

JACKSON THORNTON

HEALTHCARE



We appreciate the opportunity to introduce our services to Ingram Micro. We believe that you will find Jackson Thornton Healthcare Consultants to be uniquely qualified because of the extensive knowledge and experience that we have in the physician practice industry.

We have provided consulting services for practices of varying sizes for projects ranging from chart audits and coding reviews to full practice management and billing services. We tailor our services to the particular needs of the practice.

EXPERTISE OF CONSULTANTS

Jackson Thornton Healthcare Consultants are qualified to provide these services for several reasons, primarily because of the expertise we have in the healthcare industry and the professionals we have on staff in the Healthcare Consulting Group. This team brings together all the necessary experience to complete this project to the client's satisfaction.

Patti G. Perdue, CPA.CITP. Patti is the principal responsible for physician practice management services. She has over thirty years of experience in public accounting and specializes in management, accounting and tax services to the Firm's physician practices. Patti has participated in extensive practice management conferences and continuing education. In addition, she maintains requirements for CITP, Certified Information Technology Professional. This designation by the AICPA is reserved for CPAs who meet certain requirements of study, education and experience in the technology industry. With the growing importance of technology in physician practices, this certification makes Patti uniquely positioned to assist management with management and technology decisions affecting the business of the practice. Patti is a member of the American Institute of Certified Public Accountants, the Alabama Society of Certified Public Accountants, and the Medical Group Management Association and the National CPA Health Care Advisors Association. Patti is also the principal over Jackson Thornton Technologies, LLC. She provides strategic integration with the CPA firm and financial and management oversight.

W. Mark Baker, CPA is a principal and has over 13 years of experience with the Firm. Mark focuses his attention on providing audit, tax and consulting services to long term care facilities, physician practices and other healthcare operations. He is also responsible for the tax and accounting services of the Healthcare Group's high net worth physicians and business owners. Mark is the principal in charge of Complete Practice Management, LLC. He is a member of the American Institute of Certified Public Accountants, the Alabama Society of Certified Public Accountants, the Medical Group Management Association and the National CPA Health Care Advisors Association.

Kelli Morgan, CPC came to our firm with two years experience as a medical claims analyst in the workers compensation business. Kelli is a certified professional coder. Her areas of proficiency are billing, coding, research and analysis. She is a member of the Capital City Coders Professional Association and the Medical Group Management Association.

Complete Practice Management, LLC is a subsidiary of Jackson Thornton through which our consulting services are provided to physicians. Although a separate entity, CPM continues the firm's traditions of integrity, teamwork, intense client service, respect and caring, and results.

COMMITMENT TO INDUSTRY

We have invested thousands of hours of study in health care reform, the PPACA Act (The Patient Protection and Affordable Care Act) and its impact on our clients. During 2010, our team of experts made presentations on healthcare reform to more than 10 audiences covering the tax, business and individual changes. In addition, we researched to determine the impact on physician practices of other laws such as HITECH Act for EMR systems and its stimulus funding. Together with Jackson Thornton Technologies, we analyze the practice management and technology requirements that physicians and their businesses face with health care reform.

During 2010, through a joint venture with MASA's Technology Committee and Jackson Thornton Technologies, Complete Practice Management produced educational webinars for HC Reform and Meaningful Use Requirements which were made available to MASA membership and other physicians. We currently perform assessments jointly with Jackson Thornton Technologies to evaluate a practice's readiness for implementing EMR and ability to demonstrate meaningful use.

PAST PROJECTS OF COMPLETE PRACTICE MANAGEMENT, LLC

Practice Management Review – We performed an extensive review of management and business procedures for a large pain management group that included reviewing charges, collections, billing procedures, AR management, evaluation of personnel and duties, review of accounting, payroll and monthly financial statements, segregation of duties and development of an action plan for the new practice managers to implement our recommendations. These service fees range from \$3,500 to \$6,500.

Outsourced Billing Services – We added outsourced billing to our menu of services and currently provide billing services for an internal medicine practice. After assuming these responsibilities, we improved AR collections and reduced the billing uncertainties inherent in a small staff.

Before: Days in AR 26 days.

After: 23 days

Before: Collection of Gross Revenue 78%.

After: 81%

Before: Frequent employee absences slowed billing and collection.

After: Absences no longer delay filing claims nor reduce deposits. In addition, collections of co-pays at check-in increased as a result of procedures we implemented.

In addition to the improvements in collections, we also assisted the physician with the implementation of a certified EMR system which included conversion of paper charts to electronic, physician training, integration of reporting with Lab Company, and implementation of E-prescribe. We meet with the physician monthly to review the AR and results of collections and billing. These service fees are generally based on a percentage of collections; generally in the range of 4-10% of collections.

