

A Frame Conference 2024

WELLRITHMS

The Master of Payment Integrity

WHO ARE WE?

Providing medical bill payment integrity with pre-payment review and repricing options since 1995.

- Privately held company based in Portland, Oregon.
- Physician-owned and operated organization, provides claims payment accuracy in the healthcare industry through its medical expertise, legal acumen, and trained data.
- The only cost containment and payment integrity company that assumes risk, guaranteeing its results by indemnifying Plans and Patients through Shield Indemnification.
- Our clients include TPAs, Bill Review Companies, Brokers, Regional Health Plans, HMOs, Employers, Consultants and Taft-Hartley Groups.
- Serving group health, workers' compensation, and auto payors.



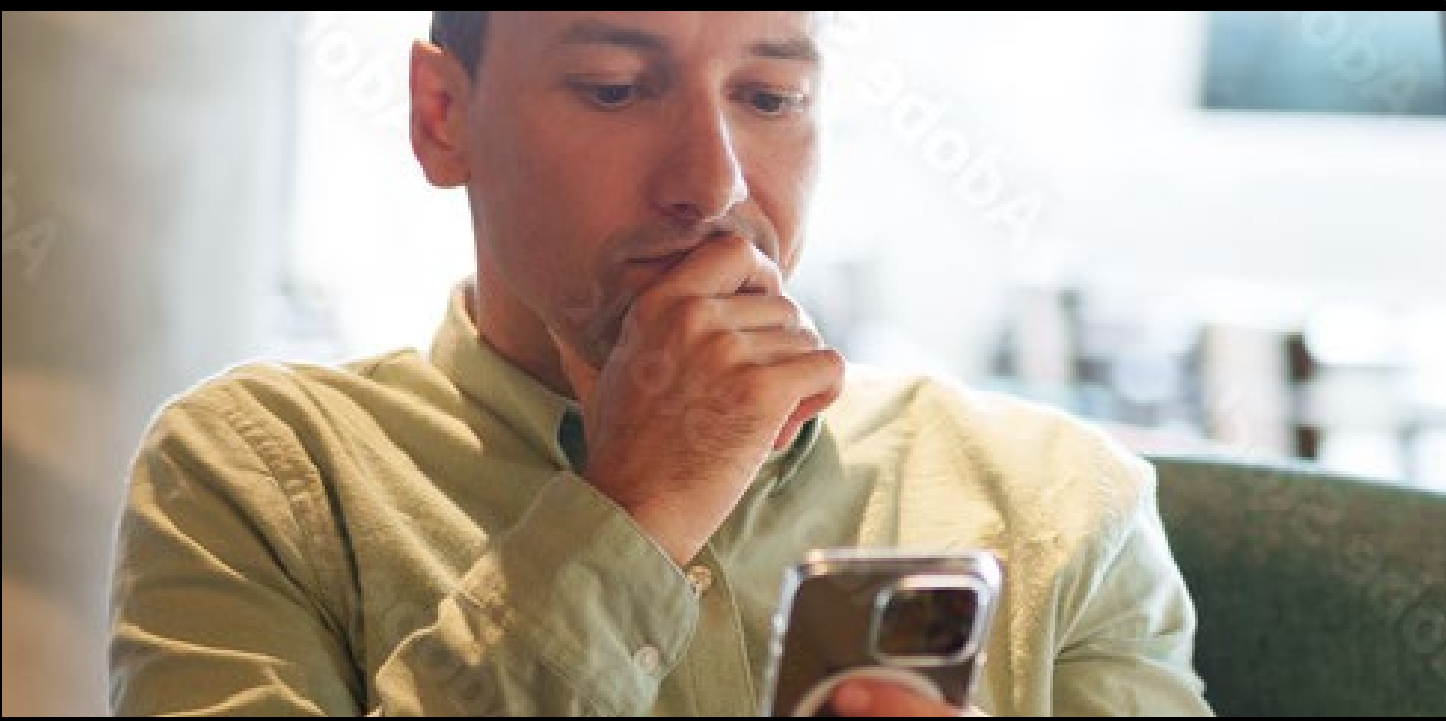
A Frame Conference 2024

The Crisis of Medical Overbilling



Version 1.0 Feb 2024

There are billions of reasons to fight healthcare overbilling.



