

helia



The Power of Network

About 50% of an average hospital's supply chain expenditures are paid after the product has been used. These healthcare products are typically provided by sales reps that walk the devices into the hospitals for special procedures like joint replacements, pacemakers, or other implants.

The Problem

The fact that the devices are paid for after the device has been used creates problems, both for the hospital and for the manufacturer of the device. The process of billing, reconciling, and paying for these devices after use is called a **“Bill-Only” transaction**.



Figure 1: The manual Bill-Only transaction involves lots of paperwork

The reason why the Bill-Only transaction is so problematic is that there is no alignment between supplier and hospital about price, terms, and product when the product is provided to the hospital. There usually is a contract, but the process of documenting item delivery and usage, creating purchase orders, billing patients, invoicing, reconciling, and reporting is so complex that it is estimated that the average hospital loses \$1.75 Million dollars every year doing these Bill-Only transactions.

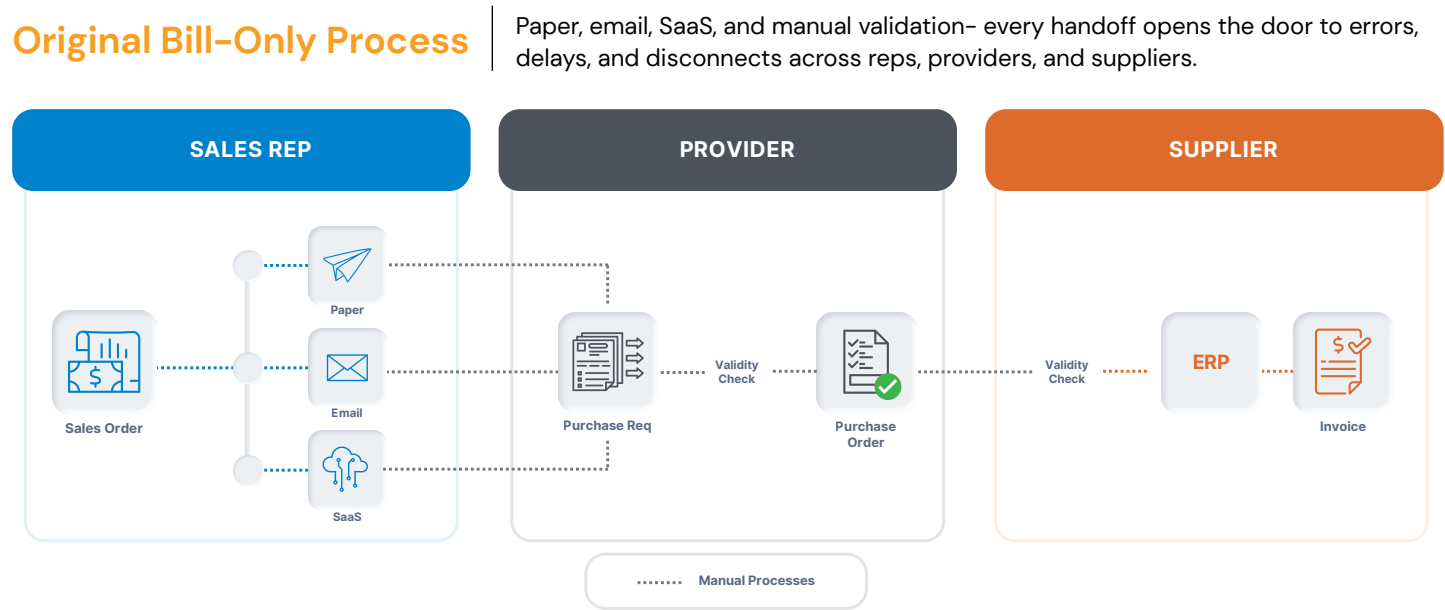


Figure 2: Original Bill-Only process

The original Bill-Only process involved manual validation and caused errors, delays, and disconnects between the two parties to the transaction – and their representatives. In reality, the complexity is far worse, since several different departments at the hospital as well as in the supplier's offices are involved, as illustrated in figure 3 below.

