



Fact Sheet

Founded: 1984

U.S. Headquarters: Malibu, California

Web Site: www.pcgsoftware.com

Mission: PCG Software is dedicated to creating software solutions that reduce the cost of healthcare for the managed care industry.

Key Management: Michael Lubao, Chief Executive Officer
Andria Jacobs, RN, MS, CEN, CPHQ, CCP, Chief Operating Officer

Product Profile: PCG works with healthcare payer organizations to increase profitability by enhancing cost containment, maximizing financial recoveries, and significantly reducing fraud and abuse.

The company's flagship product, Virtual Examiner[®], monitors a healthcare organization's internal claims process to trend provider data for fraudulent and abusive billing patterns.

Virtual Examiner allows organizations to enhance their current claims adjudication system with more than 31 million edits per claim. The software solution identifies unclean claims and reduces payment for improper or erroneous coding to conserve premium dollars.

The software has identified savings of up to 15 percent in professional costs for each accounts payable check run before the payment of claims have been made – retaining thousands of premium dollars annually for the company's clients.

Customers: The company's suite of software solutions have been specifically designed for healthcare payers and providers and is being used by dozens of national and regional health insurance plans, independent physician associations and third-party administrators.

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Virtual AuthTech®

The Virtual AuthTech® solution is an interactive diagnosis and procedure code researcher, unbundler and reviewer – designed for access to instant results as those produced by Virtual Examiner®.

**Benefits to
healthcare
organizations:**

Empower staff

Virtual AuthTech grants department staff the power to assure proper diagnosis and procedure coding for interactive authorization and claims. As an interactive coding adjudication tool, Virtual AuthTech is designed to assist in the evaluation of prior authorizations, claims data entry, contract CMS RVU pricing, and retroactive analysis for customer support departments.

Comply with today's standards

Virtual AuthTech and its internal algorithms were developed using commercially available coding rules, the latest clinical guidelines and the expertise of clinicians, claims examiners and contract negotiators. Its platform affords flexibility to comply with frequent business and legislative changes.

Incorporate seamlessly

Installation of Virtual AuthTech can be accomplished in one to two hours, and fully integrates into existing systems. The software runs seamlessly on Windows formats and uses a SQL interface so users do not have to change their data input procedures from other claims-related software. Training for Virtual AuthTech can be completed in one day.

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Virtual Credentialer™

The Virtual Credentialer™ solution manages physician credentials and profiles, in addition to the ability to track documents, certificates, office demographics and assessments.

**Benefits to
healthcare
organizations:**

Optimize Efficiencies

The comprehensive solution includes scan, fax, and report capabilities to optimize time for administrative staffs.

Comply with Today's Standards

Virtual Credentialer and its internal algorithms were developed using the latest clinical guidelines and the expertise of clinicians. Its platform affords flexibility to comply with frequent business and legislative changes.

Incorporate Seamlessly

Installation of Virtual Credentialer can be accomplished in one to two hours, and fully integrates into existing systems. The software runs seamlessly on Windows formats and uses a SQL interface so users do not have to change their data input procedures from other software. Training for Virtual Credentialer can be completed in one day.

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Virtual Examiner®

Virtual Examiner®, PCG Software's flagship product, monitors the internal claims process of an organization to trend provider data for fraudulent and abusive billing patterns, and maximize financial recoveries.

Benefits to healthcare organizations:

Detect abusive billing patterns

PCG Software's Virtual Examiner allows healthcare organizations to enhance their current claims adjudication system with more than 31 million edits per claim. The software solution monitors an organization's internal claims process to identify unclean claims and reduce payment for improper or erroneous coding to conserve premium dollars.

Contain costs

Virtual Examiner is more than a claims review solution with a focus on code combinations. It is a cost containment solution that evaluates the claim not only for abusive billing patterns but also identifies those claims that may involve third-party liability/coordination of benefits, case management opportunities, physician billing education and many other cost recovery reports. This differentiates Virtual Examiner from competing solutions that focus solely on edits within a single claim.

