

**THE BILL-ONLY PROCESS
WHO THE &%!@
DESIGNED THIS!?**



IMPLANT SPEND MANAGEMENT EXPERT

**POWER
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Richard Palarea | CEO of Kermit

Power Supply Implant Spend Management Expert™:

The Bill-Only Process: Who the &%!@ Designed This!?

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Healthcare is in the process of getting an overhaul in the United States as the sector is continually under increasing scrutiny. This has caused our nation's greatest innovators to introduce groundbreaking solutions to attempt to solve decades-old problems, improve processes, and make healthcare more affordable.

One antiquated process, however, continues to stay alive in most of our nation's hospital, and is relatively unknown to those who don't work in the industry. Let's talk about the paper-based process for tallying and billing for implantable medical devices used in surgery, also known as the bill-only process.

The current process is explained in this short video. In summary, the implant salesperson is in the room during the surgery, tendering non-inventoried medical devices to the surgeon. These items do not have a price tag on the box and the surgeon generally has no idea how much the item costs their hospital. As these items are used, the salesperson takes a tally of quantity and price, all on a simple piece of paper. As the surgeon makes clinical corrections during the surgery, or as items are dropped or otherwise wasted, the piece of paper becomes filled with scratch-outs and scribbles.

Post-surgery, this messy piece of paper is taken to the hospital's purchasing department where a non-clinical buyer must make sense of the paper bill to create a requisition and purchase order. Often, there is little to no verification that what appears on the vendor's paper bill sheet matches what was implanted, and there is no ability for the hospital to perform automated, real-time price auditing or compliance checks with contract terms.

If you or I were to sit down and design a process today, we would never do it this way!

The entire transaction is pre-disposed to waste, fraud, and abuse. Based on the 175,000+ bill sheets Kermit has audited, we have found:

- Hospitals can reduce implant spend by 7% to 10% just by digitizing and automating this process.
- Professional staff hours can be dramatically reduced, allowing them to focus on more critical tasks.
- Actionable and accurate implant spend and utilization data are now available for surgeons, finance, and supply chain to foster greater collaboration.

Have more questions for this expert? Contact Rich at: rich@kermitppi.com

Implant Spend Management Expert™ Biography:

Richard Palarea

CEO of Kermit



Richard Palarea is the CEO of Kermit, a Baltimore-based healthcare cost reduction and spend management company bringing automation and insight into the high-spend category of implantable medical devices within hospitals and health systems.

Since its founding in 2011, Kermit has saved hospitals more than \$200 million and manages 40% of the implantable device spend transacting in Maryland. Kermit has been recognized in multiple years as an Inc. 5000 company and by the Baltimore Business Journal as a Fast 50 company and a Top Software Company ranked by local revenue, as well as SmartCEO's Future 50. Kermit is the recipient of industry awards, including the Federation of American Hospitals' Heartbeat of Healthcare for its work as an innovative partner helping hospitals manage costs during a global pandemic.

For all your implant spend management questions, you can contact him at rich@kermitppi.com or visit the Kermit team at kermitppi.com



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