Today's Single-Sided Bill-Only Process

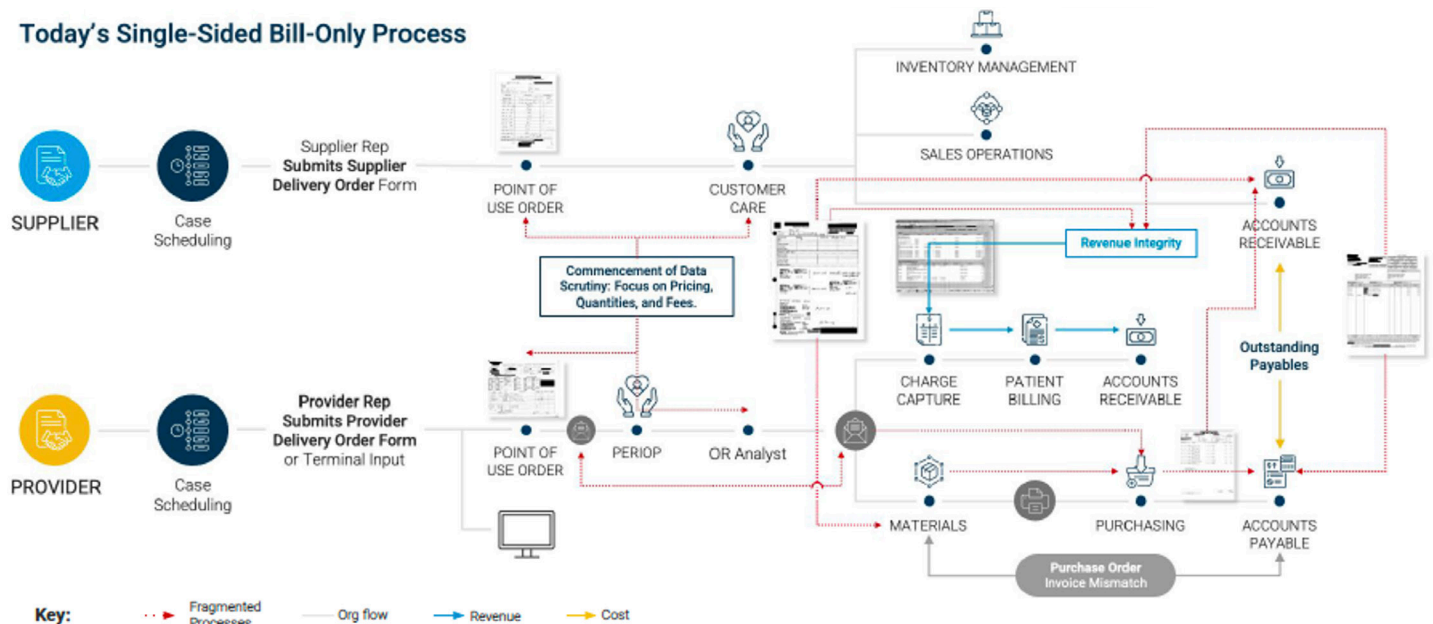


Figure 3: Multiple departments are involved in the Bill-Only process

So-called “Bill-Only” solutions represent an improvement of the original Bill-Only process, since they automate some of the manual steps involved. However, the fundamental Bill-Only problem remains: The lack of alignment between suppliers’ and providers’ understanding of contract terms. Automating the process of managing a broken system is not solving the problem, it is perpetuating the problem and treating the symptoms.

Interim Bill-Only Process Today

Key partnerships are driving automation today— and paving the way for a fully connected, future-ready workflow.

