpoint, we handle staffing of the office, training and development, human resource management, practice management system implementation and putting compliance programs in place. We ensure that your office projects the atmosphere and image you desire.

From a collections and cash flow perspective, we manage your participation in insurance



plan contracts, file your claims electronically, follow-up on account balances, negotiate pricing with vendors, and pay practice expenses on a timely basis. Overall, we ensure that you have the best reimbursement (accounts receivable) and the best prices (accounts payable) possible.

To achieve your strategic plan and long term goals, we handle the marketing of your practice, advise you on major purchases by doing return on investment analysis, interface with third parties on your behalf, and ensure that your practice is on track to meet your vision.





Claims Filing & Follow up

Our professional billing staff receives individualized training, allowing them to more effectively work with individual payers, specific to each payer's rules and policies. Armed with knowledge of what each payer requires to get timely and maximum reimbursement for your services, we are able to achieve the highest possible collection rate. Although we require our physician clients to do their own coding, certified coders are in place to assist with specific coding questions, identification of denial trends, and assist with appeal logic to recover payment for claims where denials were inappropriate or lie outside standard billing practices and Correct Coding Initiative (CCI) guidelines.



The Health Group focuses on staff training to ensure prompt charge entry, coding compliance, and prompt claims processing, thereby improving the payment process. High collection rate of accounts receivable is the result of a team effort between staff in the billing office and physician's office. This relationship allows us to obtain superior results.

Results Include:

- Client receivables that are most often under 30 days outstanding
- Aged balances, over 90 days, generally less than 10%
- Bad debt percentages that are among the lowest in the industry

Marketing



The Health Group customizes a marketing strategy for each client specific to the community they serve. Where needed, we involve outside experts that have long-standing relationships with The Health Group.

First, we develop a marketing plan which identifies strategic opportunities. This involves extensive market research: gathering statistical information on area population trends; targeting attractive household income areas; and identifying where competitors are located.

Using this research we create marketing objectives (long-and-short term) and communication strategies to reach these goals. This can include marketing materials, naming, corporate identity, logo, stationery, brochures, direct mail and Internet site development.



The marketing plan, in summary, is a road map that guides you through the start-up and expansion stages of your practice whether you are opening a new practice or adding a new physician to an existing practice. We also set up tracking tools at the outset that will identify referral patterns and ensure that the best possible marketing strategies for practice development are being used and that monies spent are achieving desired goals.



+++++ Human Resources Administration

The Health Group recruits, staffs and handles all aspects of employment of non-provider employees so physicians can focus on patient care. We attract higher caliber employees by offering cost-effective, comprehensive benefits that many times physicians in small practices are not able to provide. This advantage helps minimize staff turnover while reducing personal liability for physicians.



Staffing Analysis

We handle on-site staffing analysis and workflow evaluation, including efficiencies and FTE staffing ratios.

Recruiting, Hiring and Termination

The recruitment process includes:

- Pre-screening interviews
- Pre-employment drug screening and background checks on all employees
- Reference Verification
- Extending employment offers to the eligible candidate
- Perform new hire orientation
- Evaluate performance including incentive plans, counseling, disciplinary actions and/or termination when necessary

Training

We provide orientation and ongoing training in the following areas:

- Practice Management System
- Electronic Health Records (when applicable)
- OSHA
- HIPAA
- CLIA (when applicable)
- Customer service
- Continuous support

Employee Benefits Administration

Our employee benefit programs are affordable because our size gives us the ability to negotiate rates that would not be available on a practice by practice basis.

Our program includes:

- Health insurance
- Dental insurance
- Life insurance
- 401k
- Vacation
- Personal time off
- Paid holidays
- Annual reviews

Payroll and Tax Administration

- Employee payroll & taxes
- Unemployment requirements
- Worker compensation

Accounting

The Health Group provides you with strong internal controls backed up by a system of checks and balances. While we are responsible for cash management, banking, accounts payable and customized financial reporting, you retain signing authority for all expenses. Our work is validated by your accountant who is responsible to you for periodic independent review of practice finances. We meet with you monthly for a management review of practice revenue, expense and profitability which enables you to make effective decisions and to establish clear achievable long term goals.



