

INCOME REPAIR ANALYSIS FOR A HEALTHCARE PROVIDER

ABOUT THE CLIENT

Client is a U.S.-based integrated network of **gastroenterology care centers** that provides services across entire spectrum of gastrointestinal issues



SITUATION

- Client periodically acquired new care centers, and **they lacked visibility into the impact on revenue** after acquisition due to differences in contractual agreements/rates between care centers and insurance providers
- Merilytics partnered with the client to **build a comprehensive report per acquisition** to understand the **impact on revenue** due to the change in contractual rates before and after the care center's acquisition



VALUE ADDITION

- Reconciled the pre and post acquisition revenue by **integrating data from different Electronic Medical Record (EMR) systems (gGastro and Athena) and Pre-acquisition System data** into a single centralized data model which contains the pre & post acquisition contractual rates and billing & collections data
- Analyzed the post-acquisition revenue realization trends and **pro-rated the pre-acquisition rates to estimate the pre-acquisition revenue** of the acquired care centers where historical data was missing
- Assessed Income Gained/Lost** due to differences in contractual rates before and after acquiring Care Center at each Insurance type and Insurance plan level



IMPACT

- Achieved an **increase in revenue of ~\$1.5M** which is ~5% of quarterly revenue due to the contractual amendments made with Insurance Providers
- Breakdown comparison at the Insurance category level helped the client **track and make decisions during the contractual discussions** with the Insurance Providers

METHODOLOGY/ APPROACH

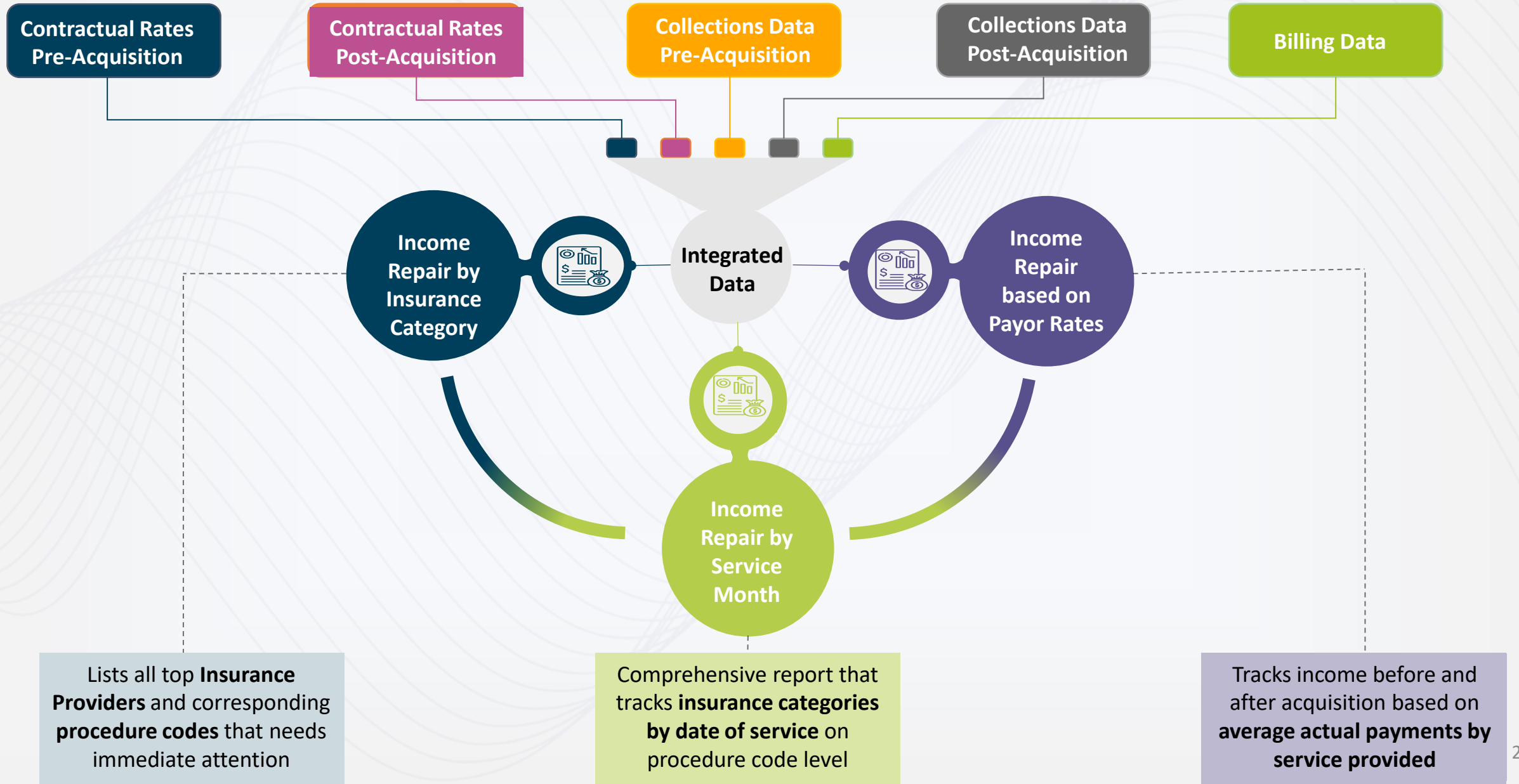


EXHIBIT 1: RATE COMPARISON ANALYSIS – INCOME REPAIR

ILLUSTRATIVE

Facility	Facility 1
Data from	Month 1
Data Till Month	Month 6
Insurance Category	Insurance Category 1

