

**Stockell Healthcare Systems, Inc. provides End-to-End Patient Accounting and Billing Systems to help Hospitals, Behavioral Healthcare Providers and Integrated Health Networks better manage their Revenue Cycle.**

**Business Services  
Healthcare Providers**

**Stockell Healthcare Systems, Inc.**  
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**Rick Stockell**  
President

**BIO:**

Rick has been professionally involved in information systems technology for over 30 years. As president, he directs the vision, administration, sales and marketing, and product planning for the InsightCS® solutions. Rick holds a Bachelor of Science in Business Administration from the University of Missouri St. Louis.

**About**

**Stockell Healthcare Systems, Inc.:** Stockell Healthcare provides forward-thinking Hospitals, Behavioral Health Providers, and Integrated Health Networks with innovative software solutions and services that enable them to

better manage their revenue cycle and to deliver the most exceptional service to their own customers.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine**

**CEOCFO:** Mr. Stockell, would you tell us about Stockell Healthcare Systems?

**Mr. Stockell:** Stockell Healthcare Systems is a software vendor that specializes in end-to-end revenue cycle information management software. This is a niche within the healthcare marketplace, specifically concerned with reimbursement, cash flow, contracts and things like that; and synchronization with the hospital or healthcare systems electronic medical record.

**CEOCFO:** That is not an empty field, by any means. What is special about your product? What have you figured out how to do easier, better, cheaper than others?

**Mr. Stockell:** Traditionally in the revenue cycle area, there have been many aftermarket or “bolt-on” solutions. Patient accounting and billing, which has really now been relabeled “revenue cycle”, was one of the first areas that were automated in the healthcare field. Many of the systems in the space that are currently being used are at least twenty to twenty five years old, and as Healthcare has continued to evolve and change these core systems have been left in place as transaction engines. The more sophisticated components of revenue cycle, such as contract management, electronic

data interchange, claims scrubbing, and denial tracking are being supplied by aftermarket vendors. Our approach is to integrate into the traditional patient accounting and billing system all of the “bolt-on” features including contract management, denial management, claims management, and so on, so that it is in one, end-to-end system. That integration streamlines the operation. It also makes it a more affordable, easier to use, reduces the costs associated with maintaining numerous bolt-on solutions, and is a more reliable source of information. It is done once and done right, as opposed to all of the synchronization that needs to be done with multiple systems.

**CEOCFO:** How do you reach your customers? Who, in general, is using your services?

**Mr. Stockell:** Primarily hospitals. There are multiple markets that we are in. We are in behavioral health, acute care, and critical access, and community hospitals. We also have a very large integrated delivery client, and similarly many of our clients have multiple locations. We have reached those clients with some direct marketing, but more often than not, through partnering relationships with electronic medical records (EMR) vendors.

**CEOCFO:** Would people be changing over from another system when they go to you, or implementing more of a new approach?

**Mr. Stockell:** Our solution is usually a replacement. The systems that they are currently using no longer meet their needs. There is a lot of change

in healthcare. One of the things that could be a driver would be that these older products are not Meaningful Use certified. This is part of the most recent legislation where the electronic medical record (EMR) system being implemented by a healthcare provider must meet Meaningful Use certification. The older systems would have to be modified significantly to be compliant with Meaningful Use, and in response many of the newer EMR systems now are being marketed as a replacement. This compliance with Meaningful Use is definitely a business driver. When hospitals and healthcare organizations are adopting that new EMR technology usually their patient accounting and billing systems cannot keep up with, or do not integrate or interface well with that new technology. Our system, because it is much newer, does interface. As a matter of fact, we interface with about fifteen different EMR solutions.

**CEO CFO:** User friendliness is an issue with everything, everywhere. How do you really ensure user friendliness?

**Mr. Stockell:** Our system is designed to be very intuitive and very interactive. The end users are patient access (registrars and schedulers) or they are back office staff working in the business office billing and collecting payments from third party payers and patients. They have a lot to do and there are many things occurring in those areas. We try to bring as many "up front" edits and improvements in work flow so that it is much easier for them to use as they go through their normal work functions and gather the information required to produce an accurate claim. The system utilizes a series of dynamic worklists which validate data entry resulting in increased operational efficiency. The principal behind dynamic Worklists is to facilitate an "exceptions based" versus "inspections based" methodology. This ensures that things are all working the way they are supposed to be working, that

information is being gathered accurately, and that there is less impact downstream on subsequent processes. The software makes it easier to manage all the way through the revenue cycle process across the enterprise; from original point of contact through billing and collections until reaching zero balance.

**CEO CFO:** What are some of the challenges in keeping up with the new regulations and the regulations that are constantly in flux, so that you can have the system as up to date as it is supposed to be?

**Mr. Stockell:** Well, it is a challenge with Meaningful Use. Then there is ICD-10 that is not that far away. When our industry was laying the

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framework for this new ICD-10 coding method, the first change that was needed was an upgrade to 5010 within the electronic data interchange transactions sets. These changes were implemented across the industry in 2011 and 2012. This was necessary to support migration to the new ICD-10 coding method now scheduled for October of 2014. That is really going to be a major change, going from the old ICD-9 coding to the ICD-10 coding structure. That represents a major change. We have already modified our software to support that. We are both Meaningful Use certified and ICD-10 ready. We must stay out in front of the ongoing regulatory compliance in healthcare and really understand where it is going and how our software needs to be changed to keep pace. Since we have newer software it really is easier to modify. It

has a relational data base foundation and we have a way of changing it that does not impact the application as significantly as some of the older software solutions that are out there. Therefore, it is easier for us to keep up.

