

gain servicing



Revenue Cycle Management Partnership

SaaS Based AI Enhanced Servicing Platform for LOP Receivables

The gain Story

- **gain** servicing is a wholly owned subsidiary of Cherokee Legal Holdings LLC.
- Founded in 2011, Cherokee is the fastest growing full service legal and medical solutions company in the US - specializing in cash advances, medical funding and financing and servicing of LOP/lien receivables.
- Cherokee built proprietary software that we use to automatically track the status of thousands of personal injury lawsuits tied to LOP balances that we own or service.
- Over time, it became increasingly clear that our technology and processes produced superior results versus in-house or other third-party solutions available to healthcare practices.

- In Q3 2018, Cherokee began offering our technology, people and processes as a service to help healthcare practices realize increase revenues and profits from LOP balances.
- In Q3 2019, **gain** launched an Artificial Intelligence engine to accelerate the financial returns that we produce for healthcare providers.
- In Q4 2019, we re-branded under **gain** servicing to better reflect our role and the value we bring to healthcare practices.
- **gain** is now partnered with many of the leading healthcare providers and revenue cycle management companies (“RCMs”) in the US.

Overview of gain servicing Platform

Referral Source Analysis

Gain platform shows how each referral source pays over time and allows unbiased comparison across sources.



Automated LOP Tracking

Gain platform shows how each referral source pays over time and allows unbiased comparison across sources.

Business Intelligence

Full reporting and analytics provide real-time status of the improved results your practice is getting from gain.



Optimized Revenues

Gain platform automatically compares your LOP payment to amounts paid from thousands of similar lawsuits to ensure you are fairly paid without sacrificing any referral relationships.

gain
servicing

✓ **Proprietary software** designed to automate and optimize the tracking of personal injury lawsuits tied to LOP balances that CLH owns or services

✓ Partnered with many of the leading healthcare providers and RCMs in the US and empowering providers and RCMs to **increase collections and decrease costs** through outsourced LOP servicing

RCM Partnership

– Why is This Important to RCMs?



Improve Provider Experience

Providers in certain specialties often struggle with the headache that can be LOP claims and attorney communication. Alleviate that stress by providing a solution.



Reduce Legislative Risk

In many states, providers should not service these receivables in-house as it potentially biases their professional opinion. Upcoding and up charging can leave providers in legal trouble.



Provide Complete Solution

Rather than carving out these receivables, an RCM biller may become further engrained with their providers. This will increase retention and provide services that competitors can't match.



Increase the System Functionality

Most PM systems are not built to track specifics related to LOP claims. Our application can round out your system functionality into a complete solution.



Untapped Revenue

LOP claims are often carved out of the RCM business from outsourcing billing companies. These high paying claims leave money on the table for both provider, and biller.



Fill Operational Gap

RCM billers are trained to work with insurance companies and aren't equipped to work with attorneys. Allow the RCM billing team to focus on their specialty while we complete the service gap of LOP claims.

RCM Partnership

Questions to Ask Your Providers



Do you currently accept patients who need to treat on lien due to a personal injury?

- If not, are you interested in a revenue source with a premium to commercial payor rates and an additional revenue stream?



How do you mark these receivables in your EMR?

- Typically, these are linked to a specific payer in the system



Do you service and collect these receivables in-house or do you sell these receivables?

- If you service them, what is your maintenance and collections process? What is the fully loaded cost of providing this service? Have you considered eliminating the liability and headache associated with servicing these receivables?
- If you sell them, would you rather them be serviced by collections experts and retain a significantly higher share of the collections?



What percent of your business treats on lien?

- Many practices and facilities will see between 2-15% of their patients on lien, but they may not know the exact amount because of how they are being tracked due to system limitations for LOP's.

Gain Servicing LOP Product Models



Partial Advance

- Gain sends X percent of invoice/charge amount to provider up front, with potential for revenue sharing on the back end
- Beneficial for providers that need influx of cash

AR Purchase

- Gain will purchase paper and retain revenue post settlement
- Releases the provider from the A/R completely



- Recommended for RCM Billing Companies



Servicing

- Gain would service LOP's with no up-front advance with percentage of payout post settlement
- Operationally, closely resembles traditional RCM billing with insurance claims

White Label

- Gain can act on behalf of either the provider or RCM biller without using Gain Servicing labels or notations.
- In conjunction with all product models

Key Issues that Providers Face with LOPs

Challenges With Letters of Protection (LOP)

OPERATIONAL CHALLENGES



- Practice Management Systems (“PMS”) and RCMs are not designed to track or manage LOPs
- Practices are forced to create manual, time-consuming workarounds to track LOPs
- PMS and RCM platforms are not designed to track referral source profitability
- Extremely difficult to avoid instances that result in write-offs using workarounds

