

Confidentiality

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Phrazer™ ROI Overview

Phrazer™ has a powerful impact on the economics of a practice. Seeing more patients, reducing expenses, offsetting language services costs and coding appropriately all contribute dramatically to the profitability of physicians.

Assumptions

- Physicians are seeing 25 patient per day
- The average length of a patient visit with a physician is 20 minutes
- Physicians are under-coding their visits by one level due to lack of documentation
- Physicians are currently employing dictation of records as a part of their workflow

Using these assumptions, potential impacts from Phrazer™ are as follows:

I. Documentation Savings

When patients use Phrazer™ to enter their own medical history, the documentation is completed for the subjective note before the exam begins. Since the history accounts for two-thirds or more of a medical record, having it completed before the patient is seen by a physician saves time. If we assume that Phrazer™ will save an average of four minutes in documentation time per patient, then each physician using Phrazer™ will save 100 minutes every day. Assuming an average visit duration of 20 minutes, Phrazer™ would increase productivity by five visits per day. This equates to 20 additional visits per physician each week (assuming a 4-day work week) and 90 additional visits per month. These time-savings resulting from the use of Phrazer™ will allow physicians to treat more patients. At \$50 per visit, the net revenue increase would be \$4,500 per month per physician.

$$\begin{aligned} 4 \text{ minutes (time saved)} \times 25 \text{ patients per day} &= 100 \text{ minutes saved per day} \\ 100 \text{ minutes} / 20 \text{ minutes (average length of visit)} &= 5 \text{ additional visits per day} \\ 5 \text{ visits} \times 4 \text{ days} &= 20 \text{ visits per week} \approx 90 \text{ additional visits per month (per physician)} \\ 90 \text{ visits} \times \$50 \text{ per visit} &= \$4,500 \text{ per month (per physician)} \end{aligned}$$

II. Transcription Reduction

Dictation costs per physician are estimated at \$1,000-\$1,500 per month (Soyer 2010). Phrazer™ eliminates approximately 60% of dictation, resulting in an estimated savings of \$600-\$900 per physician each month.

III. Patient Literacy Improvement -

Phrazer™ helps patients understand complex medical questions and terminology, thereby creating a baseline medical literacy. Phrazer™ also helps give patients a detailed understanding of their medical issues. This frees up approximately 5 minutes of physician time per visit resulting in another \$7,000 net revenue increase per month per physician.

$$\begin{aligned} 5 \text{ minutes (time saved)} \times 25 \text{ patients per day} &= 125 \text{ minutes saved per day} \\ 125 \text{ minutes} / 20 \text{ minutes (average length of visit)} &\approx 6 \text{ additional visits per day} \\ 6 \text{ visits} \times 4 \text{ days} &= 24 \text{ visits per week} \approx 108 \text{ visits per month} \\ 108 \text{ visits} \times \$50 &= \$5,400 \text{ per month (per physician)} \end{aligned}$$

V. Insurance Reimbursements

Phrazer™ complies with insurance reimbursement requirements for issues such as diabetes and hypertension training. The system will help each patient understand his/her disease and how to

mitigate adverse effects. Phrazer™ keeps an audit trail for each interaction and can automatically send this information to the carrier so that the facility receives the \$100 reimbursement check. This can result in a profit center returning an additional \$10,000 in revenues for each 100 patients with a reimbursable issue.

VI. Language Services

The financial costs associated with providing traditional language services are extraordinary. While language services vary, the following prices provide a general idea of the associated costs.

- Interpreters (face-to-face): \$30-\$75 per hour*
- Video interpretation: \$2.75 per minute
- Telephonic interpretation: \$2.20-\$3.00 per minute

*Note: It has become an industry standard for interpreters to require a minimum charge of a half-day (four hours). This means that any organization requiring the assistance of an interpreter will be paying at least \$120-\$200 or \$180-\$300 for every interaction, depending on the type of interpreting service used (independent vs. an interpreting services company).

Lack of funding paired with these high hourly costs has prevented many healthcare facilities from fully meeting needs of their diverse patients. Assuming the average facility treats a patient population that is representative of the United States population, 8.6% of patients are limited English proficient (LEP) and will require language assistance. This equates to each physician treating on average two LEP patients per day. While the average length of each patient visit is 20 minutes.... research has shown that a language barrier increases the visit time by _____. Facilities utilizing telephonic interpreting services will spend \$1,800 per month enabling communication with these patients.

25 visits per day X 8.6% (LEP population) ≈ 2 visits per day involving a language barrier

2 visits X 20 minutes (average length of visit) = 40 minutes per day*

40 minutes X \$2.50 (average price per minute) = \$100 per day

\$100 per day X 4 days = \$400 per week ≈ \$1,800 per month (per physician)

*Note: Research has shown that the average length of visit increases when the physician does not speak the same language as his/her patient, so the number of minutes per day involving a language barrier and the potential monthly savings are likely much greater.

Facilities that rely solely on in-person interpreters will experience an even greater cost savings. As previously explained, many interpreters charge a minimum of a half-day of work (at least \$120) to provide interpreting services to a patient..... time spent waiting with the patient while they fill out forms... etc.... total length of time patient spends in system. ... plus travel time.... Implementing the Phrazer™ system can result in \$3,400 savings per month per physician.

2 visits per day involving a language barrier X \$120 = \$240 per day

\$240 per day X 4 days = \$960 per week ≈ \$4,000 per month (per physician)

\$4,000 - \$600 (monthly cost of leasing Phrazer™) = \$3,400 savings per month (per physician)

While Phrazer will not completely eliminate the need for these traditional language services, we predict that Phrazer will reduce the utilization of these services by 50%. save \$600 per physician each month by implementing the Phrazer™ system.

Summary

- \$5,000 documentation savings
- \$1,200 transcription reduction savings
- \$4,000 revenue recovered from under-coding
- \$7,000 patient literacy improvement savings
- \$600-\$3,400 language services savings

The net benefit of Phrazer™ is about \$17,800-\$20,600 per physician per month plus additional revenue from insurance reimbursements. However, not all visits are under-coded, not all time saved can be used productively, not every physician is spending \$2,000 per month on dictation, and not all dictation savings would be realized, so facilities may wish to think about how these factors might apply to their individual situation.

Other Benefits

Additional Billings

Phrazer™ employs standardized psychological scales from the medical literature as part of the interview. This patient-provided data can be billed under CPT code 96103, psychological testing by a computer, including time for the interpretation and reporting when the results are discussed with the patient and the scoring recorded in the medical record. The additional revenue varies in different practice situations, but Medicare reimbursement for this service is approximately \$140 per hour. You should consult with your own resources before submitting this code to verify your individual situation.