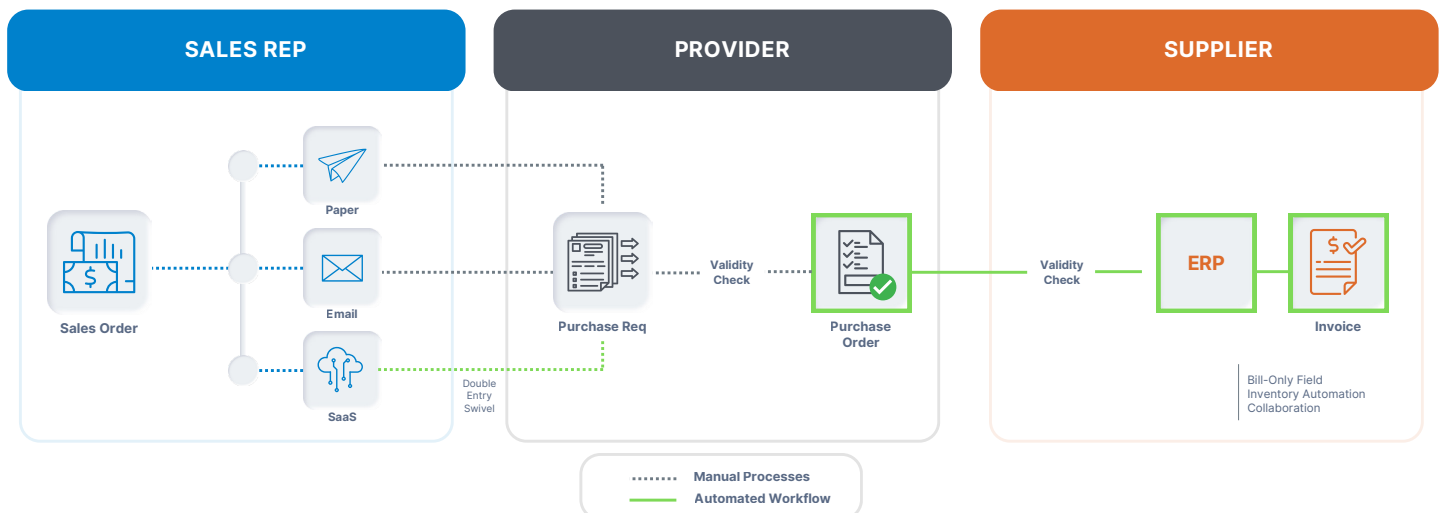


Figure 4: Semi-automated Bill-Only process

The Solution

The only way to really solve the bill-only problem is to create pre-transaction alignment between supplier and hospital. The only way to create this alignment, is by creating a very large network of suppliers and hospitals where contract terms, products, pricing and so on are loaded into the network. This solution eliminates the Bill-Only problem and essentially represents a new transaction paradigm in Healthcare: Every step in the transaction process is automated, connected, and error-free. As a result, billing is faster, there are fewer touchpoints, and there is real-time visibility for all parties involved.



Figure 5: Network-based digital handshake

With a network of suppliers and hospitals, terms, conditions, and prices, block-chain-like technology can align these between hospital and provider and create a single-source of truth that guides every step of the transaction. This technology acts as a network-based digital handshake that eliminates the need for reconciliation, phone calls, delays, etc. It is like buying AAA batteries at Amazon – and the new transaction paradigm solves not only the Bill-Only problem, but also potentially other challenging transactions in healthcare.

Future State Bill-Only Process

Every step—from order to invoice—is automated, connected, and error-free, enabling faster billing, fewer touchpoints, and real-time visibility across reps, providers, and suppliers.