**CEO CFO:** How is business?

**Mr. Stockell:** Business is good. We continue to penetrate more markets. We are quite the revenue cycle specialists. Whenever there is a healthcare delivery model that is a little different, that is not so standard, there are clinical vendors that are known in this space and concentrate specifically on the clinical side with electronic medical record architected specifically for behavioral health, or

one of those clinical niche markets. These clinical vendors then call on us to replace existing legacy software with our revenue cycle management solution. Emergency Hospitals are another example of a specialty market. We found that we compliment these specialized EMRs very well. That is because there are few options that integrate or interface as well as our system does with these specialized systems.

**CEO CFO:** Are there other areas that you would like to be involved with, or is this so open so there is no need to look at anything new and different?

**Mr. Stockell:** It is a very big area. There are many very large customers in this space. There are some big names out there. The niche market seems to suit us well. Our partners are very successful when they penetrate these niche markets. It is helping us diversify. All payment processing must be consistent with the Centers for Medicaid & Medicare Services (CMS) prospective payment regulations. The regulatory environment, healthcare services, the way it is compensated, and the way that care delivery is reimbursed is well defined; whether it is Medicare or Medicaid, or even the commercial insurance companies. The contracts

are very similar and those rules are pretty much consistent across all care delivery models. Since we have done so many different billing scenarios for different segments of the healthcare market space, the product is very mature in that regard; in terms of hospital or healthcare delivery reimbursement. The client diversity just makes the product better. All of these relationships with various niche EMR vendors has made the product much, much better. Therefore, we really can do a lot of different things within the product that some of the others cannot. That is because they are more focused on hospitals only, or doctors or physicians practices only, and that type of thing. We are very versatile in what we can do with our software.

**CEO CFO:** Do you find that your clients understand or care about your long history at Stockell working on this, or is it really “what can you do for me now”? Is the history important?

**Mr. Stockell:** I think the industry is just working so hard to keep up with regulations. There is just so much regulation and compliance and so much pressure to reduce the cost of care that they really need systems, and they need automation to streamline and help reduce those costs. They are just trying to find the best solution that matches whatever their particular need is. I do think that they do pay attention to the companies that they are doing business with. However, more often than not, the feature functionality, the integration and the timeliness and the affordability of the solution are likely the biggest drivers.

**CEO CFO:** What makes it more affordable than others?

**Mr. Stockell:** It is a very well organized application. It is written on a Microsoft foundation. The whole Microsoft platform and specifically

SQL Server has worked its way into many organizations, now. The cost of ownership is lower. We can deliver our solution either as traditional licensed product, or software-as-a-service; either model, so that it provides customers various ways to acquire the software. The technology, the platform, the ease of use, and the fact that it can be deployed in a variety of different ways; either traditional license or software-as-a-service, makes it valuable and easy for them to adopt and lowers the cost of ownership.

**CEO CFO:** So you have it all covered?

**Mr. Stockell:** Yes.

**CEO CFO:** Why should investors and people in the business community be paying attention to Stockell?

**Mr. Stockell:** We are one of the few companies in the healthcare space that really are continuing to focus on one particular area of the market. There have been a number of mergers and acquisitions and consolidations. Some of it may be good and some of it not so good. You get many different technologies in these mergers and acquisitions and different vendors that are in the healthcare space. There are different platforms. It is difficult to integrate all of those different platforms to build one solution. We refer to these merged systems as more of an integrated marketing message than an integrated solution. Then to build something new from the ground up is very expensive and has a very long development timeline. New systems require such a long development and deployment cycle, and are so expensive it is really difficult to build a new product. The technology changes, practically while it is being built. It is difficult to write a complete solution from scratch anymore. Those are the challenges that are out there

with the larger companies. They have older technology. They have many different systems. They have huge integration challenges. They have to remain competitive and have to stay up with what is happening in technology. I think it is really causing a strain on many of the larger organizations. That benefits us, because we can stay focused on what we do best and make sure that the whole revenue cycle delivery is integrated and smooth and gain as much operational efficiency as possible out of the administrative side of the business. There is a lot of complexity just in healthcare reimbursement. That is a good niche for us. We really know it well. We have been in it for years. We have a good product and some great partners. We will continue to do well. I do think that a lot has been invested in some of the larger systems from vendors that are in healthcare. There has been a tremendous amount of money invested on the part of hospitals and healthcare organizations in these products, specifically for Meaningful Use and the whole electronic medical record initiative. They have spent a great deal of money on EMR technology hoping that their cost of ownership, over time, would be less. However, it is turning out that they are continuing to have to invest to maintain these systems. The hope has been that their investment in information technology would start to abate over time, however there is still a lot being spent on information technology in healthcare. I think that the complexity of the software that they are running is contributing to these ongoing maintenance costs. We are hoping to simplify the process, specifically through revenue cycle information management software which we know well.



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