

AN INSIDER'S GUIDE TO

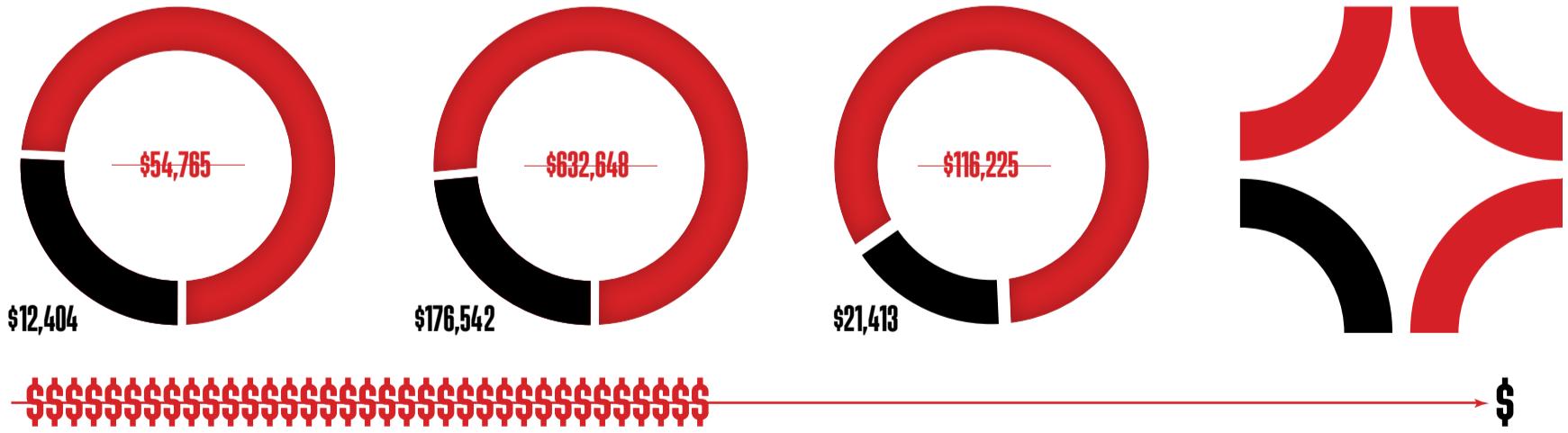
MEDICAL OVERBILLING

AND HOW TO PROTECT YOUR GROUP PLAN

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INTRODUCTION

If one of your health plan participants recently underwent surgery, visited an emergency room, or stayed in the hospital, chances are good your plan and member have been overcharged for the care.



Every day our company sees egregious examples of billing errors, greed, and fraud by medical providers. For example, a podiatrist in New York City elected to use an assistant surgeon for a bunionectomy and correction of two hammertoes, both common surgeries. That assistant surgeon alone billed \$169,410. Fair compensation as determined by our physician review was \$632.

In another case we reviewed, a police officer sustained a severe open fracture of his heel bone in the line of duty. The hospital bill for 20 days

came to \$761,464. After WellRhythms' review and repricing, the hospital accepted payment of \$187,782.

As medical bill review and repricing experts we frequently see bills running into the hundreds of thousands or millions of dollars when legitimate charges are only a fraction of that. After we review and reprice bills, we typically find savings of 70% or more. Repricing only a few claims this excessive can help employers eliminate most or all of their increase in premiums.

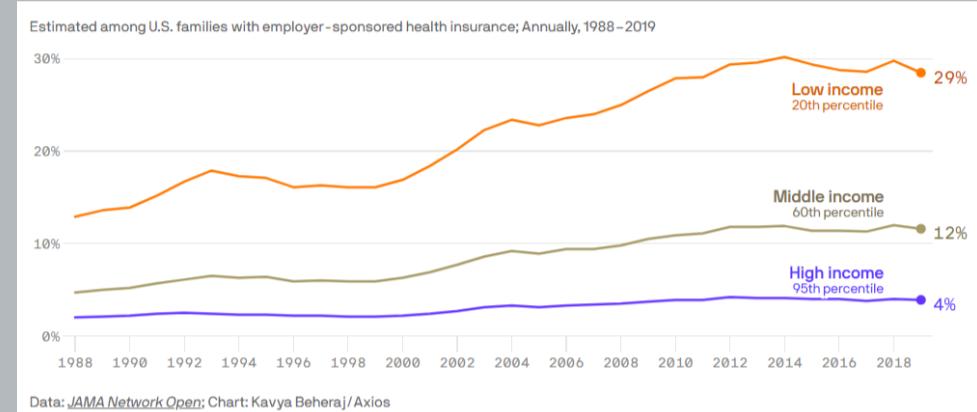
INTRODUCTION CONT.

Billing errors and abuses like this go largely undetected and thus add up. JAMA Open Network in 2019 published research estimating that medical pricing irregularities, fraud, and abuse cost between \$289 billion and \$324 billion per year. That's more than New York's entire 2024 state budget of \$229 billion and nearly three times Florida's state budget.

Your plan and members are paying for this, not once but twice. First you're hit with inflated bills, then you're paying again through skyrocketing health benefit premiums, which ultimately reduce take-home incomes and other benefits.

The share of total employee compensation going to health care premiums among American workers is soaring. It rose from 7.9% in 1988 to 17.7% in 2019, according to Tufts University researchers. Lower income workers are hit the hardest, as shown above, with 29% of their compensation going to health benefits. It is no surprise that with charges this high medical bills account for 60% of personal bankruptcies in America, as reported by the American Journal of Public Health.

Share of compensation going to health care premiums, by income level



HOW CAN YOUR PLAN PROTECT ITSELF AND YOUR MEMBERS?

First, it helps to recognize that the industry's major players aren't as invested in your financial wellbeing as you and your members are. When the network tells you that your plan gets a 40% discount from billed charges, it's like a gas station offering you a 40% discount on \$10 a gallon gas.

