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Guest CEO Editorial

**THOLONS**

Advisory • Investments • Research



Nitin Thakor

President & CEO
GeBBS Healthcare Solutions

Nitin is a believer in specialization and under his leadership GeBBS has emerged as the #1 provider of Healthcare BPO outsourcing solutions. GeBBS Healthcare Solutions specializes in enhancing the financial performance of its Healthcare clients by seamlessly supporting the Revenue Cycle Management (RCM) process. He provides direction and inspires his team to continuously perform at peak levels. His strength lies in identifying business opportunities and relationship building.

In addition Nitin serves as the president of the American Association of Healthcare Administrative Management (AAHAM Mumbai chapter), is a committee member of the Radiology Business Management Association (RBMA) and the Healthcare Business Management Association (HBMA). He is also a charter member of TiE.

Nitin Thakor graduated in Finance and Economics, summa cum laude, from the University of Texas at Austin.

Tholons: As one of the leading offshore based Healthcare outsourcing companies, what do you see as the major drivers for the rise of healthcare outsourcing in particular and services globalization in general?

Nitin Thakor: Today, hospitals and other providers are challenged by ever-increasing operating costs and uncollected revenues. These issues are prevalent due to inefficiencies in the revenue cycle processes and misalignment of technology and process workflows. In addition, healthcare is one of the most paper- and transaction-intensive industries in the United States.

In this scenario global Revenue Cycle Management (RCM) outsourcing will continue to see growth as providers realize the immense value propositions (scalability, cost, redundancy, et al.) that proper implementation of a “blended” business model (domestic management and domain expertise coupled with scalable global resources and lower COGS) yields.

Tholons: Historically, the payer side has been more open to outsourcing compared to the provider side. Are you seeing that change, especially with the measures being taken by the Obama administration?

Nitin Thakor: Yes. The provider side is incrementally starting to catch up with the payer side in terms of global outsourcing, especially given the proven fact that providers get paid quicker and more accurately when properly implementing and leveraging an expert BPO organization. The economics of outsourcing are simply too good to pass up.

Regarding the Obama Administration’s philosophy on outsourcing and healthcare, I have a couple of comments: First of all, despite being known in some circles as the “anti-outsourcing” President, the reality seems to be that this is more a political stance than an actual federal policy position. Obama understands that a global economy is in the best interest of the United States, so I consider any anti-outsourcing statements borne out of his administration to be nothing more than political posturing. As for healthcare, the initial panic from the payer side has subsided somewhat since there will be a government-related insurance option, but it will not be the comprehensive one-payer social program that was envisioned by many. Providers have slightly relaxed their position as well, since the healthcare reform being considered will basically be comprised of one more payer option along with some guarantees such as a greater acceptance of pre-existing conditions. This type of reform will actually have a positive impact on global outsourcing as it relates to U.S healthcare.

Tholons: Healthcare is a highly regulated sector - according to you what are the technology capabilities and certifications which are a must have for competing successfully in the industry? How does GeBBS differentiate in this competitive market?

Nitin Thakor: Healthcare in the United States is governed by the Health Insurance Portability and Accountability Act (HIPAA) regulations. One of the objectives of HIPAA is to protect the privacy of patient health information. As a healthcare global BPO it is compulsory to have a very strong and evolving HIPAA compliance program and policies in place, along with an assigned HIPAA Compliance Officer to ensure that the systems, processes and nuances surrounding patient health information are always current and applicable. Two other certifications come immediately to mind: the ISO 9001: 2000 and the ISO 27001. These certifications address the robust nature of an organization's workflow processes and procedures along with the critical technological, operational and security infrastructure that is required to satisfy the HIPAA gods. These certifications are mandatory if a global BPO plans to pursue, sign and maintain Fortune 500 clients that expect this level of operational and technological sophistication. Additionally, GeBBS has all of the capabilities listed above and combines them with a unique mix of domain expertise, technology and US-based customer service. This blended business model is quite attractive to our clients and has allowed us to grow 1,110% over the last three years. We were recently ranked by Inc. magazine as the 17th fastest growing healthcare company in the United States.

Tholons: What's your outlook about the recovery and growth of healthcare outsourcing post the Global Economic Slowdown, which segments are likely to drive the market - Revenue Cycle Management, EMR, Account Receivables Management, Eligibility and Benefit verification or some other innovative solution?

Nitin Thakor: Regarding the "post Global Economic Slowdown", I remain cautiously optimistic about a robust and expeditious recovery. Sound business decisions, regardless of the economic environment or global location, never go out of fashion. Just consider global outsourcing to be that natty navy blazer or slenderizing black dress—always a good sartorial decision!

EMR is already a primary area of focus amongst numerous healthcare support companies. As for Revenue Cycle Management (RCM) and A/R Management, global outsourcing is even more viable now than before the worldwide recession hit, and these two related functions will start realizing an increase in a "blended" approach as providers see higher and more consistent collections along with a reduction in 'A/R days'. Eligibility will become an even higher profile service since the new payer option (and the new rules for which carriers must abide) will put pressure on all payers to ensure that a claim is not 'destined to be denied.'

In a nutshell, healthcare outsourcing is ripe for another growth spurt and solid business decisions, no matter the circumstances or global location, always make sense.

Tholons: GeBBS has utilized its onsite/offshore model successfully with a significant operational presence in Mumbai, which other cities in India do you find attractive for healthcare outsourcing services?

Nitin Thakor: We currently have three delivery centers in Mumbai and plan on setting up a 4th one in 2010. In spite of the higher costs associated with being in Mumbai (or any large Tier 1 city in India) we are able to competitively price our services and maintain our EBITDA. This is because of our heavy reliance on technology and process automation along with the high caliber labor pool that Mumbai has to offer. With that said, in the next 2 – 3 years we intend to set up additional delivery facilities in Tier II/III cities in India and Latin America (to get access to a low cost Spanish speaking labor pool).

Tholons: Innovations have historically helped revive economic slowdown, what innovations/trends do you foresee in the healthcare outsourcing arena?

Nitin Thakor: EMR is meant to consolidate the way medical records are created, work flowed, maintained and reported. Comprehensive adoption of EMR's will certainly reduce some manual back-office functions; that said, there remains a dearth of agreement on the exact means to apply these electronic records – subjectivity abounds and this, along with an increase in the number of people insured (due to the healthcare reform bills sure to pass in Congress) will continue to feed the back-office service segment. A/R and coding (especially specialty coding) will not only remain healthcare service expansion candidates but will undoubtedly lead to innovations that will allow a more focused approach to gathering and compiling business analytical tools to prevent collections from erring from the same trends time after time. Even with the proper business analytics and trend identification tools in place, human nature will always find ways to delay payment underpay or simply not pay. Innovation is only as good as the human condition will allow it to be.