MAKE CHECKS PAYABLE TO: NORTH CLINIC

TEMP-RETURN SERVICE REQUESTED

FOR BILLING INQUIRIES: 555-555-5892

AMERICAN
28464 OAK ST
SAVE ME, USA 00404

STATEMENT DATE: Today! AMOUNT DUE: \$1226.88 ACCT. #: 000 000

INSURANCE BALANCE: \$1185.00 PATIENT BALANCE: \$1226.88

DATE	DESCRIPTION	CHARGES	PAYMENTS	ADJUSTMENTS	INSURANCE BALANCE	PATIENT BALANCE
	Previous Balance DOC: us Visit Summary				\$1185.00	\$1226.88

ACCOUNT#: [blank] DUE DATE: Today! PAY THIS AMOUNT: \$1226.88

CURRENT	30 - 60 DAYS	60 - 90 DAYS	90 - 120 DAYS	120 - 150 DAYS	OVER 150
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$226.88

TOTAL BALANCE: \$1512.88 INSURANCE BALANCE: \$286.00 PATIENT BALANCE: \$1226.88

MESSAGES:
We have not received your payment in full or a response from you. If payment in full is not received this account may be referred to a Collection Service.

*NOTICE: THIS IS A BILL BASED UPON INFORMATION FROM YOUR HEALTH PLAN.
YOU OWE THE AMOUNT SHOWN.

The scale of healthcare overbilling is enormous and the impact on group health plans is impossible to escape.

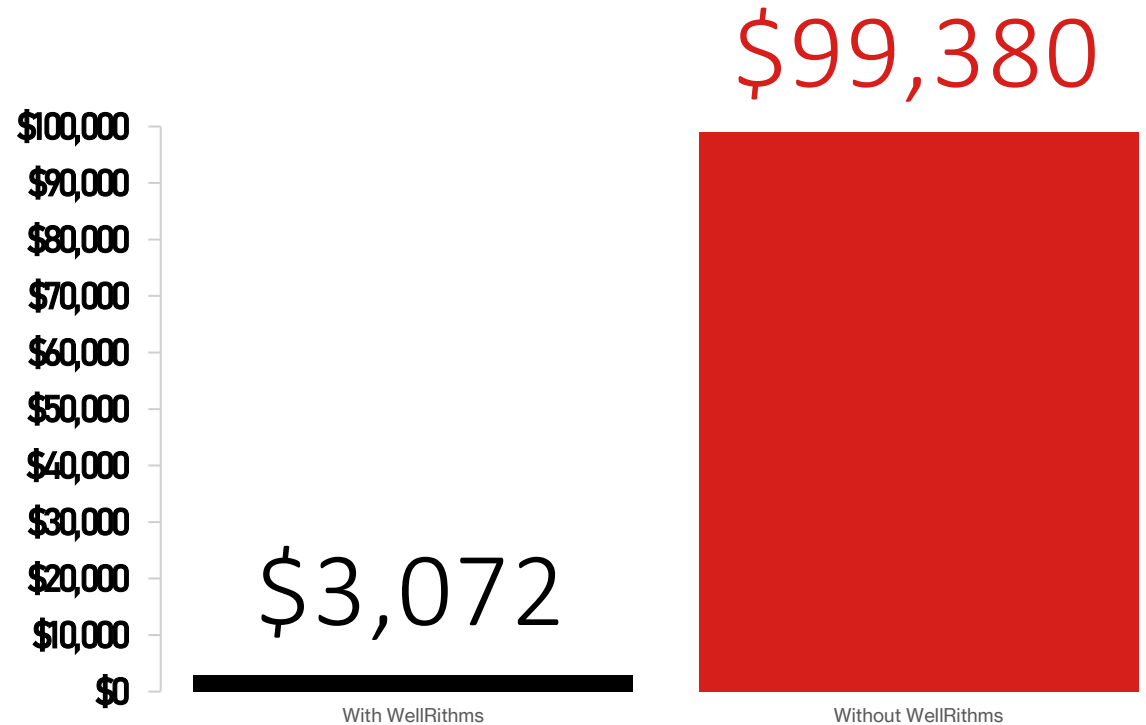
CASE STUDIES

Impossible Billings

- A 47-year-old woman was diagnosed with cancer of her left breast. She underwent surgery to remove both breasts and lymph nodes in her left armpit, to lower the risk of recurrence. The surgeon billed for three mastectomies and charged \$99,380.
- He ultimately accepted \$3,072 after WellRithms' bill edits and repricing.