Second, your plan's benefits administration firm, even if it's a large insurance company, isn't carrying your plan's financial risk—you are—so they

aren't going to scrutinize every claim for accuracy. It's essential to have a strong advocate who can and will scrutinize every claim, line by line.

The following are examples of overpriced bills brought to WellRithms and the various solutions we used to prevent the overcharges, saving clients more than 70% on average. Line-by-line bill review and data-driven repricing is the innovation WellRithms was founded upon, and that has made our business one of the fastest growing in the country for the past four years.

PROVEN RESULTS



Straightening Out the Spinal Bill: Trimming a \$235,312 Workers' Comp Surgery Bill

SIGNIFICANT FINDINGS

WellRithms analyzed a bill initially amounting to \$235,312. After thorough review the billed amount was reduced from the initially allowed \$156,314 to a fair \$99,206, achieving a significant reduction of \$57,108.

BACKGROUND

The case revolves around a spine surgery caused by a severe motor vehicle accident. The initial bill of \$235,312 highlighted the common overbilling practice of incorrectly charging for implants and surgical supplies. Moreover, the bill would have been paid by the plan at \$156,314 based on the allowed charges - an amount of \$99,206.

Allowed Amount	\$156,314
WellRithms Reductions	\$57,108
Final Payment	\$99,206
Without WellRithms	\$156,314

With WellRithms
\$99,206

BILL REDUCTIONS INCLUDED

- **Implants:** Charges for implants were meticulously evaluated. Initially billed at \$23,063, with an allowed amount of \$18,077, WellRithms lowered that to \$15,321 after confirming the actual value and necessity of the implants used during surgery.
- **Surgical Supplies:** A common area of overbilling, the surgical supplies were billed at \$7,000 and accepted at \$4,750. Upon review, WellRithms determined these to be included within the surgical package, leading to an adjustment of the charges to zero.

WELLRITHMS PROVEN RESULTS

Our 'Proven Results' section showcases a series of recent case studies highlighting how WellRithms uncovers overbilling and errors such as navigating costly air ambulance charges, upcoding, and overpriced implants. These cases demonstrate our commitment to rectifying healthcare billing discrepancies and championing financial fairness. Explore how WellRithms transforms excessive charges into savings, one case at a time.

PROVEN RESULTS

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A STEP IN THE RIGHT DIRECTION

Correcting the Code on Foot Surgery with Classification, Edits,
and Review



SIGNIFICANT FINDINGS

For an out-of-network bill review and repricing, WellRhythms reduced a podiatrist's \$49,000 bill to \$1,500.

Billed Charges **\$49,000**

WellRhythms Reductions **\$47,500**

Final Payment **\$1,500**

Without WellRhythms

\$49,000

With WellRhythms

\$1,500

BACKGROUND

This case for a group health member involved a podiatrist in New York performing surgery for Morton's Neuroma, a common foot ailment. Traditionally a straightforward procedure, the bill appeared vastly inflated at \$49,000. The claim utilized multiple procedure codes, none corresponding to the standard for Morton's Neuroma. These codes implied complex neuroplastic surgery, unjustifiably inflating the cost and complexity of the actual procedure performed.

RESULTS

WellRhythms, leveraging its Classification, Edits, and Review (CER) system, scrutinized each line item, identifying critical discrepancies. By reclassifying all charges into the appropriate single code, WellRhythms corrected the unbundling strategy employed, aligning the bill with the true service provided.

However, the embedded physician review, drawing on the experience of seasoned surgeons, was pivotal in discerning the true nature of the procedure versus the billed services. As Ira Weintraub, M.D., Chief Medical Officer, noted, “In cases like this, the real difference lies in understanding the surgery itself, down to recognizing anatomy that was not classified and coded correctly. Our team’s surgical experience is crucial in differentiating between genuine complexity and coded complexity.” The physician team identified key errors:



BASIC PROCEDURE CODE MISSING

Identification of a discrepancy where the provider used five separate codes, none of which correspond to the standard 28080 code for Morton's Neuroma surgery. These codes suggest complex neuroplastic surgeries that do not apply to the actual procedure done.

BILLING FOR DUPLICATE SERVICES

The billed procedures, such as the cryogenic removal of the nerve and ligament dissection, are standard parts of the Morton's Neuroma surgery and should not be billed separately.

