

HealthTech targets small, rural hospitals with IT offerings

BY APRIL WORTHAM / STAFF WRITER

In the push to bring hospitals into the digital age, HealthTech Management Services wants to make sure the little guy doesn't get left behind.

HealthTech is among dozens of Middle Tennessee companies chasing a health information technology market that industry analyst firm IDC predicts will hit \$34 billion this year. What makes HealthTech different is not the services it provides, but its target customer: small, rural hospitals.

"It's going to be a real challenge for them to keep up," HealthTech President and CEO Derek Morkel said. "Not only do they not have the budget, but they don't have the huge IT departments" of hospital chains or large health care systems.

HealthTech, the Franklin-based hospital management company formerly known as Brim Healthcare, is expanding its technology services and recently developed revenue cycle management software to help small hospitals capture dollars that might otherwise fall through the cracks.

HealthTech's software, called MyClaimIQ genie, helps hospitals identify errors or omissions in their claims and billing processes. The company sells its software at a lower cost than its competitors — about \$12,000 a year versus \$30,000 to \$40,000 — because of the way it's delivered, Morkel said. Rather than paying to install servers and soft-

ware on site, hospitals can download MyClaimIQ genie from HealthTech's website, similar to downloading a song or movie from iTunes, he said.

HealthTech also claims a quick return on investment: Using MyClaimIQ genie, hospitals can uncover between 1 percent and 5 percent of annual patient revenue, Morkel said. For a small hospital, that can mean an additional \$1 million annually to its bottom line — paying for the annual subscription in less than a week.

"Providing the technology and technology resources to community hospitals has become an integral part of our service offering and is where we see the growth in our industry," Morkel said.

Nearly half of the nation's 5,000 community hospitals have fewer than 100 beds, according to the American Hospital Association. Many are even smaller. As of October 2009, there were 1,310 critical access hospitals in the United States, a designation given by the federal government to rural hospitals with 25 beds or fewer.

"Rural hospitals have a unique set of challenges," said Amanda Woodhead, spokeswoman for Nashville-based Emdeon Inc., which provides revenue cycle management technology and services to hospitals, doctors, governments, pharmacies and others. "However, there are technology and services solutions that can assist those hospitals in improving their day-to-day operations."

Brim recently changed its name to HealthTech, a reflection of the compa-



Derek Morkel | HealthTech
president and CEO

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ny's new emphasis on technology, after it sold its hospital operations last month to Franklin-based IASIS Healthcare for \$95 million.

It also served as a debut of sorts for HealthTech's sister company: HealthTech Solutions Group. The company, based in Plano, Texas, has the same management team and many of the same customers as HealthTech Management Services. Hospitals that contract with HealthTech for management services receive access to HealthTech Solutions Group's software for free.

Southwest Health Center, a 25-bed critical access hospital in Platteville, Wis., began using myClaimIQ genie in September, said Colleen Nolan, manager of patient financial services.

"It was a big eye-opener for us," Nolan said, noting that some other health IT companies wouldn't offer the hospital a quote on their software because of its small size. "We're already seeing huge amounts of dollars that we were leaving out there that, because we changed our processes, are coming back to us."