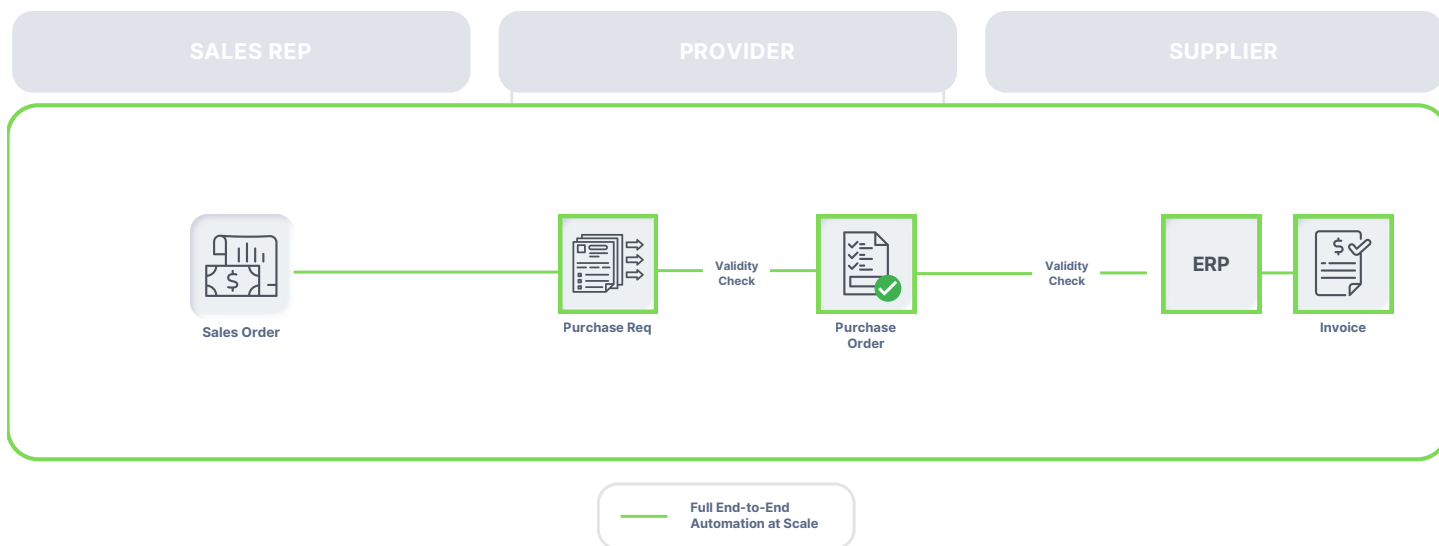


Figure 6: Eliminating the Bill-Only problem

And again, to really understand the difference to the original Bill-Only transaction, we need to look at departmental impact under a microscope. Figure 7 illustrates how interactions are seamless and free of any stress, uncertainty, friction, or disagreement. Transactions are *harmonious* rather than *adversarial*, as symbolized with the “digital handshake”.