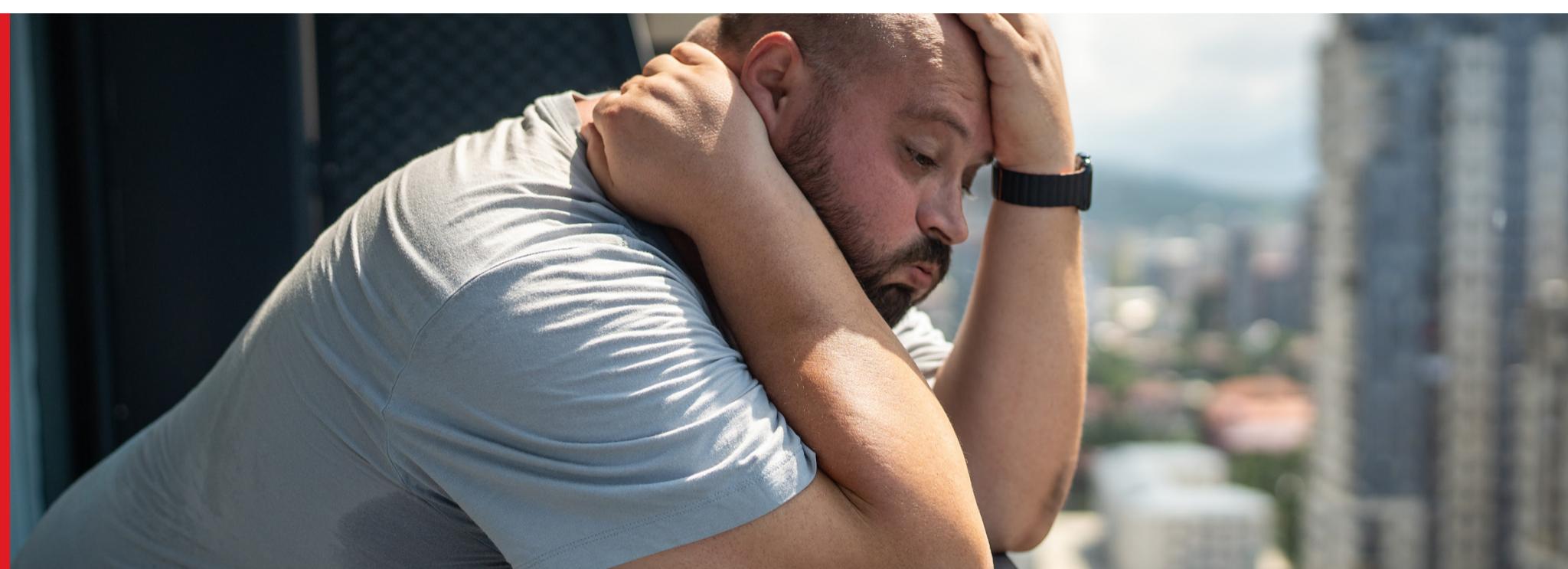
MISCLASSIFICATION OF ANATOMY

The billed nerve procedures were misclassified, using codes meant for major peripheral nerves with specific names, such as the sciatic or radial nerve. However, Morton's neuroma involves interdigital nerves, which are not major peripheral nerves and therefore do not warrant the use of such codes.

This meticulous process culminated in a significant reduction, reducing the \$49,000 to the standard \$1,500 for Morton's Neuroma surgery. WellRhythms' combination of technological precision and medical expertise proved instrumental in transforming an unjustified bill into a fair charge, embodying WellRhythms' commitment to billing integrity and fairness.

SHIELDING A PRICEY RIDE

Repricing a California Ambulance Bill



SIGNIFICANT FINDINGS

How WellRhythms protected a patient who received an ambulance ride from balanced billing.

Billed Charges \$1,911

WellRhythms Reductions \$899

Final Payment \$1,013

Without WellRhythms

~~\$1,911~~

With WellRhythms

\$1,013

BACKGROUND

A pressing issue in the realm of emergency medical services is the excessive billing practices that patients routinely encounter. A case highlighting this issue involved a group health plan member in Anaheim, California who was blindsided by a \$1,911 bill for a four-mile ambulance ride. This incident is a stark illustration of the broader, systemic challenges patients face due to the lack of transparency and consistency in emergency transportation costs. WellRhythms intervened with our advanced repricing technology to ensure that the patient's bill was adjusted to reflect a fair and justified amount.

RESULTS

The initial invoice for the ambulance service detailed a \$1,832 base charge for the Advanced Life Support (ALS) Level 1 ambulance and an additional \$79 for the four-mile transportation. The bill was meticulously analyzed using the WellRithms Sustainable Claim Pricing (SCP) System, which led to significant reductions:



REDUCTION OF RATE

ALS Level 1 Ambulance Base rate was reduced from \$1,832 to a validated \$951.



INCORRECT MILEAGE CHARGE

The original \$79 mileage charge was recalculated to \$62.

Dr. Jesse Nguyen, M.D., Associate Medical Director at WellRithms, underscored the importance of the SCP approach, stating, “Our method is instrumental in addressing overbilling. By benchmarking charges against comprehensive data and established industry standards, we ensure equitable billing. The defensibility of our data-driven strategy is crucial, providing incontrovertible evidence that bolsters our advocacy for fair pricing during provider negotiations.”

WellRithms repricing technique incorporates standard payments, geographical and state-specific financial considerations, and inflationary adjustments, offering a true reflection of the complex economic terrain that shapes healthcare expenses. Baseline payment rates are derived from the analysis of actual payments accepted for ambulance services. Utilizing payment data from commercial insurers, private payers, and the Centers for Medicare and Medicaid Services guarantees that the recalibrated charges are not only equitable but also legally defensible.

STRAIGHTENING OUT THE SPINAL BILL

Trimming a \$235,312 Workers' Comp Bill with Classification,
Edits, and Audit



SIGNIFICANT FINDINGS

WellRhythms conducted its bill review for fee schedule states on a \$235,312 bill that was initially reduced to an allowed amount of \$156,314. WellRhythms then reduced that further, to \$99,206, saving another \$57,108.

Allowed Amount **\$156,314**

WellRhythms Reductions **\$57,108**

Final Payment **\$99,206**

Without WellRhythms **\$156,314** → With WellRhythms **\$99,206**

BACKGROUND

This spine surgery case followed a severe motor vehicle accident in Nebraska, which has a fee schedule for workers' compensation. The initial charges of \$253,312 highlighted the common overbilling practice of incorrectly charging for implants and surgical supplies. Moreover, the plan would have paid the allowed charges of \$156,314 instead of the correct amount of \$99,206.

RESULTS

Applying WellRithms Classification, Edits, and Audit System, WellRithms embarked on a detailed examination of the bill. As Ira Weintraub, M.D., Chief Medical Officer, noted, “Our process is not just about reducing numbers; it’s about bringing integrity and fairness to a system often clouded by complex billing practices. Even having a fee schedule doesn’t always protect you from coding mistakes.”



IMPLANTS

Charges for implants were meticulously evaluated. Initially billed at \$23,063, with an allowed amount of \$18,077, WellRithms lowered that to \$15,321 after confirming the actual value and necessity of the implants used during surgery.



SURGICAL SUPPLIES

A common area of overbilling, the surgical supplies were billed at \$7,000 and accepted at \$4,750. Upon review, WellRithms determined these to be included within the surgical package, leading to an adjustment of the charges to zero.



OPERATIVE SUITE

The initial billing for the operative suite was \$100,000, with an allowed charge of \$53,730. After a detailed inspection, the charge was rightfully reduced to \$26,000, reflecting a more accurate use of resources.



ANESTHESIA

Highlighting a pattern of overbilling, anesthesia charges were initially billed at \$16,000 and allowed at \$10,700. These services were already included in the surgical suite costs, which warranted reducing the anesthesia charge to zero.