COMMUNICATION CHALLENGES



- It is essential for holders of LOPs to be in constant communication with attorneys, paralegals and case managers to obtain underwriting information, receive case updates and negotiate settlement amounts and receive collections
- Liability carriers need to be contacted in certain circumstances

INSURANCE DEFENSE CHALLENGES



- Maintaining healthcare provider integrity, unbiased medical opinions and the elimination of a financial interest in the outcome of any case are all challenges that CLH solves for healthcare providers
- Healthcare providers, PMS and RCM platforms are not equipped to object to discovery requests or know when to enter into confidentiality agreements with discovery is limited

LEGISLATIVE CHALLENGES



- Nationwide lobbying efforts are key to maintaining patient access to quality medical care
- CLH is a founding member of Americans for Patient Access (APA), a best practices organization committed to maintaining access to quality medical care for all patients regardless of payor source
- Healthcare providers, PMS and RCM solutions are not equipped to keep up with state-by-state legislative initiatives and legal requirements

RCM Partnership

Solving for the Challenges with LOPs

While you manage all patient payments and insurance claims, the process for handling LOPs is much more time consuming and costly for practices and RCMs. Specific nuances with LOPs determine potential repayment amounts upon settlement, including:

Case values	Attorney / insurance communications	Patient settling directly with insurance	Settlement negotiations
Frequent case updates	Change of attorney	Lien filing	Collections



Practice Management and RCM Systems are not designed to track or manage LOPs



Practices and RCMs are forced to create manual, time consuming workarounds to track LOPs







Extremely difficult to avoid instances that result in write offs using workarounds

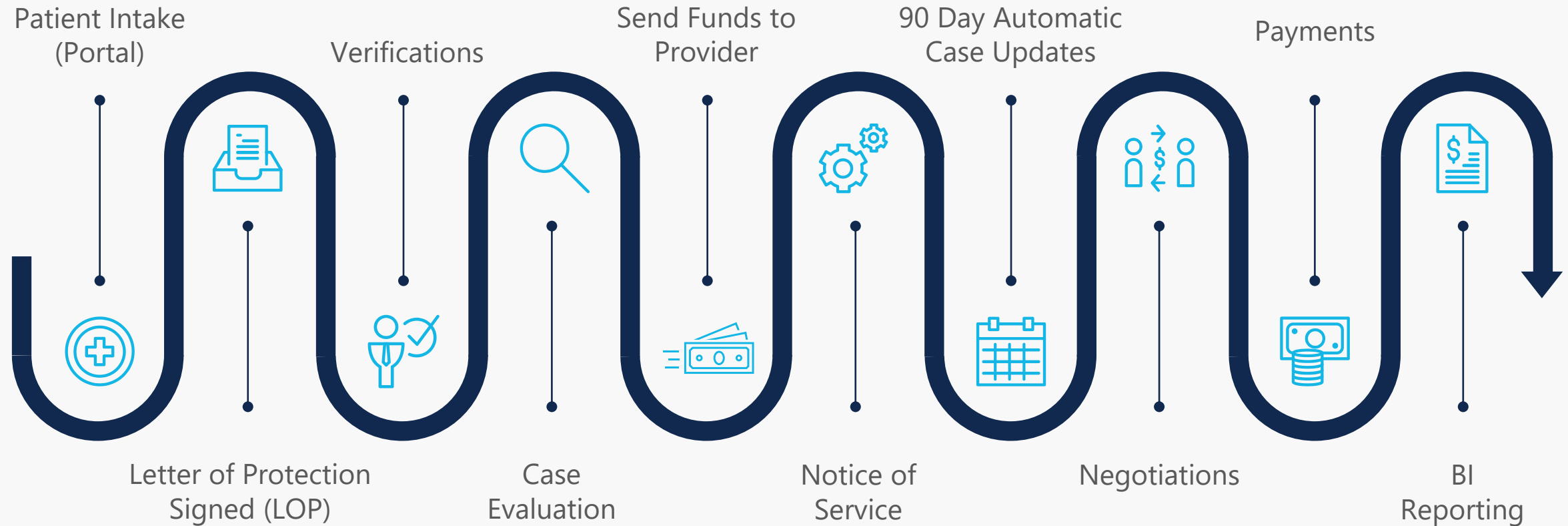
Gain collects 10-30% more total \$\$ than in-house or 3rd party teams

Lien Servicing Market Opportunity Analysis



	Atlanta, GA	Georgia	U.S.A.
→ # of Car Accidents that lead to Injury	30,000	100,000	2,350,000
→ Average # of People in Car	X 1.5	X 1.5	X 1.5
 # of Patients in Need of Treatment	45,000	150,000	3,250,000
 Estimated Medical Needs	\$240 million	\$800 million	\$18.8 billion
 Estimated Settlements	\$480 million	\$1.6 billion	\$37.6 billion
 Estimated # of Attorneys	250	1,600	33,000

