Healthcare Authorization Systems (HAS) Executive Summary

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Healthcare fraud and medication non-adherence costs in the U.S. waste $75 to $250 billion and $100 to $289 billion a year, respectively.
The total wasted is $175 to $539 billion a year, which is $566 to $1,744 a year for every person in America.

The CDC reports medication non-adherence causes 30% to 50% of treatment failures, 125,000 deaths, and costs $2000 per patient in physician visits annually. Statin non-adherence increased risk of mortality (12%-25%). Cardio-protective non-adherence increased risk of hospitalizations (10%-40%) and mortality (50%-80%). Prescriptions never filled = 20% to 30%. Medication not continued as prescribed in about 50% of cases. Rates of medication adherence drop after first six months. **Improved medication self-management results in a cost-to-savings ratio of 1:10.**

Healthcare Authorization Systems (HAS) is a voluntary health IT tool that is free for providers and patients and paid for by HAS' healthcare payer customers. Patients, providers, and payers benefit from HAS' pre-payment fraud prevention, medication adherence, and wellness/vitality support.

HAS' mission is to **1)** enable payers to inexpensively authenticate each claim **before** the claim is paid, **2)** reduce medication non-adherence-related costs, **3)** protect legitimate providers and the money that pays for their livelihoods, **4)** protect legitimate patients and the money that pays for their health care, and **5)** guide patients to make better health and quality of life choices for a lifetime.

HAS combines proven hardware, software, and other technologies in an inexpensive, secure network that works with and bridges the authentication gaps in today's claim processing systems. It is convenient, simple to implement, and easy to use. HAS' plan to be used by all payers means that every new HAS customer reduces the cost for all HAS customers. HAS requires patients to use mobile phones that can send and receive text messages. Phones are available free to qualified individuals. HAS' **free** service for providers and patients makes adoption **virtually automatic.**

HAS pre-payment fraud prevention will create, record, and deliver to HAS' healthcare payer customers registered electronic proof of healthcare encounter facts (data) for every medical order, prescription, and healthcare service that will appear on a healthcare claim. These data **1)** are currently unavailable, **2)** will be part of each claim, and **3)** will enable HAS customers to inexpensively authenticate each claim **before** the claim is paid. HAS will **1)** eliminate all imposters from health care's payment system; **2)** create virtual certainty that **fraudsters will not be paid**; and **3)** greatly reduce the cost of investigations.

HAS medication adherence will send text messages that remind patients *to take each medication dose on time*. HAS will record all prescriptions issued and document the patient's or proxy's receipt of each prescription. HAS will notify the prescriber when a patient has not picked up a prescription. The patient's reply to a message sent after the prescription is picked up starts the clock on reminder messages that match the drug, dosage frequency, and number of doses. If another person picks up a patient's prescription, the patient receives a message notifying him who picked it up, when, and where.

HAS wellness/vitality support will **1)** periodically ask patients questions about their health, **2)** send patients' answers to their physician's staff for review and appointment scheduling; **3)** help practitioners and patients to identify potential health problems earlier than they are identified today; and **4)** help with tobacco cessation, alcohol moderation, and physical activity by recording patient answers to daily text messages about these activities.

Competition: CMS' 18-minute video explaining their fraud-prevention strategy is avialable at: http://www.youtube.com/watch?v=5q5RvPwER08. Competitors include: **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).

Customers: All healthcare payers (Medicare**,** Medicaid agencies, health plans, etc.) **will be HAS' customers.** Medicare, Medicaid, and private health plans pay most of the $2.7 trillion a year spent on health care in the U.S. Service fees will be part of and a percentage of the customer's medical loss ratio (MLR).

Value: HAS will **1)** save 5 to 15 times its service fees for its Medicare, Medicaid, and private health plan customers, **2)** prevent healthcare fraud more effectively than all current methods, **3)** avoid medication non-adherence costs, **4)** help patients improve their health and quality of life, **5)** protect the money that pays for U.S. health care, and **6)** in time, be deployed nationwide.

Defensibility: HAS' patentability has been verified. HAS filed a provisional patent June 20, 2013. HAS' free service, equipment, and installation for patients and providers and its ability to engage and connect every patient, provider, and payer in the United States will make it very difficult for other parties to compete with HAS.

Founder: Jim Wigney, 34 years in IT, business process, and printing with Competitive PR4 (founder), a security prescription printing business; Standard Register, a healthcare industry forms printer; Electronic Data Systems (EDS), the IT firm founded by Ross Perot; DST Output; Color West Lithography; and Pro Lithographics.

HAS will partner with one or more of its prospective vendors and/or health plan customers to **1)** build the initial HAS prototype, **2)** test HAS with current health plan claim processing systems, **3)** build the HAS demonstration prototype, **4)** demonstrate HAS and record that demonstration on video, which will be used to sell HAS to healthcare payers nationwide, and **5)** set up a live beta test with a substantial number of providers and patients.

To obtain the *HAS Confidential Briefing Document* (15 pages) and its Document Data Fields Table (6 pages), contact Jim Wigney at (916) 760-4477 or jim.wigney@hasnet.us.