WellRithms' comprehensive approach reduced the bill by \$57,108, reflecting the company's ability to add significant value even when a state fee schedule sets rates.

KNEE-DEEP IN SAVINGS

Precise Cuts Save 77% Using WellRhythms Sustainable Bill Pricing



SIGNIFICANT FINDINGS

How WellRhythms' review uncovered excessive charges for two related medical bills in a workers' compensation case.

Combined Billed Charges \$54,765

WellRhythms Reductions \$42,361

Final Payment \$12,404

Without WellRhythms With WellRhythms
~~\$54,765~~ → \$12,404

BACKGROUND

This Missouri workers' compensation case involved two separate patient bills. Missouri is one of six states without a statewide fee schedule for workers' compensation care, so providers are paid on a "usual, customary, and reasonable" (UCR) basis. The first bill, from a 2021 urgent care visit, included a visit and a knee x-ray, totaling \$1,036. The second, a 2022 outpatient hospital bill for knee surgery, featured charges for surgery, implants, respiratory services, drugs, and injections, totaling \$53,699.

RESULTS

The urgent care bill was straightforward yet overpriced for a standard office visit and x-ray. The excessive charge of \$1,036 for a basic knee consultation and x-ray was reduced to \$335, aligning more accurately with the services rendered.

The outpatient hospital bill included charges for procedures and items not used or billable to the facility, such as nerve block charges typically billed to the anesthesiologist and charges for four implants when only two were used. Through its Classification, Edits, and Audit (CEA) and Sustainable Bill Pricing (SBP) Systems, WellRithms conducted a detailed review of both bills, identifying and rectifying these errors:



EXCESSIVE DRUG MARKUPS

WellRithms identified significant overcharges on medications, notably fentanyl, which was marked up 53 times its actual cost—billed at \$106 while costing only \$2



BILLING FOR STANDARD SUPPLIES

The surgery bill included \$5,617 in charges for surgical supplies that are typically part of the overall procedural cost, not individually billable. WellRithms reduced these charges to \$0.



INFLATED IMPLANT COSTS

The initial charges of \$2,626 included four implants when only two were used during the surgery. WellRithms' reduced this to \$612

Ira Weintraub, M.D., Chief Medical Officer at WellRithms, emphasized the company's commitment to fair pricing, noting, "In the realm of healthcare billing, it's essential to distinguish between legitimate costs and those inflated beyond reason. When we come across a medication marked up to 53 times its cost, we challenge these charges. Our goal is to ensure that workers' compensation bills reflect genuine charges plus a fair profit, not opportunistic overpricing."

These adjustments and others not only corrected overbilling but also brought to light common billing errors and misconceptions in medical practices. The WellRithms CEA and SBP systems played a crucial role in this process, highlighting the necessity for vigilant review to prevent unjustified costs.

STANDARD SURGERY, SPECIALIZED SAVINGS

A Shoulder Procedure's Financial Fine-Tuning with
Sustainable Bill Pricing



SIGNIFICANT FINDINGS

In Missouri, a standard shoulder procedure was initially billed at \$23,393, but a WellRhythms workers' comp bill review and repricing reduced the payment to \$10,370.

Billed Charges ~~\$23,393~~ **\$23,393**

WellRhythms Reductions ~~\$13,023~~ **\$13,023**

Final Payment ~~\$10,370~~ **\$10,370**

Without WellRhythms **\$23,393** → With WellRhythms **\$10,370**

BACKGROUND

Missouri is a Usual, Customary, and Reasonable fee state for workers' compensation reimbursement. A case there involved standard surgical codes for a common shoulder procedure, including extensive debridement and biceps tenodesis. Despite the routine nature of the surgery at an Ambulatory Surgery Center, the billing revealed overpriced items and inappropriate charges. Specifically, the billing included overpriced implants and two additional codes—one unlisted and not payable, and the other incorrectly billed to the surgery center instead of the anesthesiologist.

RESULTS

The application of WellRithms Sustainable Bill Pricing to this routine bill resulted in a detailed correction and cost reduction:



IMPLANT PRICE ADJUSTMENT

The implant, initially billed at \$2,528, was recalibrated to \$551, aligning with its actual cost of \$441 plus a standard markup.

ELIMINATION OF UNLISTED CODE

The unlisted code 64999, not applicable to the procedure, was identified and removed from the bill.

CORRECT ALLOCATION OF CODES

The misallocated code 64415, incorrectly billed to the surgery center, was reallocated to the anesthesiologist, reflecting the actual service provided.

BILL REDUCTIONS INCLUDED

This meticulous approach to cost reassessment demonstrates WellRithms' ability to reduce routine procedure costs and highlights the potential for large-scale savings, as these procedures occur more commonly than expensive but rare surgeries. For the management of Workers' Comp bills, these common billing errors often represent untapped cost reductions.

Ira Weintraub, M.D., Chief Medical Officer, noted, "Routine procedures are often overlooked in billing reviews, but they are where we frequently find significant inefficiencies. We ensure these common surgeries are billed fairly, reflecting real costs and services. What might seem like one small reduction of \$13,000 can add up quickly when it's a common billing problem for a common procedure."

The case highlights the impact of fair bill repricing in workers' compensation. Workers' compensation bills often involve routine procedures similar to the shoulder surgery examined.

GIVING BIRTH TO **\$456,106 IN SAVINGS**

With WellRhythms Sustainable Claims Pricing + OPUS



SIGNIFICANT FINDINGS

WellRhythms reduced charges of a newborn case by 72% for an In-Network Hospital Itemized Bill Review, with help from Optical Physician Utilization Synthesizer (OPUS).