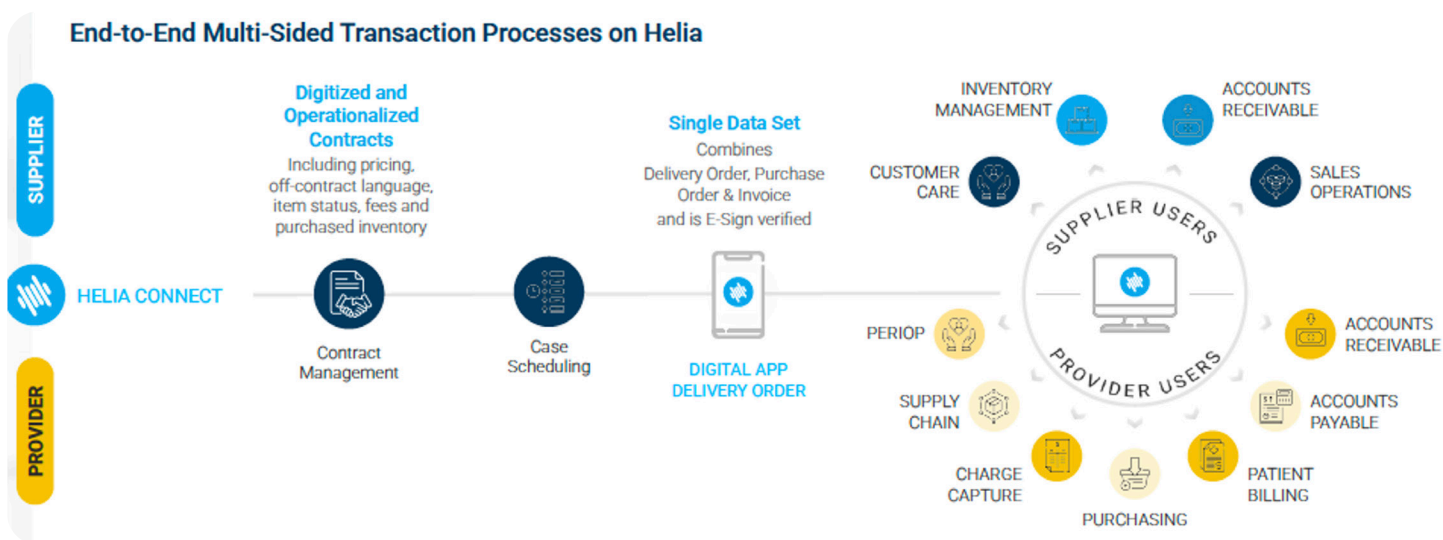


Figure 7: End-to-end Multi-sided Transaction Process

Helia Care has spent the last years building this network. Large, visionary medical device suppliers have eagerly signed up to Helia Care, so that now, on average, a hospital finds that 80%+ of its purchases are covered under the Helia Care network.

An upfront digital handshake that ensures contractual alignment between supplier and hospital buyer may sound too good to be true. But Helia Care works in leading health systems throughout North America.

The network is what makes it work. And when Helia Care is integrated into the hospital's ERP system, it becomes a one-click solution. Just like buying AAA batteries on Amazon. So now, healthcare can focus on what's most important: The patient.

THE LACK OF ALIGNMENT BETWEEN BUYER AND SELLER PRE-TRANSACTION IS WHAT CAUSES BILL-ONLY PROBLEMS.

THERE ARE TWO WAYS TO HANDLE THIS:

1

BILL-ONLY SOLUTIONS

You deal with the mis-alignment by reconciling in every step of the transaction process, involving several encounters between different departments in the buyer-and seller-organizations.

2

HELIA CARE

You can eliminate the problem by creating a network-based pre-transaction alignment between buyer and seller – between hospital and supplier.

Figure 8: The choice of Bill-Only solutions

Trusted Transactions – The Power of Network

The Helia Care network is designed to not only fully automate the transaction, but also to equally benefit providers (hospitals) and suppliers. This is another unique aspect of the Helia Care solution. Transactions occur by referencing the single source of truth, namely the contract in place with the supplier (rather than the hospital's perception of what is right or wrong).

