

Franchise Support

ClaimTek provides training and all-inclusive support for its medical billing licensees.

BY MARK LAWTON



Kyle Farhat, CEO

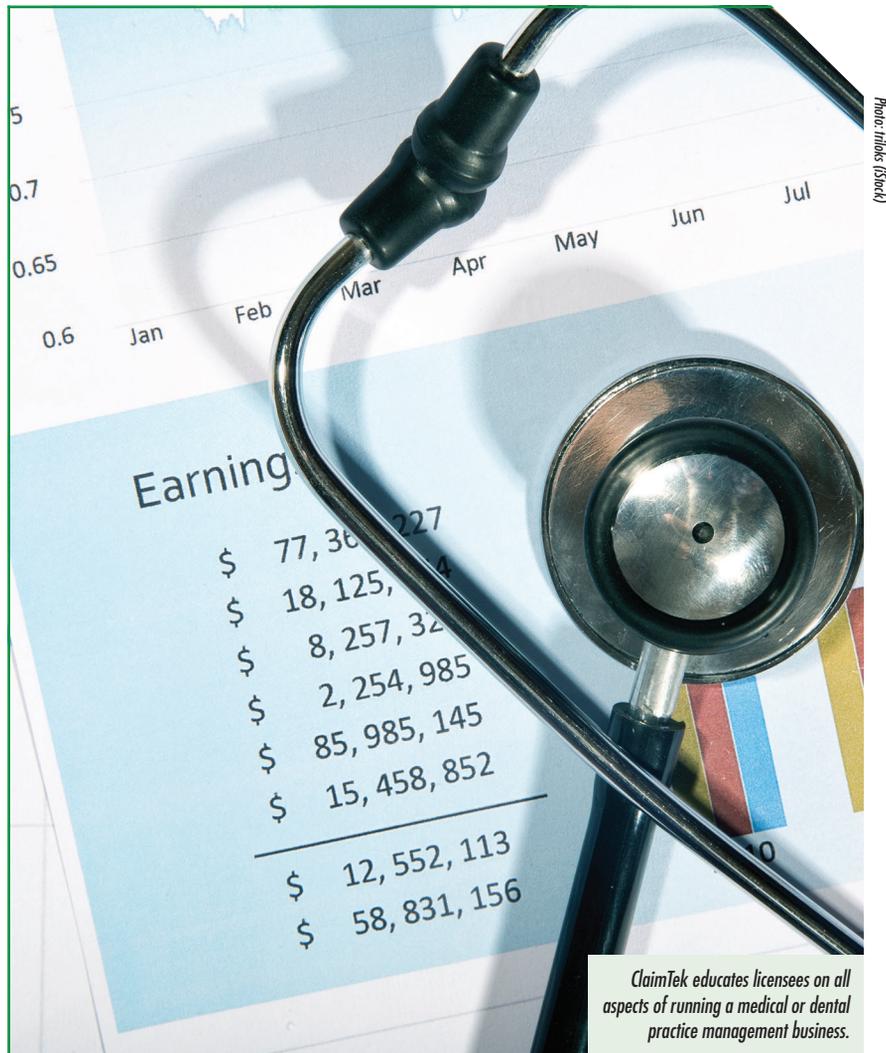
In 1993, Kyle Farhat knew he wanted to open a business, he just wasn't sure what type. He considered opening a restaurant, consulting company or some sort of franchise.

"I stumbled upon medical billing," Farhat says. "I thought it could be interesting. I had worked at a bank for several years and had enjoyed the financial aspects. I thought I could do this well."

He purchased a business package to perform medical billing from a company that advertised a startup opportunity. He started his medical billing service in Portland, Oregon and did well but success was despite the disadvantage of working with the company he had bought a package from. "Their tools were poor," Farhat says. "Their marketing items were poor. The support was nonexistent."

After a few years, he decided to move his company, which he named ClaimTek Systems, to Irvine, California. The company initially focused just on claims processing but Farhat had a vision. Now ClaimTek develops software and educates licensees on all aspects of running a medical or dental practice management business with a focus on billing.

ClaimTek teaches its licensees how to efficiently handle the revenue cycle for all types of health care specialties



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and facilities. That includes insurance claim processing, financial reporting and analysis, soft collections, patient payment plans, Medicare audit preparation, coding, renewing doctors' credentials with insurance companies and other services.

ClaimTek has services and software that a licensee can sell to a doctor's office for practice management and electronic medical records.

BEFORE, DURING AND AFTER

Farhat makes sure his licensees have extensive training and support. ClaimTek realizes most people need a take-you-by-the-hand approach

to learn how to be a successful business owner. "With the right tools and training it's not difficult," Farhat says.

Each ClaimTek licensee receives one-on-one training in how to do billing, use software and the mechanics of a doctor's office. Once the licensee schedules an appointment with a doctor's office, they consult with ClaimTek before and after the meeting. Their mentor covers what type of questions to expect, what type of issues to discuss and what the licensee's pricing strategy might be.

"They find out what to expect from this medical specialty and how the billing differ from other specialties,"

Farhat says. “They present themselves as a full-scale solution. Doctors don’t like to deal with a bunch of vendors to have all their needs met.”

When a licensee lands an account, ClaimTek provides a refresher on the software and the billing aspects for that particular medical specialty, helping them start the new account and even help with their actual claims.

ClaimTek’s turn-key business programs range from \$22,000, \$33,000 or \$45,000 with support renewals at \$1,295 per year. ClaimTek can even take over medical billing operations for a licensee in an emergency situation.

SOFTWARE VS. MENTORING

While Farhat says there is a “significant level of competition” in this industry, it’s not always an apples-to-apples comparison. “Most of these are software companies,” he explains. “They give training only on the software. They don’t offer training on the full revenue cycle or how to acquire clients, they just give you a software platform for billing and send you off on your own.”

ClaimTek differentiates itself by offering individual and personalized training, a low-overhead business model, scalability and multiple streams of revenue.

Meanwhile, the potential for licensees is huge, Farhat says. “There are about 1 million doctors in the nation,” he says. “Doctors don’t go to business school. They don’t really have the business acumen. The turnover is high for office staff so outsourcing billing is a more reliable and profitable solution.”

ClaimTek focuses on smaller physician practices with anywhere from one to 10 providers, though there are now many doctors who align with hospitals in some manner while still handling their own billing and administration.

There are common “pain points” for these medical practices that lead them to outsource their medical billing, Farhat says. Those include low collection rates, expensive and clunky software, ever-changing insurance regulations and pressure for doctors to treat their practice as a business.

ATTENTION TO DETAIL

People with various backgrounds have signed up for the ClaimTek training including truckers, loggers, engineers, stay-at-home parents, and even doctors who do medical billing for others as a side business. Farhat says the ideal candidate is “a person who wants to succeed and has attention to detail. Someone who likes to solve problems. It helps to have a detail-oriented personality and business sense.”

GETTING BIGGER

ClaimTek is expanding into lower cost-software systems that will allow

its licensees to scale their businesses and their clients to operate their practices efficiently.

“A lot of software companies take advantage of health care providers by locking them into expensive systems they advertise as fool-proof, when the reality of insurance and billing is never that clean-cut,” Farhat says.

The focus will be on developing electronic health records and practice management software platforms. It aims to offer a higher level of IT services at a lower cost.

But it’s not all about automation. “Certain things can’t be automated,” Farhat says. “Going out and talking to physicians. Reinventing marketing items and how people can present themselves with more confidence. There will always be multiple insurance companies and always be a need to fight claims. There will always be a need for a person.” 🌐



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