Billed Charges **\$632,648**

WellRhythms Reductions **\$456,106**

Final Payment **\$176,542**

Without WellRhythms

\$632,648

With WellRhythms

\$176,542

BACKGROUND

A full-term baby delivered by C-section had pulmonary valve atresia, pulmonary artery atresia and a malformed tricuspid valve, leading to acute respiratory failure. Treatment involved placing a stent in the pulmonary artery, which was covered under a Michigan electrical union's group benefits plan. The baby spent 26 days in the neonatal intensive care unit before being moved to general nursery care for 22 days. Upon review of the itemized charges WellRhythms uncovered several inflated or erroneous charges.

RESULTS

Using its Sustainable Claims Pricing (SCP) to reprice a \$632,648 claim, and incorporating WellRithms' Optical Physician Utilization Synthesizer (OPUS) 3 product, WellRithms determined that a fair payment was \$176,542.

What sets OPUS 3 apart from OPUS 1 and OPUS 2 is that it immediately flags inflated or erroneous charges in an itemized bill and analyzes the itemized bill line-by-line to reprice drugs, supplies, and implants. WellRithms then determines the allowable charges based on the facility's reported cost-to-charge ratio.

As part of this claim review, which was driven by machine-based learning, WellRithms found that:



BILLING FOR STANDARD SUPPLIES

The hospital billed for about \$33,700 worth of supplies, none of which are separately reimbursed. Those items included anything from bandages and guidewires to sheets to cover the patient.



INCORRECT IMPLANT CODING

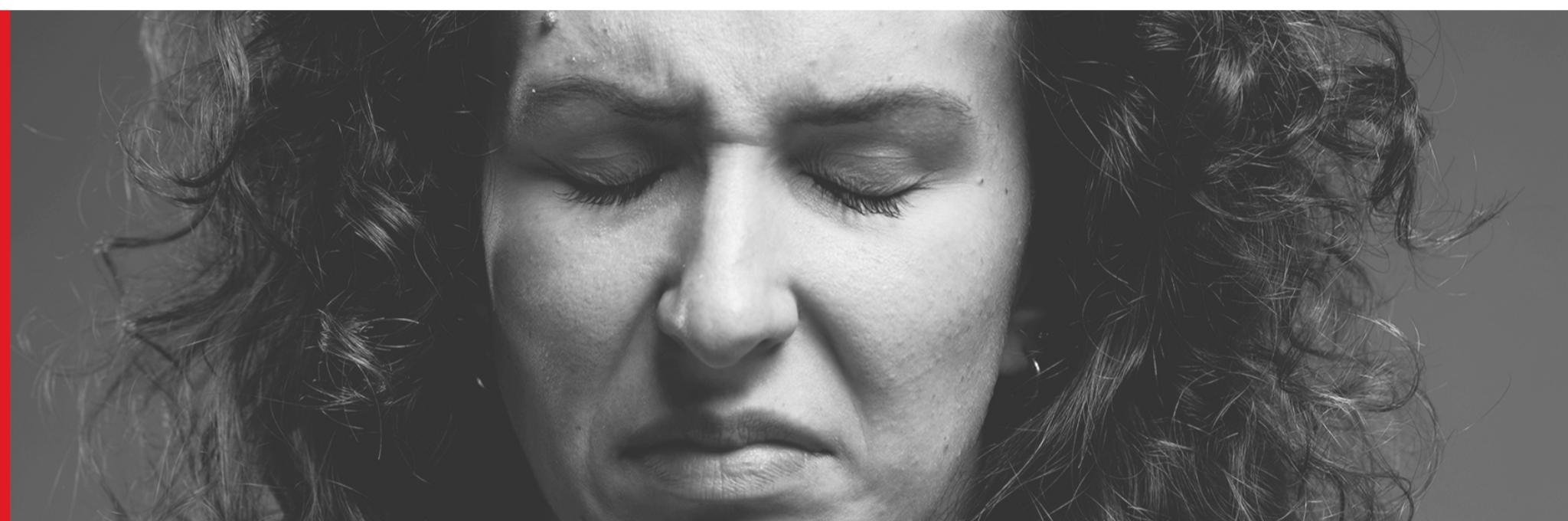
Of roughly \$6,000 in implants that were billed, nearly all of them were guidewires that are considered by commercial insurance standards to be inclusive to the catheterization procedure, and are not paid separately.

Unlike the stent, which cost \$830, they were not left inside the body and should never be considered implants. This discovery dropped that portion of the bill for implants to \$5,200.

Through meticulous examination with the assistance of machine-based learning, WellRithms not only provided the plan with significant financial benefit, but also highlighted its devotion to equitable and transparent healthcare billing practices. An ability to quickly apply a cost-based approach to repricing medical claims, which are among the biggest expense for most employers, is proving to be a game changer in the bill-review space.

DISSECTING THE DISGUISED PRIMARY PROCEDURE

With WellRithms Sustainable Claim Pricing



SIGNIFICANT FINDINGS

In an out-of-network review and repricing of assistant surgeon charges WellRithms unmasked the hidden main procedure.

Assistant Surgeon bill of \$172,982 was reduced to \$1,064, representing 99% savings.

Billed Charges **\$172,982**

WellRithms Reductions **\$171,918**

Final Payment **\$1,064**

Without WellRithms
~~\$172,982~~ → With WellRithms
\$1,064

BACKGROUND

This California group health case of a laparoscopic procedure shows the misrepresentation of a bundled secondary procedure as the primary procedure—a strategic move likely due to the actual primary procedure, a gastric sleeve, including the secondary procedure. By understanding how the overall procedure was billed, the WellRithms Sustainable Claim Pricing (SCP) System successfully reduced the assistant surgeon charge by \$171,918, highlighting the importance of accurate procedure prioritization in medical billing.

RESULTS

A surgeon faced scrutiny when the charge for a paraoesophageal hernia repair, commonly bundled as part of a gastric restrictive procedure, was incorrectly billed as the primary service. The surgeon's billing decision reflected knowing that insurance is less likely to cover procedures aimed at weight loss, thus prompting the misleading billing strategy.

Ira Weintraub, M.D., WellRithms Chief Medical Officer, noted, "The challenge in this case was discerning the surgeon's rationale for prioritizing procedures. Our Sustainable Claim Pricing System combined with a physician's review was instrumental in uncovering the true intent behind the surgical codes, which led to a significant change in what the assistant could reasonably bill."