Process up to 233,000 claims per hour

Virtual Examiner reduces the need for healthcare organizations to maintain massive claims and administrative staffs because of the significant time savings over reviewing claims manually.

Graphically Indicate Fraud and Abuse

Virtual Examiner assists healthcare payer organizations in their efforts to investigate possible fraud and abuse situations. Virtual Examiner's *Graph It!* allows users to create line, bar and pie charts, in conjunction with investigative profiling reports to graphically indicate patterns of fraud and abuse. This allows them to review their providers billing patterns through graphical representations while assisting them in the assessment of aberrant billing trends. The comprehensive reporting section highlights:

- Top 40 unbundling by group and by provider
- Double bills submitted by group
- Churning: Outlier hours/quantities and overrides
- Spiking: Bill submission frequency by group and provider
- Trending: E&M bell curve analysis by group and provider

Comply with today's standards

Virtual Examiner and its internal algorithms were developed using commercially available coding rules, the latest clinical guidelines and the expertise of clinicians, claims examiners and contract negotiators. As a result, the solution affords flexibility to comply with frequent business and legislative changes.



Incorporate Seamlessly

Installation of Virtual Examiner can be accomplished in one to two hours, and fully integrates into existing systems. The software runs seamlessly on Windows formats, including Microsoft's Vista operating system, and uses a SQL interface so users do not have to change their data input procedures from other claims-related software.

Training for Virtual Examiner can be completed in one day.

Virtual Examiner currently interfaces with the following major systems: EZCAP, MG400, MC400, CSC, DIAMOND, TXEN, MedMC, PHYSMARK, ENCORE, TRIZETTO, QCSI, PLEXIS, AMISYS and MedVision. It is also flexible enough to interface with many "in-house" developed systems. If your current system is not listed here, PCG Software's integration team will be happy to develop an interface to meet your specific needs.

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Executive Bios

Michael Lubao
*Chief Executive
Officer*

Lubao brings 27 years of group practice, managed care and information systems experience to the role of chief executive officer for PCG Software, Inc. Lubao uses his extensive knowledge of health plans and other payers, Independent Physician Association (IPA) operations, office billing, medical coding, and programming to create customized applications for PCG Software's customers.

Before founding PCG, Lubao spent fifteen years running the managed care operations, business office functions and information systems of several medical groups and IPAs, including Barnes, Jewish & Christian, Monarch Health Systems, HealthWest, UniHealth, PacifiCare, CareAmerica, St. Joseph's Hospital, Kaiser Permanente, MedGroup Management TPA and Axminster Medical Group.

He combined this experience with work at several software development houses where he wrote the source code for MediComp, Physmark, Zybex and two other managed care applications, including add-on modules for EZ-CAP®. In addition, Lubao has taught software and programming classes at the University of California, Los Angeles.

Andria Jacobs,
RN, MS, CEN,
CPHQ, CCP

*Chief Operating
Officer*

As chief operating officer, Jacobs leads corporate operations and client support for PCG Software customers. Jacobs has more than twenty-five years experience in the healthcare industry, encompassing both administrative and clinical arenas.

Prior to joining PCG Software, Jacobs was the administrative director, medical management for VertiHealth Administrators. Her clinical background is in emergency and critical care nursing with a specialty certification in emergency nursing and healthcare quality. In addition, she is designated as a certified compliance professional by the Healthcare Fraud and Abuse Compliance Institute.

Previously, she worked as an independent consultant in ambulatory care and practice management, where her clients have included hospitals, physician groups, and the University of California, Los Angeles. During her time at CareAmerica Health Plan, Jacobs was instrumental in the initiation of programs in high-risk assessment, large case management, and continuum of care critical pathways.

Jacobs earned her R.N. degree from Purdue University, a master's degree in health care administration from the University of La Verne, and a bachelor's degree in health education from California State University, Northridge.