Expense Management

- Verify Invoice Accuracy
- Code to General Ledger Account
- Prepare Payment for Physician Signature

Revenue Management/Internal Controls

- Maintain All Source Documents
- Reconcile Discrepancies
- Monitor Daily Deposits
- Reconcile Bank Statements

Customized Financial Reporting

- Compilation of income and expense statements
- Visit Statistics which helps you to be aware of trends in practice productivity
- Monthly productivity reports

Physician Credentialing



We can help you with:

- Medicare
- Medicaid
- BC/BS
- IPA's
- Direct Contracts as needed

The Health Group works with you to complete the Common Credentialing Application. We review contracts and reimbursements, make recommendations, and fill out the necessary paperwork to submit or recredential you on plans. We then follow-up with each plan to ensure the timeliest possible effective date. Ensuring an accurate and complete process initially saves time and money when you want to be accessible to all patients' insurance plans.



Compliance & Liability Reduction

Concerns regarding malpractice liability and complying with government regulations are constant challenges for physicians. The Health Group's compliance programs and documentation and tracking systems can significantly reduce the burden and minimize risk while increasing safety and quality.

Compliance Programs

- OSHA
- HIPAA
- CLIA
- TDH
- Equipment calibration and maintenance

Services Include:

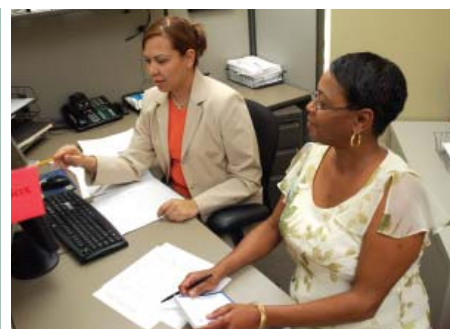
- Written policies and procedures
- Staff training
- Compliance standards
- Documentation tools
- Test ordering and report tracking systems
- Employee training
- Proficiency testing



Fee Schedule Analysis



We have years of experience working directly with physician offices, insurance companies and IPA organizations. Our yearly research and comparison on national, state, and local fees provide you with the opportunity to make timely fee adjustments to ensure that reimbursement is maximized and no opportunities are overlooked.



Information Technology

We provide and support some of the most popular electronic practice management, electronic health records (EHR), and communication systems. These systems are affordable due to favorable group pricing from our vendors that would typically be unavailable to a small practice trying to purchase a single system. Our EHR solution can be customized for all practice types. The EHR is fully integrated with a companion practice management system and will convert chart notes to ready to file, appropriately coded claims.



Expansion & Relocation



One of the best problems to have is when a group has strong volume and is ready to expand. Adding additional offices can be expensive. However, if you have outgrown your current location, The Health Group can help you expand your main office or add satellite offices in high demand areas. This can include new freestanding locations or synergistic office share arrangements with other groups.



+++++
+++++ *New Practice Start-up*

Starting up a new practice can be overwhelming to the physician. As with anything else in life, practice makes perfect. Because The Health Group staff has set up more than 100 physicians in practice over the years, we know the short cuts that enable physicians to generate profit faster while containing long term overhead costs.



Under a full service management agreement a new practice start-up includes, marketing, human resources, claims filing and bookkeeping services. We also bring banking, accounting, and attorney relationships.

Services include:

- Assistance with space location
- Coordination of construction and site build-out
- Installation and coordination of computer and telephone systems
- Set-up of lab and tracking mechanisms
- Set-up of HIPAA compliance programs
- Ordering of furniture, medical equipment, and supplies
- Credentialing with managed care organizations
- Fee schedule development
- Recruiting and training
- Vendor assessments





Consulting & Analysis

Because our staff is highly experienced we draw on a wide variety of resources throughout our company to analyze and resolve problems that arise within your practice. These resources are available to you on an as needed basis as part of the management services we provide. Where additional outside specialized expertise is needed, we call on an extensive list of marketing, financial, real estate and legal experts who work with The Health Group on a regular basis.