WRONG PRIMARY PROCEDURE

A physician review flagged that the gastric sleeve, not the hernia repair, was the primary procedure intended for the patient's treatment.



REPRICED BUNDLED PROCEDURE

The SCP system repriced the gastric sleeve as the primary procedure, repriced the hernia repair as included, and also repriced an unlisted billing code for a liver procedure to 5% of charges, in line with usual and customary fees.



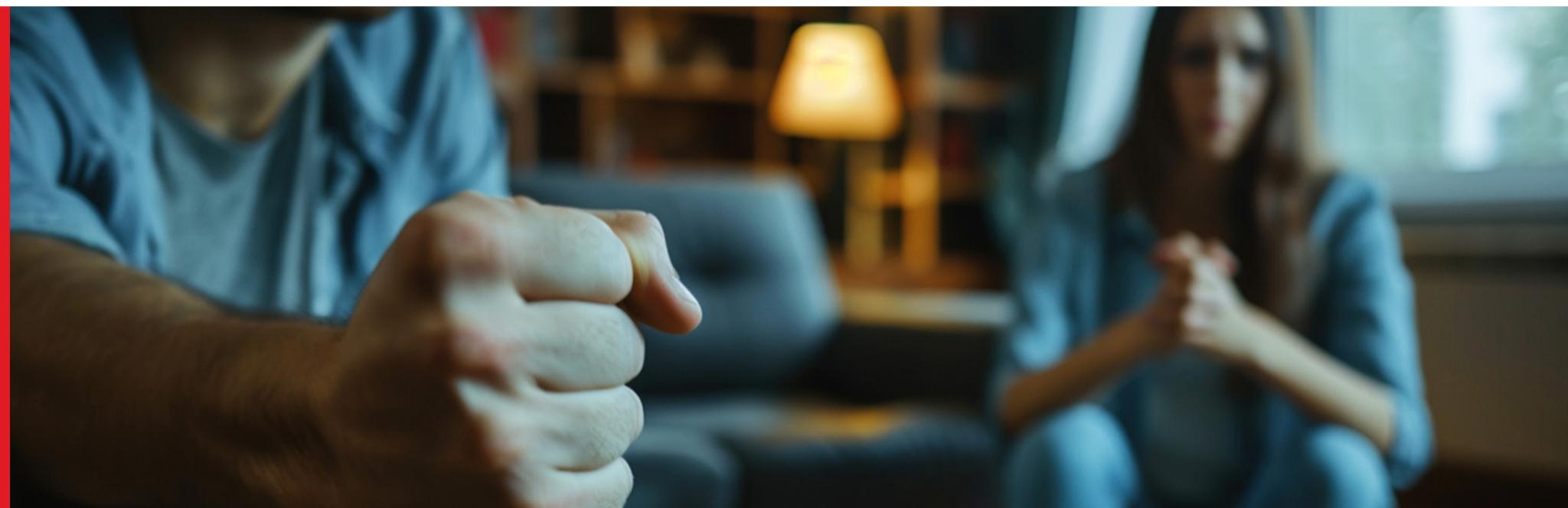
ASSISTANT SURGEON CHARGES

As a result of properly repricing the whole procedure, the assistant surgeon charges were reduced to reflect 20% of the surgeon's fees.

This experienced medical review corrected the billing and shed light on the nuances of coding strategies in complex medical cases. Cases such as this affirm the need for expert systems and experienced physicians to work in tandem, ensuring that patients and payers are charged fairly and accurately. Through diligent analysis and a commitment to transparency, WellRithms continues to advocate for integrity and accountability in every charge.

TRIGGERING SAVINGS

After a Misfire, WellRhythms Reduces Bill by 82% with Sustainable Claims Pricing



SIGNIFICANT FINDINGS

How WellRhythms Out-of-Network Review and Repricing reduced a surgery bill by 82% after a firearm discharge. The initial \$116,225 bill was repriced at \$21,413, saving \$94,812.

Billed Charges **\$116,225**

WellRhythms Reductions **\$94,812**

Final Payment **\$21,413**

Without WellRhythms

\$116,225

With WellRhythms

\$21,413

BACKGROUND

After an accidental gunshot injury led to surgery and subsequent billing complications, a group health member in Pennsylvania faced a daunting \$116,225 bill. His injury, a damaged fifth metatarsal of the left hand, was serious enough to warrant surgical intervention with an open reduction and internal fixation (ORIF) using plates and screws, complemented by a nerve graft procedure. The hospitalization required for this treatment was brief—a single overnight stay—but the financial implications proved to be anything but simple.

RESULTS

WellRhythms first discovered a significant overcharge for the nerve graft used in the surgery, billed at almost \$38,000 when its actual cost was just \$3,000.

After discovering that overcharge and continuing an exhaustive review of the bill, WellRhythms' Sustainable Claims Pricing (SCP) System compared the billed amounts to actual costs and standard markups to identify clear overcharges. The SCP system includes rich data to determine the usual and customary rates for implants and services, instead of a simple multiplier of Medicare rates.

In the case of the implant overcharges, the step-by-step SCP process included:



IDENTIFICATION OF OVERCHARGES

The system flagged the \$55,828 implant charge as a critical issue.

COST ANALYSIS

The actual cost of the implants was determined to be \$5,175, far below the charged amount.