Provider Lien Servicing Process Flow



Business Intelligence Reporting



gain Reporting provides visibility into:

- Financial results for all LOPs collected
- Status of all cases underlying LOPs



Dashboard and Reports

- \$\$ Invoices per Month
- \$\$ Collected per Month
- % of Billed Charges Collected
- # of Months to Repayment
- % of Cases Collected/Open
- Number of Case Updates Obtained
- Number of Case Updates Past Due



Reports sent automatically

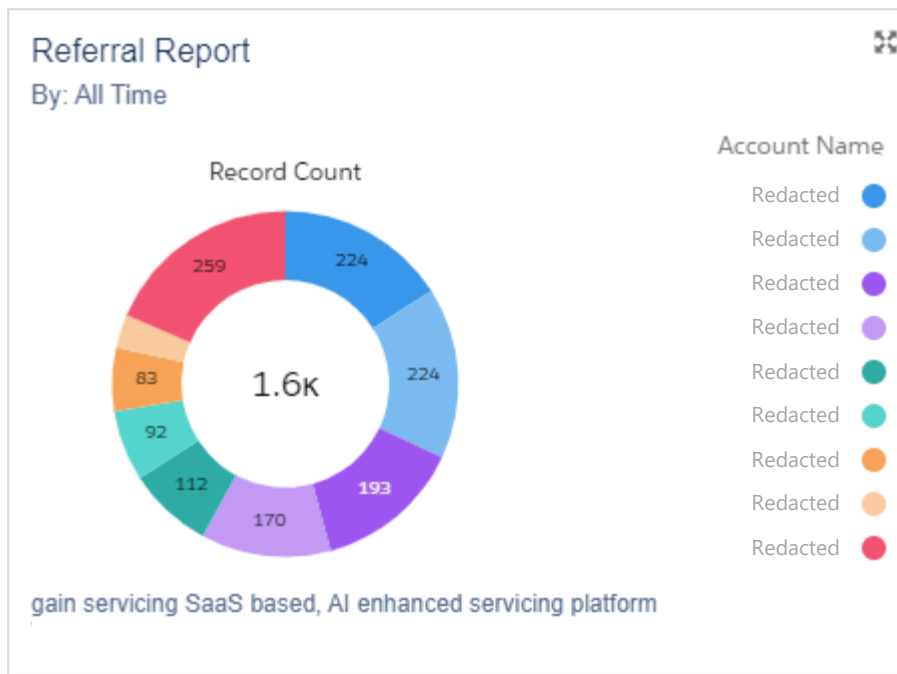
- Daily, Weekly, Monthly based on preference



Custom reports available upon request, and can be catered to what would be applicable to the business

Referral Source Reporting And Analytics

Referral Sources (what firms, how many)



▼ Fundings by Year

# of Medical Fundings 2017	0
# of Medical Fundings 2018	280
# of Medical Fundings 2019	123
# of Medical Fundings 2020	0

▼ Lifetime Metrics

# of Plaintiffs	158	Total Medical \$\$ Funded	\$130,420.98
Date First Plaintiff Applied	4/19/2016 12:44 PM	# Paid in Full	32
Date of First Funding	5/4/2018	# of Reductions	68
Date of Last Funding	4/2/2020	% of All Fundings Reduced	68%
Total # of Medical Fundings	448	% Written Off	1%
# of Open Medical Fundings	344	Medical Fundings Written Off	4
# of Medical Fundings Repaid	100	Total Capital Write Off Amount	684.17

