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TORRINGTON GRAD DEVELOPS NEW HEALTHCARE SOFTWARE

By Rachel Koon

Staff Writer

Dealing with insurance companies and healthcare bills following medical treatments can be a long, frustrating process, and often patients end up paying more out-of-pocket than they had planned.

Ideally, patients would know ahead of time what they could expect to pay when they visit the doctor, are admitted to the hospital or undergo a surgical procedure.

A new software product called ACE Logicus is aiming to provide patients with that knowledge, and it's having a major impact on the healthcare industry.

ACE Logicus is the major product of FHS Corp., a company founded in 2005 by Torrington native Travis Gentry and his friend Tim Estes. The company's vision is to provide transparency and business solutions to healthcare providers.

Gentry is a graduate of Torrington High School. His parents are Wayne Gentry and Lanny Gentry of Torrington. Gentry attended the University of Wyoming, where he obtained a Bachelor of Science degree in engineering and a Master's in Business Administration. He lived in Laramie until 1998, when he moved to Denver to pursue a career in technology and business solutions. After working for several years in corporate America, co-founding a business seemed like a logical next step.

"It was really the right opportunity at the right time for my skill set," Gentry said. "I had a career in technology and clients in healthcare. I was familiar with analyzing businesses to see how technology could help them, and I knew how to go into a hospital environment and build a solution.

"Most importantly, though, was that transparency and consumerism were building in the healthcare industry anyway. That's what really launched us."

Gentry, president, co-founder and chief operational officer of FHS, said the company began with a contract to help develop a system for HealthOne, an organization providing billing and health management solutions to physician groups. The system was so successful Gentry and Estes decided to expand. Gentry is committed to finding a solution to the problems facing today's healthcare industry.

"Transparency is the most significant problem in the industry today," Gentry said. "Transparency is acknowledging that patients have right to access and a right to understand their healthcare."

According to Gentry, true transparency depends on a patient's thorough understanding of charges issued by their provider and their out-of-pocket expenses. However, out-of-pocket expenses can be difficult for patients to tabulate because of

the relationships between insurance companies, providers and patients themselves. For self-pay patients, knowledge of provider charges is enough to calculate the cost of a doctor visit or a procedure. But because the vast majority of patients use insurance to cover health care costs, knowing only provider charges is not enough. Patients need to understand their insurance benefits and the contract their insurance has with the chosen provider, a task that is oftentimes easier said than done.

"Insurance companies are not very transparent and don't make their benefits clear to patients," Gentry said.

Deductibles, number of visits and types of procedures can all change out-of-pocket patient expenses. ACE Logicus allows providers to make patient benefit information available at the time of the visit, which helps both patients and providers understand the cost of medical care.

ACE Logicus uses three components – the contract between the provider and the insurance company, provider charges and information about a specific patient's benefits – to create an out-of-pocket expense estimate for patients before they see their provider. The software is able to give an almost exact dollar amount based on how insurance contracts define a procedure or visit should be reimbursed. However, as all patients know, unforeseen factors may arise

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during a visit and increase the cost to the patient.

“In some cases the cost of a visit is black and white, but in some cases it’s gray. If someone walks in with a broken arm, you can tell them almost exactly how much that visit will cost them. But if it’s a surgery where multiple procedures may be done, the cost can increase,” Gentry said.

An ACE Logicus estimate is credible because it is based on what is known before the patient is seen, but the software is not meant to predict complications or additional procedures that may occur.

“The software helps providers educate patients about what happened during their visit or procedure, so if their out-of-pocket expenses increase they won’t be surprised or angry,” Gentry said. “We’re helping change the relationship (between patients and providers) from adversary to advocate.”

Another important step in improving healthcare is patient consumerism. “Consumerism is empowering patients to make decisions about where they receive healthcare,” Gentry said. “It’s like comparison shopping.”

Gentry used local examples to illustrate his point.

“Do people in Goshen County want to go to Banner (Medical Clinic) or Regional West in Scottsbluff?” he asked. “Let’s say someone is getting a total hip replacement. Assuming both facilities provide that service, will it be cheaper for me to go to one or the other? Is the quality of care the same? How do facilities make that information available to patients?”

Gentry said patients look to providers, not insurance companies, to get information about their out-of-pocket expenses. He attributes this to our consumer-driven society, in which patients view providers as “sellers” of medical services while patients themselves are the “buyers.” The current system, which allows insurance companies to act as

middlemen between providers and patients, is confusing, Gentry said.

“It’s like going to the grocery store, seeing a tomato you want to buy and calling the farmer to see how much the store should charge you. Why call your insurance company to see how much a procedure or visit will cost with your provider?”

Gentry observed most patients prefer to receive out-of-pocket expense information directly from their healthcare provider. ACE Logicus meets this demand by allowing providers to give patients’

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President/COO FHS

information regarding the cost of a visit before it takes place. Patients and providers can then have discussions about financial arrangements, including what patients are able to pay on the day of service and what can be paid later. By creating a payment plan and acknowledging service costs, patients are less likely to be angered or surprised by medical bills.

“What really matters is telling patients what their out-of-pocket expenses are,” Gentry said. “That’s what the software does, and that’s meaningful transparency.”

This is a new era in patient rights.”

Gentry has observed a growing trend in patient education as people learn more about their benefits, but he said there is still a long way to go.

“The healthcare industry doesn’t have a mechanism to evaluate insurance in an apple-to-apple

comparison. I think eventually health insurance will go the way of car insurance, where people can get quotes, compare companies and select their own insurance,” he said.

ACE Logicus and FHS are certainly doing their part to make that future a reality. According to Gentry, the company is marketing on the national level and the software will be in 60 hospitals by the end of the year. By helping to solve the transparency problem in the healthcare industry, Gentry hopes ACE Logicus and FHS will help increase competition among insurance companies, something Gentry says is crucial for reducing medical costs.

“If you believe in competition and think it can help an industry, transparency can be a solution to the healthcare crisis,” he said.

In five years, Gentry would like to see hospitals, surgical centers and doctors’ offices around the country share information to increase transparency and help patients choose the right insurance. He hopes FHS will have a significant portion of the healthcare software market.

“I feel good about what we’re doing,” he said. “We’re providing a valuable service. We want patients to have the ability to get a big-picture perspective about their healthcare costs.”