MARK-UP ADJUSTMENT

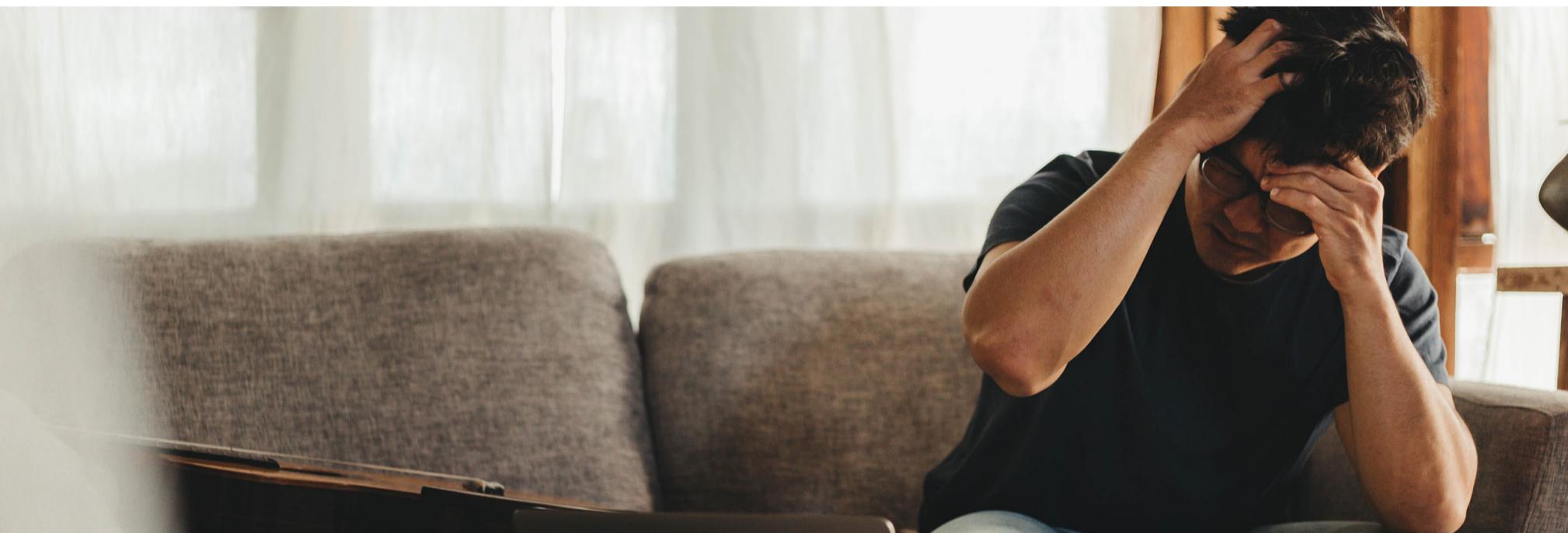
WellRhythms applied an industry-standard 25% mark-up, revising the fair implant price to \$6,469.

WellRhythms' Chief Medical Officer Ira Weintraub, M.D., observed, "We've seen a lot of cases, but this one stood out. That a patient could be charged over ten times the cost of an implant is unconscionable. Our system is designed to catch exactly these kinds of issues, ensuring that patients are billed fairly, based on real costs plus a reasonable profit margin for the providers."

The final review recommended payment of \$21,413 to the hospital, reflecting WellRhythms' commitment to accuracy and fairness. This figure not only fell within industry standards but also aligned with the hospital's historical acceptance rates from its contracted payors. The SCP System's intervention resulted in a substantial reduction, safeguarding the patient from financial distress, and setting a precedent for future billing accuracy.

DODGING THE FINANCIAL BULLET

Protecting a Patient from Balance Billing with WellRithms
Shield Indemnification™



SIGNIFICANT FINDINGS

How WellRithms indemnified a patient in the aftermath of an accidental firearm discharge.

After determining that the \$116,225 bill should be a justifiable \$21,413, saving \$94,812, WellRithms stepped in with its Shield product to indemnify the patient and plan.

Billed Charges **\$116,225**

WellRithms Reductions **\$94,812**

Final Payment **\$21,413**

Without WellRithms **\$116,225** → With WellRithms **\$21,413**

BACKGROUND

After an accidental gunshot injury led to surgery and subsequent billing complications, a group health member in Pennsylvania faced a \$116,225 bill. His injury, a damaged fifth metatarsal of the left hand, was serious enough to warrant surgical intervention with an open reduction and internal fixation (ORIF) using plates and screws, complemented by a nerve graft procedure. This bill was originally repriced by a reference-based-pricing (RBP) vendor.

RESULTS

The initial patient bill was unusually high, mainly due to implant charges totaling \$55,828. Inspection revealed that the cost of the implants was approximately \$5,175. With an industry standard markup of 25%, implant charges should have been \$6,469. Moreover, the nerve graft, a critical component of the patient's recovery, was billed at almost \$38,000 when its actual cost was about \$3,000.

WellRithms started by conducting an exhaustive review, comparing the billed amounts to actual costs and standard markups. WellRithms found that the initial hospital payment of \$11,999 recommended by the RBP firm underpaid the facility, putting the case at risk. Based on the underlying hospital costs involved, WellRithms recommended payment of an additional \$9,414, which resulted in a more defensible case for the plan and member. Based on the strength of its case WellRithms was able to indemnify the bill using its Shield product, assuming financial risk and protecting the patient from further financial and legal liability.

Shield also ensures:



SUSTAINABLE SAVINGS & FINANCIAL SECURITY

WellRithms Shield protects savings that average 75% off the billed amount.



