Bern Medical- Executive Summary

Bern Medical was born when a radiology clinic was having problems with their billing; they needed to run a reconciliation of all the procedures performed over the past 18 months to what had actually been billed to the insurance companies. Bern’s software was created to analyze the two separate databases to identify the errors. $2M was found for the radiology clinic in the first analysis. After the clinic had moved to a very popular 3rd party billing company, the analysis was performed again and found an additional $200k. Since this clinic benefited from the analysis even after engaging a respected billing company, we believe that this analysis will be helpful across the industry.

Errors naturally occur in the billing process, due to human error and the complexity of the process. The first 12 analyses performed with the software have indicated an average of 2% error rate. Many insurance companies allow for corrections up to 18 months. While our software is a good fit for any reconciliation between 2 databases, there is a latent need in Medical and Diagnostic Laboratories, where procedures are recorded electronically and billing is done in a disparate system. In the United States, according to the US Census Bureau, there are over 13,000 Medical and Diagnostic Laboratories, which generate over $40B in revenue annually. If the 2% error rate continues to hold true, this would represent $800M annually in missed billings.

Bern Medical offers the reconciliation of historical data for zero up front costs, and collects as a contingency fee a percentage of actual receipts of discovered errors. Contingency fees depend on the size of the client, but vary between 25-50%. To perform the analysis Bern requires the database information from the provider, which generally requires a few hours of IT time. Result are returned within 2 weeks, with a listing of the billing opportunities and statistical graphics of the errors, which allows the providers to explore the data set to improve and reduce future errors.

There are many consultants that provide recovery and revenue cycle analysis. Most consultants that provide similar service as Bern provide audits similar to financial audits, which involve testing procedures, consultants on site and more time from employees of the provider. The software will continually improve and Bern will be able to provide proprietary pattern recognition algorithms to provide insight to the providers on how to correct the errors.

David Fuhriman is a licensed CPA in California. Previously he worked for a San Diego based wireless company implementing and administering IBM business intelligence and other financial applications. He is also a Lean Six Sigma Greenbelt, earned his MBA from Northwest Nazarene, and a BA from Boise State.

Adam Fuhriman serves as the Director of IT for Idaho’s largest independent diagnostic imaging clinic. In 1995 he founded Xenial Technology, an IT consulting company.

Richard Doutre Jones works with various start-up companies in a variety of industries and provides sales, marketing and operation advice for existing broadcasting companies. Previously he served as VP/GM of broadcast companies in San Francisco and San Diego. He has served on the board of director of Life Vantage (LFVN) and earned a BA from BYU.

Jesse Wakley is a PACS/RIS Administrator of Medical Image Solutions and owner of Radiology Technology, Inc.