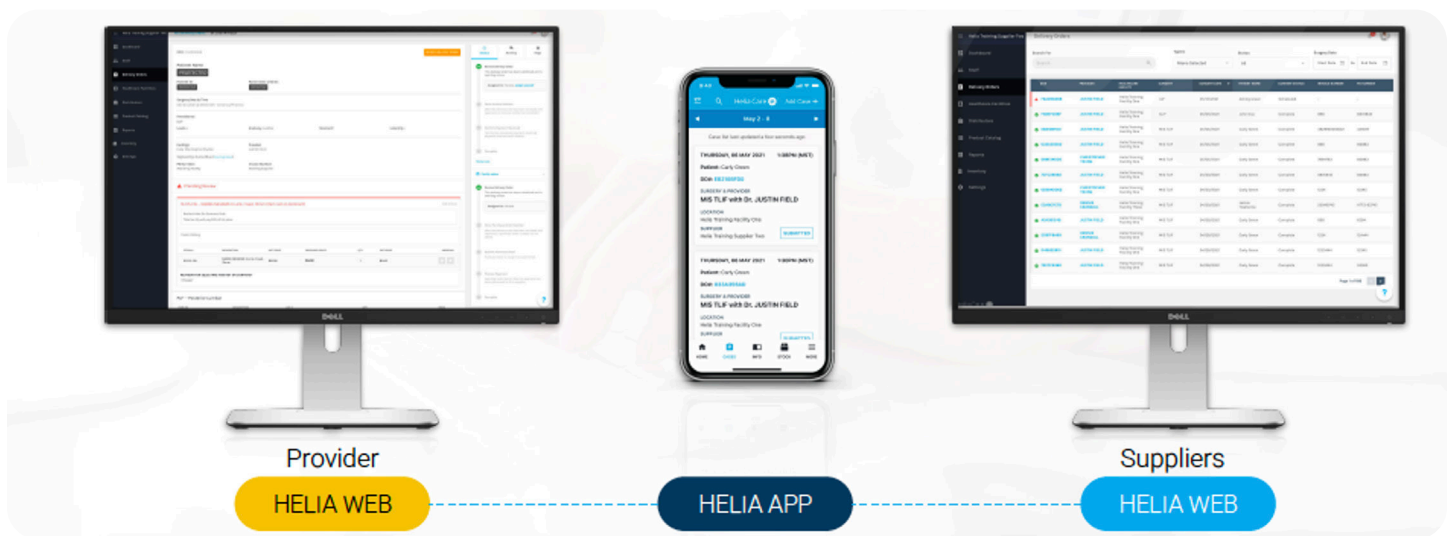


Figure 9: Power of the Helia Care Network

In fact, the Department of Health and Human Services, Office of the Inspector General has recently looked into Bill-Only solutions and found that Bill-Only vendors may in fact violate the Federal anti-kickback statute (Advisory Opinion No. 25-08):

“Typically, for bill-only items, a representative of [the medical device firm] delivers a selection of these items to a Customer the day before or the day of a patient’s procedure so that the surgeon can select the specific items needed for that specific patient. Some of these bill-only items are used in procedures that may be reimbursable by Federal health care programs. [...] The typical process for bill-only items involves a surgeon selecting and using one or more bill-only items in surgery, a member of the [hospital’s] staff recording the items used, the [hospital] generating a purchase order, [the medical device firm] generating an invoice based on the purchase order, and the [hospital] paying [the medical device firm] for the invoiced items [...]. Some [hospitals] have engaged a third-party vendor [...] for the purpose of using the Vendor’s software to facilitate their purchases of bill-only items from [the medical device firm].

[The medical device firm] certified that some [hospitals] have begun requesting or requiring [the medical device firm] to use the Vendor to facilitate the hospital’s purchases of the bill-only items instead of [the medical device firm’s] typical process. Specifically, under the Proposed Arrangement, the Vendor would charge [the medical device firm] to access the Vendor’s bill-only portal (the “Bill-Only Portal”) to process bill-only items for hospitals that have selected the Vendor’s software to facilitate their purchases. The Vendor would charge [the medical device firm] a licensing fee [...].”

“The Bill-Only Portal provides the following services to facilitate [the hospital client’s] purchases of bill-only items: capturing purchasing data when the [hospital] decides to purchase the bill-only item, confirming the accuracy of the data, routing the bill to the appropriate [hospital] personnel for approval, securing approval of the bill by the appropriate [hospital] personnel, and issuing the purchase order to [the medical device firm’s] representative. [The medical device

firm] certified that the Vendor's advertisements appear to [...] be geared exclusively toward potential [hospitals] and that its website focuses entirely on the benefits of the Bill-Only Portal to the [hospitals], without discussing any benefits to manufacturers like [the medical device firm] [...] [The medical device firm] stated that it has not identified any appreciable benefits or services that it would receive by using the Bill-Only Portal, and it would not otherwise receive any necessary or desired services from the Vendor."

The OIG opinion criticized the classic 'Bill-Only' solution. However, that model is distinct from Helia Care's unique two-sided network approach, which harmonizes supplier and provider data prior to the transaction, bringing value to all parties.

During the past two years, the Helia Care team has been focused on building the supplier network without which the value proposition Helia Care brings forward to hospitals would lack credibility and impact. Signing a critical mass of suppliers to participate in the digital handshake that defines Helia Care is not only essential but is also our key differentiator—it is what enables our network to be what we believe to be the best solution in the market. Over the past two years, we have added 100 suppliers and 140 distributors to the network, bringing the total to 174 suppliers and 261 distributors with Helia Care agreements. We have built the industry's first network of suppliers and providers, and we have signed on suppliers representing over 80% of the spend for the average hospital.