PROMPT BILL RESOLUTION & EXPOSURE PROTECTION

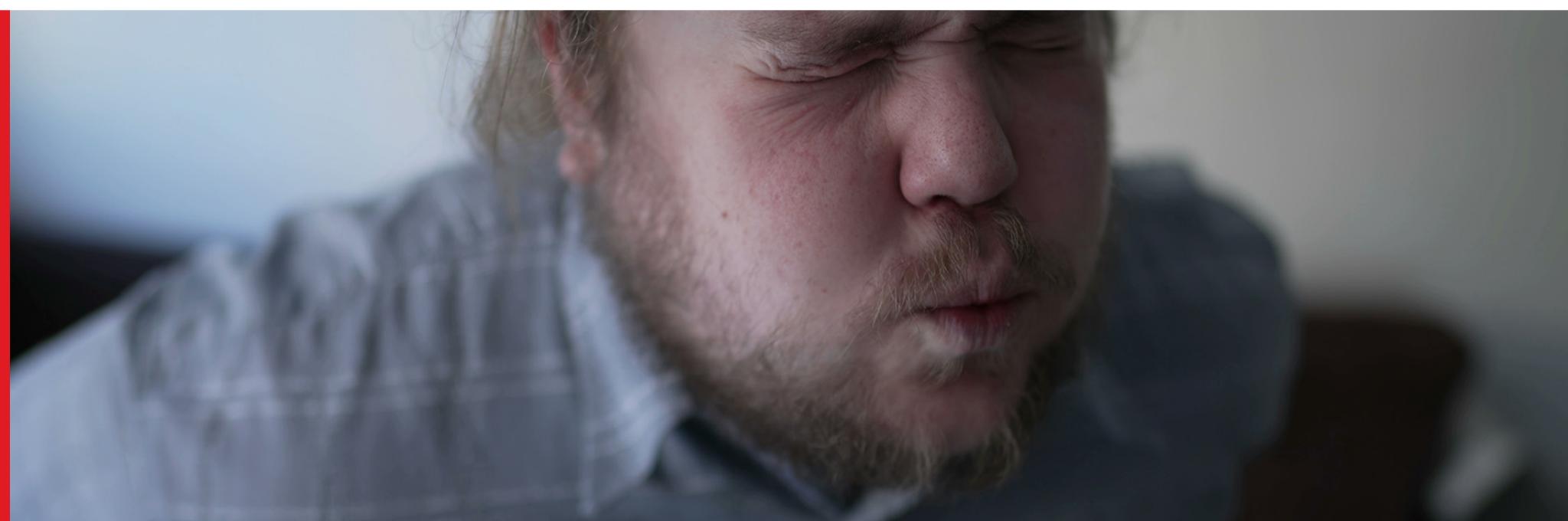
Shield provides immediate bill closure for the patient and plan, safeguarding against financial exposure and bringing swift resolution to the billing dispute.

WellRithms Chief Medical Officer Ira Weintraub, M.D., noted, "We approached this case with the full weight of our expertise and resources. Shield isn't just about numbers; it's about standing up for patients in the complex world of medical billing.

"By dissecting the hospital's charges and aligning them with our comprehensive cost database, we were able to challenge the inflated figures with confidence. Once we presented our findings, backed by WellRithms' reputation and data, the conversation shifted. We didn't just suggest a fair payment, we guaranteed it, offering indemnification that took the financial risk off the patient completely."

REDUCING INFLATED COSTS

With Surgical Precision Using Sustainable Bill Pricing

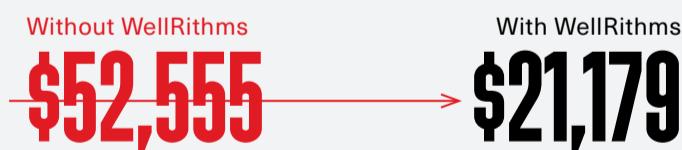


SIGNIFICANT FINDINGS

In reviewing and repricing a workers' compensation claim, WellRhythms slashed 60% from five inflated bills for disc replacement.

Injured worker's bills inflated to \$52,555 by hospital, repriced to save \$31,376.

Billed Charges	\$52,555
WellRhythms Reductions	\$31,376
Final Payment	\$21,179



BACKGROUND

A 41-year-old man working for a ventilation and air conditioning company was fixing an AC unit when upon glancing up to his left felt immediate neck pain that radiated down his left arm. The discomfort persisted for about a week before he went to the emergency room for treatment that was billed as a workers' compensation claim in Missouri. Missouri is one of just six "UCR" states where providers are free to charge usual, customary and reasonable rates.

What started as a June 2023 ER visit with the lowest level of acuity was followed more than a month later by a cervical spine X-ray with up to five views. The case mushroomed into several expensive visits at one of the nation's higher-charging facilities. An initial outpatient hospital visit generated the first of five medical bills totaling \$52,555, most of which involved a surgical procedure that occurred about four months after the injury.

RESULTS

Using its Sustainable Bill Pricing (SBP) product to review and reprice workers' compensation claims, WellRithms determined that a fair price was \$21,179. SBP is an enhanced artificial intelligence system that automatically adjudicates bills within seconds to ensure everything is priced correctly. Able to reprice each line of the bill, which has separate CPT or revenue codes, it analyzed the hospital's known itemized charges and markups, uncovering several anomalies along the way. They included:



IMPLANT PRICING DISCREPANCIES

Implants priced at \$20,000 that should have been \$6,500 based on what they cost the hospital, including a 25% markup.



SURGICAL SUPPLY AND DRUG OVERCHARGES

A \$180 charge for drapes used in surgery to cover the microscope and operating table that cost 50 cents. A \$35 drug that cost 62 cents. A burr billed at \$800 that cost \$90. A \$100 charge for skin glue applied on top of stitches in the subcutaneous that cost about \$5.



UNWARRANTED EQUIPMENT BILLING

A separate bill for surgical equipment was incurred that should have been included in the surgery fee.

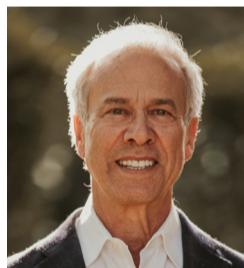
The facility delivered questionable care at inflated prices. However, WellRithms' SBP flagged those flaws, and in the process significantly reduced the bill for the claimant's employer.

CONCLUSION

While these providers don't represent the entirety of physicians and hospitals, they do illustrate the common forms of fraudulent and abusive billing that is now widespread throughout the country, and which in turn drain precious funds from union plans, employer groups, and every other type of payor.

Payors need a new form of advocacy and protection from egregious billings and lack of fiduciary oversight. Just as the past decade brought about the need for protection from online data breaches, identity theft, and ransomware, the prevalence of medical overbilling has created the need for payment integrity firms.

WellRithms provides the most comprehensive, legally defensible protection that groups now need. It's how we've come to be known as the master of payment integrity on a mission to level the playing field.



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There are BILLIONS of reasons
to fight healthcare overbilling