CAPIO'S PREMIUM ASSISTANCE AND
501(r) COMPLIANCE PARTNER

Transforming Bad Debt Accounts To Support Your Community and Your Nonprofit Status

By partnering with the right asset buyer, you can create your own health exchange without needing federal dollars!

Over the last number of years, healthcare providers have chosen a new approach to monetize an "off-balance-sheet asset" by selling uncollected self-pay and balance-after-insurance accounts.

While the additional revenue increases their net profits, their patients and local communities may react negatively to the collection practices some asset buyers use. ***That's why some innovative providers are now leveraging this debt sales strategy to benefit disadvantaged community members***—they're channeling these new funds to an outside organization which purchases health insurance for those most in need.

Providers typically write off unsettled accounts as bad debt after a variety of failed collection attempts. An experienced, reputable asset buyer will transform these zero-value accounts into net profit—generally, a 0.5% to 1% payout. In other words, $100 million in written-off accounts would generate $500,000 to $1 million. These funds can be realized on a monthly, quarterly or annual basis.

The provider then donates the proceeds as a charitable contribution to a nonprofit organization, which in turn purchases a year of insurance for deserving individuals. **In essence, this *Premium Assistance* program helps create a health exchange without federal dollars.** The benefits to the hospital/provider include:

- ***Receiving maximum value from non-paying accounts, where the traditional return is zero.***
- ***Positive PR and community benefit credit generated by helping the underprivileged and underserved.***
- ***A new source of funds from previously uninsured patients, who once paid nothing but now enter facilities with full health insurance benefits.***

Assuming a one-year insurance policy costs $12,000-$16,000, $500,000 in asset sale revenue would insure 30 to 40 patients. One hospital that implemented a Premium Assistance program has realized a life-to-date return of 3 to 1 on the contributions they've made. Assuming this is the baseline, ***a portfolio of unpaid accounts would go from no return to $500,000 in sale revenue to $1.5 million in new insurance payments—all while providing enhanced community benefit.*** As an extra bonus to your patients and your nonprofit status, we support your 501(r) regulatory requirements and, more importantly, your Community Health Needs Assessment. ***What more can you ask for with a partner like Capio?***

For more information on how your organization can benefit from this approach, contact
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