The WellRithms Difference

3.9% of billed charges



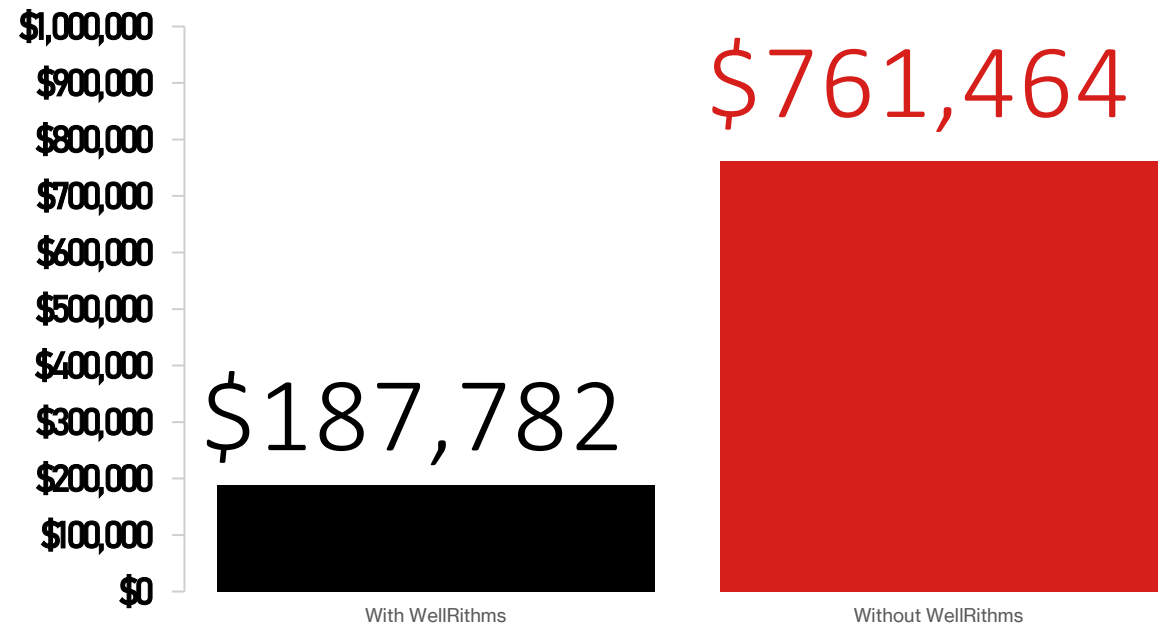
CASE STUDIES

Guage On Gauze

- A police officer hospitalized for a severe open fracture required multiple surgeries and skin grafts, leading to a substantial initial hospital bill of \$761,464.
- The bill included questionable charges, such as an unused implant and excessively priced gauze pads; however, after review and repricing by WellRithms, the hospital accepted a reduced payment of \$187,782.

The WellRithms Difference

Saving the plan almost \$600,000



Medical overbilling is estimated by the JAMA Network to have cost between \$289 billion and \$324 billion in recent years...



JAMA Network™

THE ROOT CAUSES OF OVERBILLING

Systemic issues including provider greed, misaligned incentives, and health system abuses.

Among costly practices are:

- Egregious physician overbilling
- Upcoding
- Unbundling
- Gaming stop-loss outliers for workers' comp claims
- Exclusion lists, or “skip lists”



Several recent lawsuits have charged that major **insurers are going beyond simple neglect** of their self-funded clients' interests and have secretly overcharged plans.

KRAFT CHALLENGES AETNA

Kraft Heinz Company Employee
Administration Board, et al. v. Aetna Life
Insurance Company

UNIONS CHEATED

Trustees of International Union of
Bricklayers and Allied Craftworkers Local 1
Connecticut Health Fund et al. v.
Elevance, Inc., et al.

INFLATED FEES

The appeal in Massachusetts Laborers'
Health and Welfare Fund, et al. v. Blue
Cross Blue Shield of Massachusetts

PLANS FIGHT BACK

HEALTH | HEALTHCARE

J&J Accused of Mismanaging Its Employees' Drug Benefits

The novel lawsuit by a J&J worker alleges employees overpaid for some drugs

By [Melanie Evans](#) [Follow](#) and [Anna Wilde Mathews](#) [Follow](#)

Feb. 5, 2024 3:42 pm ET



The lawsuit alleges J&J didn't make enough of an effort to get workers a good deal for prescription drugs. PHOTO: MARIO TAMA/GETTY IMAGES

A Johnson & Johnson [JNJ -0.52%](#) ▼ employee has accused the company of mismanaging its workers' prescription-drug benefits, a new tack in efforts to hold employers accountable for high medicine costs.