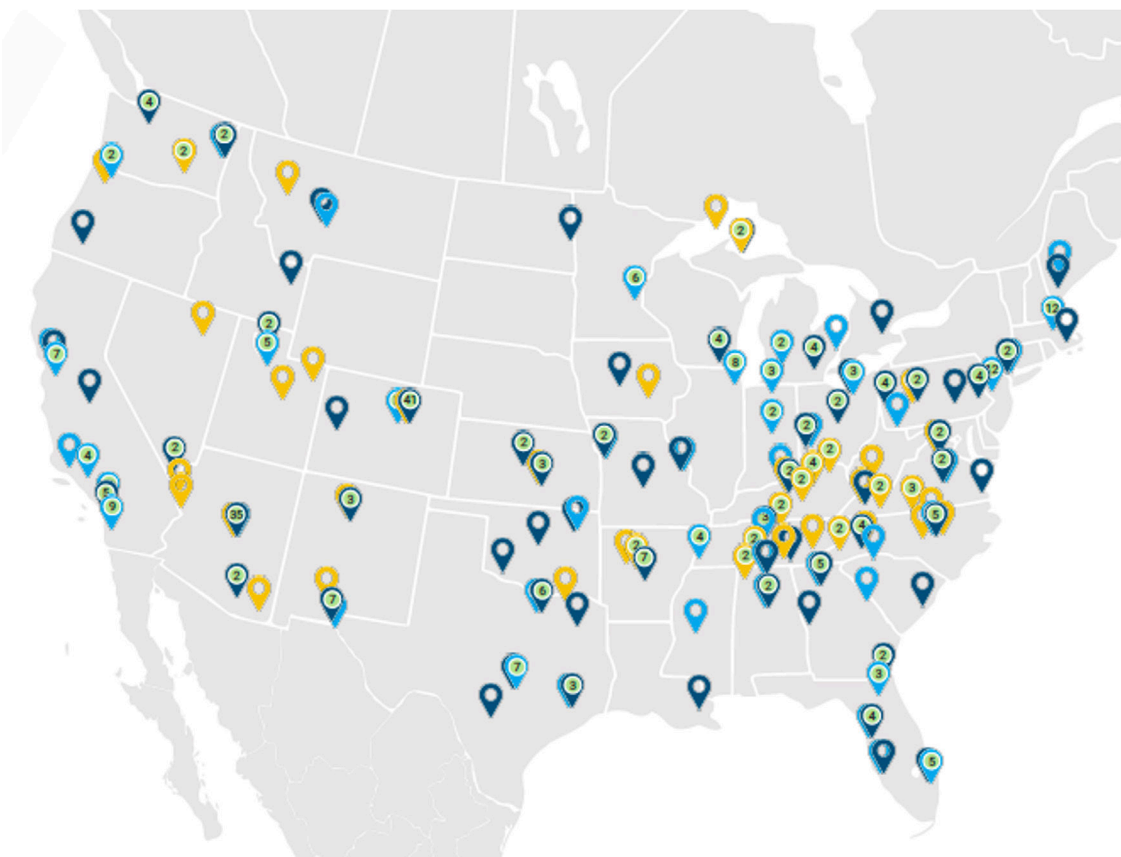


Figure 10: Helia Care's network of suppliers and providers

Building and maintaining a network of suppliers and distributors is critical to the Helia Care value proposition, and while the work of signing on suppliers is cumbersome and time-consuming, Helia Care has now reached a critical point where the supplier network comprises the majority of any health system's suppliers. This means that the trusted digital handshake Helia Care provides has immediate and significant financial impact. However, this is what is really important: Building the supplier network is not a matter of forcing suppliers to sign on. One major supplier did a full API-based integration connecting to 60 hospitals and has recently started recommending us to health systems. Several other large medtech providers have integrations on the way as well. Uniquely, suppliers are seeing value in what Helia Care is doing – and they are eager to join the network. This stands in sharp contrast to the “bill-only” industry's one-sided support of hospitals. The Helia Care network is truly a two-sided network that benefits both providers and suppliers. This is how we are different.

The future of Bill-Only is the trusted digital handshake between providers and suppliers. Increasingly, suppliers will have little reason to remain outside of a transaction network, and, likewise, hospitals will have little reason to not participate. And it will become difficult for hospitals to function without signing on to a transaction network. Hospitals and suppliers alike are tired of Bill-Only transactions. They are stressful and expensive – and they take attention away from that which is important: The patient.



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