Healthcare Authorization Systems (HAS)

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HAS Executive Summary

Healthcare Authorization Systems (HAS) is an easy-to-use, patent-pending, healthcare fraud prevention startup. HAS immediately and inexpensively documents and verifies healthcare encounter facts and deters, detects, and prevents fraud before claims are paid. This makes HAS **many times more effective than all current healthcare fraud solutions.**

The two current types of healthcare fraud detection are: **1)** fact verification (audits, investigations, etc.), which is very effective, but is slow and expensive, and **2)** fact presumption (claim data analysis, predictive modeling, etc.), which is much faster and far less costly, but is also many times less effective. HAS combines the best of these two approaches: verified facts, effectiveness, efficiency, speed, affordability, and convenience. HAS is **the only** real-time, comprehensive, reliable, convenient, and inexpensive healthcare encounter fact verification service that will quickly link verified facts to claims for immediate, thorough, and inexpensive claim authentication.

Market – $2.7 trillion was spent on U.S. health care in 2011 and $2.2 trillion in 2007. Of that, 33% to 54% was waste, according to PricewaterhouseCoopers' *The Price of Excess*. The National Health Care Anti-Fraud Association (NHCAA) estimates U.S. healthcare fraud at $81 to $270 billion a year (3% to 10% of healthcare spending). The Government Accountability Office (GAO) estimates Medicare fraud at $60 to $90 billion a year. This could make the nationwide total for all healthcare fraud much higher than the NHCAA estimate. Healthcare providers, identity thieves, and imposters commit 90% of healthcare fraud.

Business Model – HAS will provide real-time, inexpensive, convenient, and incorruptible location-, identity-, and time-stamped electronic documentation of every healthcare encounter nationwide in every location where the HAS service is installed. This creates immediately available, inexpensive, reliable, chain-of-evidence proof of what occurred, when, where, for how long, and who was involved. This enables payers to quickly, reliably, and inexpensively authenticate every claim before paying it. This is the most cost-effective way to prevent healthcare fraud…and **only HAS can do it**. HAS will prevent 60% to 80% of all transactional healthcare fraud.

HAS will be a normal part of delivering care and will **a)** eliminate all imposters from health care's payment system; **b)** document and authenticate all healthcare encounters before claims are paid; and **c)** immediately link documentation to claims. **This has never been done before**. **HAS is the only system** that documents **each healthcare transaction** and creates inexpensive and convenient **proof** that **a real patient** and **a real provider actually participated**. Healthcare purchasers (HAS' customers)—for a service fee of 1%—will save 4% to 10%. Providers, patients, and payers will receive the HAS service **free**, along with financial incentives to use it. By making HAS free for providers, patients, and payers, **adoption is virtually automatic.**

HAS customers **1)** ensure that their providers, patients, and payers have the tools they need to stop fraud before claims are paid and **2)** will save 4 to 10 times the amount of the HAS service fee. HAS annual revenue from service fees is projected at 1% of customer healthcare spending. Nationwide, this 1% equals about $20 billion a year. To ensure customer loyalty and service at a fair price, all customers will be minor shareholders in HAS, if allowed by law. Because of its unique adoption strategy, HAS is expected to achieve unprecedented market share in record time and to grow to **$10 to 20 billion in annual revenue and $30 to $60 billion in value.**

Customers – Prospective HAS customers are employers, state Medicaid agencies, Medicare, and all organizations that purchase healthcare coverage. Medicaid agencies are prime candidates to be founding customers, because: **1)** together they spend about $428 billion a year on health care, **2)** each state is responsible for its own program, and **3)** many states have huge financial problems. Five state Medicaid agencies have expressed interest in HAS when it is ready to begin providing services. **These five agencies spend a total of over $116 billion a year on health care, which represents over $1 billion in HAS annual revenue.**

Competition – The Center for Medicare and Medicaid Services (CMS) spends approximately $984 billion a year on health care. CMS' 18-minute video explaining their new fraud-prevention strategy is at http://www.youtube.com/watch?v=5q5RvPwER08.

HAS will both compete with and/or collaborate with all healthcare fraud detection efforts, including: **1)** Medicare Recovery Audit Contractors—RACs (four zones); **2)** Medicaid RACs; **3)** predictive modeling healthcare fraud detection services; **4)** Zone Program Integrity Contractors—ZPICs (seven zones); **5)** Healthcare Fraud Prevention and Enforcement Action Team (HEAT); **6)** Medicaid fraud prevention bureaus; **7)** Audits & Investigation departments; and **8)** Special Investigation Units—SIUs.

The next step is to read the *HAS Confidential Snapshot* (two pages) and HAS' other confidential documents.

To obtain these confidential documents, contact Jim Wigney at (916) 760-4477 or jim.wigney@hasnet.us.