Total Income Repair Amount (\$143,259.9)

Tracks procedure codes with **highest impact on revenue** over time by different cuts of facility, insurer group based on **contractual rates and respective payments**

CPT Code	CPT Code Description	Contract Rates before Acquisition	Contract Rates after Acquisition	Units after Acquisition	Payments after acquisition	Payor Rate after acquisition	% Amount Collected	Adjusted Rate before Acquisition	Variance	Income Repair Amount
43200	ESOPHAGOSCOPY	\$662.0	\$129.9	1	\$129.9	\$129.9	100%	\$662.0	(\$532.2)	(\$532.2)
43202	ESOPHAGOSCOPY W BIOPSY	\$617.0	\$152.5	1	\$152.5	\$152.5	100%	\$617.0	(\$464.5)	(\$464.5)
43238	UPPER EUS WITH BIOPSY	\$247.3	\$326.5	1	\$326.5	\$326.5	100%	\$247.3	\$79.2	\$79.2
43248	EGD W DIL OVER GUIDE WIRE	\$473.0	\$244.7	10	\$1,899.1	\$189.9	78%	\$367.1	(\$177.2)	(\$1,771.9)
43261	ERCP W BIOPSY	\$371.8	\$490.8	1	\$23.1	\$23.1	5%	\$17.5	\$5.6	\$5.6
43262	ERCP W/SPHINCTEROTOMY/PA	\$392.3	\$517.8	6	\$296.5	\$49.4	10%	\$37.4	\$12.0	\$71.9
43264	ERCP FOR REMOVAL OF STONE	\$399.9	\$527.8	8	\$1,802.6	\$225.3	43%	\$170.7	\$54.6	\$436.9
44380	ILEOSCOPY THRU STOMA	\$64.5	\$93.2	1	\$48.1	\$48.1	52%	\$33.3	\$14.8	\$14.8
44388	COLON THRU STOMA	\$340.1	\$199.2	1	\$199.2	\$199.2	100%	\$340.0	(\$140.8)	(\$140.8)
45330	FLEXIBLE SIGMOIDOSCOPY	\$129.1	\$76.3	3	\$176.0	\$58.7	77%	\$99.2	(\$40.5)	(\$121.6)
45331	FLEXIBLE SIGMOID W/BIOPSY	\$154.5	\$91.0	5	\$354.7	\$70.9	78%	\$120.4	(\$49.5)	(\$247.4)
45378	COLONOSCOPY	\$723.0	\$386.3	52	\$21,002.0	\$403.9	105%	\$755.9	(\$352.1)	(\$18,307.0)
45380	COLONOSCOPY W/BIOPSY	\$763.0	\$410.3	212	\$61,681.8	\$291.0	71%	\$541.1	(\$250.1)	(\$53,024.7)
45385	COLONOSCOPY W/POLY (SNARE)	\$824.0	\$528.9	228	\$124,143.7	\$544.5	103%	\$848.3	(\$303.8)	(\$69,258.2)

EXHIBIT 2: IMPACT ANALYSIS – INCOME REPAIR

ILLUSTRATIVE

Facility	Facility 1
Data From	Month 1
Data Till Month	Month 6
Insurance Category	Insurance Group 1

Total Income
Repair Amount **\$4,279.5**

Tracks procedure codes with **highest impact on revenue** over time by different cuts of facility, insurer group based on **payments and corresponding payor rates**

CPT Code	Description	Payor Rate before Acquisition	Units after Acquisition	Payments after acquisition	Payor Rate after acquisition	Variance	Income Repair Amount
45378	COLONOSCOPY	\$363.17	14	\$6,717.95	\$479.85	\$116.69	\$1,633.63
43239	UPPER GASTRO ENDOSCOPY W BIOPS	\$333.68	19	\$7,091.16	\$373.22	\$39.54	\$751.32
99204	OFFICE VISIT (NEW PATIENT)	\$108.04	2	\$956.00	\$478.00	\$369.96	\$739.91
99213	OFFICE VISIT ESTABLISHED PATIENT	\$67.97	5	\$914.95	\$182.99	\$115.02	\$575.10
45385	COLONOSCOPY W/POLY (SNARE)	\$514.12	4	\$2,561.24	\$640.31	\$126.19	\$504.76
45380	COLONOSCOPY W/BIOPSY	\$419.47	6	\$2,800.00	\$466.67	\$47.20	\$283.19
99203	OFFICE VISIT (NEW PATIENT)	\$95.06	12	\$1,260.00	\$105.00	\$9.94	\$119.31
99214	OFFICE VISIT ESTABLISHED PATIENT	\$73.91	10	\$840.00	\$84.00	\$10.09	\$100.87
99232	HOSPITAL VISIT	\$65.85	1	\$145.94	\$145.94	\$80.09	\$80.09
99222	INITIAL HOSPITAL VISIT	\$133.59	8	\$560.00	\$70.00	(\$63.59)	(\$508.73)