Coding Reviews – We regularly perform coding reviews and chart documentation audits for two orthopedic surgeon groups in Montgomery. We assisted a large emergency medicine group in preparation for a Medicaid RAC audit by reviewing claims billed, claims paid and chart documentation. These service fees range from \$1,500 to \$3,500 depending on the number of charts and physicians surveyed.

Monthly Operational Reviews – We currently provide monthly operational reviews for a large primary care group and a large nursing home. Each review is tailored to the specific needs of the

owners and management. We review financial statements, meet with the owners and management to identify budget matters, cash flow projections, AR aging reviews and strategic planning. These service fees range from \$1,500 to \$4,500 per month.

Revenue Cycle Review – We performed a review of the billing department of a large primary care group with 15 physicians and 5 PAs. The objective was to assess the effectiveness of the people, processes and procedures. We reviewed reports, practice results, and made recommendations to reduce the time from patient encounter to billing and deposit, increase collections and improve efficiency of department. We identified changes that would be needed when the group implemented a new EMR solution. These service fees range from \$2,500 to \$7,500.

Strategic Planning and Business Process Improvement – We provided strategic planning for the owners of a primary care group that resulted in a business process improvement project. We studied the processes and procedures of the business, reviewed management effectiveness, obtained employee input, and recommended extensive improvements to the business of the practice including the hiring of a CEO. These service fees range from \$3,500 to 15,000.

Best Practice Comparisons – We developed a one page Dashboard report for a large internal medicine group that identified the key components of the practice measured on a monthly basis with comparisons to MGMA benchmarks. These service fees range from \$250 to \$500.

Compensation Studies – We developed compensation and incentive plans for new physicians and nurse practitioners for primary care and internal medicine groups. These service fees range from \$1,000 to \$5,000.

Practice check-up – We performed an operational review for a two-physician cardiology group tailored to their practice issues and recommended changes to improve the capture of all revenue for office and inpatient charges, update the practice fee schedule and review practice billing curves with national averages. These service fees range from \$5,500 to \$8,500.

New Practice Review - We performed an operational review for a new two-physician cardiology group with recommendations for improvements in key areas including revenue cycle procedures, collection goals, overhead analysis, reporting to physicians, and accounting controls. These service fees range from \$4,500 to \$7,500.

Outsourced CFO and Practice Management – We provided full management services for a 6 physician surgery group for a short term basis. We recommended hiring and firing of employees; updating personnel handbook, restructure and reorganization of billing department, automation of employee scheduling and time capture, hiring and training front desk staff and facilitated monthly physician meetings for financial reporting. Under our management watch, we eliminated debt, restored collection of AR to normal levels, reduced operating expenses and introduced accountability for staff performance results. These service fees range from \$10,000 per month to \$15,000 per month.

CLIENT REFERENCES

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PRACTICE ASSESSMENT

We recommend a practice assessment to determine the nature and extent of critical issues facing a practice. This is a high level review to diagnose and assess the overall financial health of the practice. Our high level assessment of the practice’s operation and personnel will allow us to develop an action plan that addresses the needs of the business for proactive practice management.

The amount of time that we spend in the physician office determines the depth and extent of our review of the processes and procedures. We can complete an analytical assessment in ½ day or a basic assessment in one day. (A full practice review generally takes a week.)

At completion of the work, we present and discuss with management or the physician a report with our observations and recommendation for next steps. The investment in these services range from \$1,000 to \$1,500 for a ½ day preliminary review or from \$2,000 to \$2,800 for a full day assessment. A full practice review generally ranges from \$7,000 to \$7,500.

ELEMENTS OF THE ASSESSMENT

To conduct the assessment, we will need access to, or completion of, the following information:

- Charges, collections, and adjustments for the year 2010 (previous full year)
- Charges, collections, and adjustments for months in 2011
- Current aging of accounts receivable – most recent month end closing
- Reports of daily charges and collections during the current month of 2011 and prior month
- List of all employees, their salaries and position titles
- Current practice fee schedule
- Five filed but unpaid insurance claim forms – highest balance
- 2 sample explanation of benefits (EOBs) – from your 3 highest payers
- Year-end balance sheet and income statement
- Most recent balance sheet and income statement
- Copy of practice's patient encounter form (Superbill)
- Employee survey sheets supplied by our firm for completion
- Copy of practice's insurance verification form
- Copies of 5 patient's account statements

The above list is for a ½ day assessment. The full day or longer assessment project will require an expanded list of information.

We are so confident in our ability to meet the needs of a practice that we will provide a guarantee of our services. If at any time the physician or management feels that we are not providing the agreed-upon services to their satisfaction, they are free to terminate the arrangement and not be obligated to us financially. We believe that we will be the only provider to offer such a guarantee.

Thank you again for allowing us this opportunity to introduce our company and services. We look forward to the possibility of working with you and others within Ingram Micro.

Sincerely yours,

JACKSON THORNTON & CO., P.C.

Patti G. Perdue, CPA.CITP

Principal, Healthcare Consulting Group