Key Implications

- Suit filed in federal court Feb. 5, 2024
- Alleges company failed to secure reasonable drug pricing, costing employees millions, enriching PBM
- Opens new front in growing battle over health, drug benefit and cost transparency
- ERISA mandates fiduciary responsibility for self-funded employers to prudently manage health funds
- Strengthened by Consolidated Appropriations Act of 2021
- This suit, the first of its kind by an employee, puts self-funded group plans on notice
- Plans **MUST** meet fiduciary requirements of prudence and loyalty
- But network ASOs are not reviewing itemized bills for self-funded clients, putting plans at fiduciary risk
- Hiring a non-conflicted payment integrity vendor to review data is a fiduciary best practice



AUDXGUARD OVERVIEW



Onetime Historical Claims Review



Get A Grasp On The Past

Understand your plan's past performance for a clear picture of how gag clauses and other contractual provisions have affected claims processing. Audxguard performs a review of the past 3 years' worth of medical claims data to find excessive reimbursement and billing patterns.

+ Additional Services

In addition to understanding the historical financial performance of your health plan, Audxguard can provide SPD Review and Gag Clause Attestation Verification.



Overpayment Recovery

The Most Value for Your Audit

Upon completing a review of data that spans at least 1 year, plans can see the returns on their review by enlisting Audxguard to recover their overpayments from their carrier or providers.

Ongoing Quarterly Claims Monitoring



Commit to Prudent Plan Governance

With Ongoing Quarterly Claims Monitoring Services, Audxguard will supplement plan governance by providing a quarterly report of plan performance for the committee to review at the end of each quarter.

+ Additional Services

In addition to understanding the historical financial performance of your health plan, Audxguard can provide SPD Review and Gag Clause Attestation Verification.



Prudent Fiduciary Management

Compliance With Documentation

Not matter what path you choose, proactive monitoring and documentation is the first step to mitigate risk.

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Shield Indemnification



Version 1.0 Feb 2024

THE SHIELD INDEMNIFICATION™ ADVANTAGE

Actor Sebastian Arcelus Shield Indemnification™ Case

Billed Charges

\$13,234

WellRithms Reductions

\$10,653

Final Payment

\$2,581

Without WellRithms

~~\$13,234~~



With WellRithms

\$2,581



THE SHIELD INDEMNIFICATION™ ADVANTAGE

Six Stitch Surprise | Does This Make Sense?

\$19,225 Billed for Six Stitches

- A doctor decided to enlarge a 0.5-inch cut to 2 inches and place six sutures.
- Does this pricing make sense for such a simple treatment?

\$1,091 Payment Amount

- Uncovered multiple overcharges and billing discrepancies.

Payment Disputed and Balance Billed

- Requests for the operative notes for justification were delayed by the provider for 16 months. Does this delay in providing crucial medical documentation make sense?

Due to indemnification the patient's family remains untouched by any legal or financial burdens.



THE SHIELD INDEMNIFICATION™ ADVANTAGE

Handily Overcharged | Does This Make Sense?

\$116,255 Hospital Billed Amount

- A fractured fifth metacarpal of the left hand.
- Surgery: an open reduction and internal fixation (ORIF) using plates and screws, complemented by a nerve graft procedure.
- One overnight stay.

\$21,413 Payment Amount

- Implants acquisition cost = \$5,175; billed at \$55,828
- Nerve graft cost = \$3,000; billed at \$38,000
- 81.5% Overcharged
- Does such overcharging make sense in any scenario?

Payment Disputed and Balance Billed

- Rather than negotiating, INDEMNIFICATION protects the patient while this data is utilized to resolve the dispute.



THE SHIELD INDEMNIFICATION™ ADVANTAGE

One Rough Ride | Does This Make Sense?

\$93,500 Billed Amount: Air Ambulance

- 125-mile ride for a stable patient.
- No additional supportive or special treatment rendered.

\$14,135.55 Payment Amount

- Base price was considered excessive and not aligned with industry standards.
- Does such a discrepancy in initial charges and final payment make sense?

Payment Disputes fall under the No Surprises Act (2022)

- Air ambulance providers are prohibited from balance billing the patient.
- Independent Dispute Resolution (IDR) determines final payment amount when under dispute by the provider.
- Indemnification protects plan assets from risk of adverse judgement payments and fees.



THE SHIELD INDEMNIFICATION™ ADVANTAGE

Key Takeaways

- **With out-of-network medical bills, patient balance billing is regularly used by providers to extract additional payments that are unreasonable.**
 - Collections threats = Provider coercion and bullying.
 - Negotiations = Plan attempting to call the provider's bluff.
 - **Indemnification** = Playing an entirely different game.
- **Shield Indemnification™ Levels the Paying Field.**
 - Ensures medical bills are paid correctly.
 - Plans and patients are protected from leveraging tactics.
 - Savings are real.



THANK YOU!



Visit our website today to learn more. | wellrithms.com