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Abusive Billing Pattern Detection as a Cost Containment Strategy

Today's managed care industry is witnessing a business climate in which billions of premium dollars spent on healthcare are lost to fraudulent and abusive billing practices each year. Of the \$2 trillion spent on healthcare annually, the National Health Care Anti-Fraud Association (NHCAA) estimates that healthcare organizations lose at least 3% or \$60 billion a year to fraud and abuse. Other estimates by government and law enforcement agencies approximate the loss to be as high as 10% or \$200 billion of the nation's expenditure. Left unchecked, the resulting increases in healthcare costs can lead to benefit cutbacks, increased premiums, and higher out-of-pocket medical costs.

The Need for an Effective Anti-Fraud and Recovery Program

HIPAA established healthcare fraud as a federal criminal offense with provisions that apply not only to federal and state programs but also to any "healthcare benefit program" such as "any public or private health plan or contract affecting commerce, under which any medical benefit exists." While most physician networks, TPAs and health plans promote their ability to pay claims correctly, HIPAA regulations require greater ongoing scrutiny. It is not enough to assure that payment quality measures focus on eligibility, benefits and pricing. Many states require insurers and payer organizations to have an Anti-Fraud and Recovery Program, and encourage reporting through immunity plans.

With more than four billion health benefit transactions a year, how can a payer or provider organization examine every claim for the many types of fraudulent and abusive billing practices? An effective Anti-Fraud and Recovery Program and Special Investigations Unit should be at the forefront of efforts to protect healthcare dollars from fraudulent and abusive billing practices. Elements of the Anti-Fraud and Recovery Program would include leadership commitment, staffing resources, enhanced adjudication systems, analysis and reporting of fraud trends and dollars recovered, and a quality improvement approach to provider billing practices. Because of the number of healthcare transactions and the many payment rules, system enhancements are critical to an effective Anti-Fraud and Recovery Program.

Medical Claims Complexities

Healthcare organizations process thousands of medical claims per day, determining payment based on complex government codes and their own additional guidelines. In doing so, organizations must balance accuracy with strict response deadlines and the cost of processing each claim. If an organization accidentally overpays for care or pays a duplicate bill, the money comes directly from profits. The sheer volume of this work could translate into a massive loss of premium dollars annually.

Because of the high price tag and exorbitant lease fees usually associated with effective adjudication system software, healthcare payer and provider organizations have traditionally been forced to manage claims adjudication operations using manual or outdated systems. In addition, unrelenting competition continues to push organizations to make accurate assessments more rapidly than in years past.



An effective Anti-Fraud and Recovery Program is a cost containment strategy that clearly affects healthcare insurance and employer/employee costs. In an era where ballooning health insurance costs and employer and member angst are common, it is a critical success factor to look at systems innovation for cost containment.

To this end, healthcare organizations need an Anti-Fraud and Recovery Program that:

- Analyzes and reports fraud trends and dollars recovered
- Improves operational efficiency and profitability
- Reduces the amount of internal resources dedicated to manual claims review
- Adheres to complex and ever-changing clinical guidelines
- Can be easily implemented without staff interruption
- Saves employees from having to learn complex and cumbersome software systems

The Virtual Examiner® Solution

For more than twenty years, PCG Software's mission has been to help its clients reduce the cost of healthcare by providing software solutions that address these challenges. The company's Virtual Examiner® solution monitors the internal claims process of an organization to detect abusive billing practices, and to maximize financial recoveries.

PCG Software's Virtual Examiner allows healthcare organizations to enhance their current claims adjudication system with more than 31 million edits per claim. The software solution identifies unclean claims and reduces payment for improper or erroneous coding to conserve premium dollars.

However, PCG's Virtual Examiner is more than just a claims review system with a focus on code combinations. It is a cost containment solution. It evaluates the claim not only for abusive billing practices but it also identifies those claims that may involve third-party liability/coordination of benefits recoveries, case management opportunities, physician billing education and offers many other cost recovery possibilities.

The solution has identified savings of up to 15 percent in professional costs on each accounts payable check run, before the payment of claims have been made – retaining thousands of premium dollars annually for PCG's clients.

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