In-depth Stats by Law Firm

▼ Fundings by Year

# of Medical Fundings 2016	12
# of Medical Fundings 2017	15
# of Medical Fundings 2018	70
# of Medical Fundings 2019	12

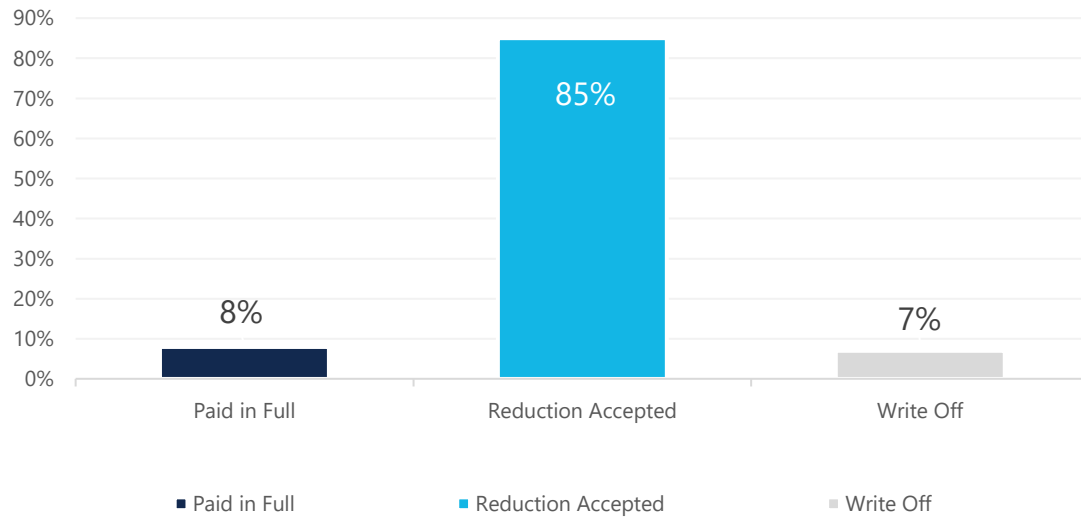
▼ Lifetime Metrics

# of Plaintiffs	63	Total Medical \$\$ Funded	\$168,321.73
Date First Plaintiff Applied	7/27/2014 6:56 PM	# of Medical Fundings Repaid	140
Date of First Funding	5/6/2014	# of Medical Fundings Written Off	0
Date of Last Funding	12/27/2019	# Paid in Full	89
# of Fundings Rejected	7	# of Reductions	106
# of Fundings Denied	9	% of All Fundings Reduced	54%
Total # of Medical Fundings	164	% Written Off	3%
# of Open Medical Fundings	24	Total Capital Write Off Amount	11,100.00

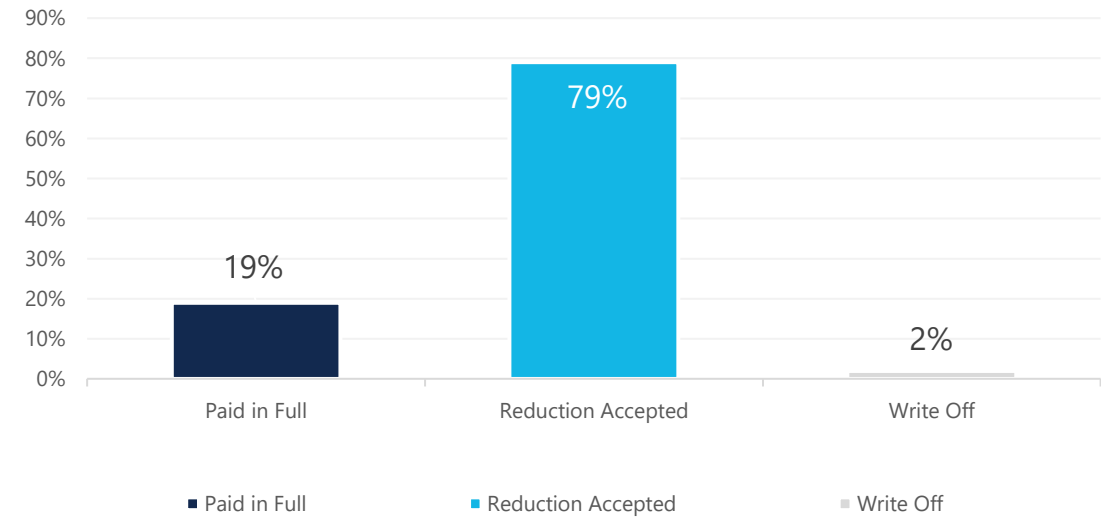
In-depth Stats by Attorney

Actual Side by Side Comparison

Practice* - Managed In-House



Gain Platform**



- Write Offs = 7% of Cases
- Paid in Full = 8% of Cases
- Avg % of Charges Collected = 55%

- Write Offs = 2% of Cases
- Paid in Full = 19% of Cases
- Avg % of Charges Collected = 64%
- **Combined Lift** = 23%

*Orthopedic practice with \$6M Annual LOP Billed Charges

**Gain data is from the most recent ~ 6,000 orthopedic LOPs collected.

Unmatched Value Proposition for Providers

Partial Advance Pricing			
gain Servicing Collection Rate:	69%	69%	69%
Total Invoice Amount:	\$10,000,000	\$10,000,000	\$10,000,000
Upfront Advance % Paid to Provider:	10%	15%	20%
Upfront Advance \$\$ to Provider:	\$1,000,000	\$1,500,000	\$2,000,000
gain Servicing Required Multiplier:	1,50x	1,50x	1,50x
Rev Share % to Provider at Settlement after Multiplier:	80%	70%	60%

Pure Servicing Pricing			
gain Servicing Fee (% of collections):	12%		
Total \$ sent to Provider:	\$6,072,000		
Total % of invoice to Provider:	60,7%		

Outcomes - % of Invoice Sent to Provider Summary			
Collection Rate:	69%	69%	69%
*Prior Upfront Advance:	35,0%	35,0%	35,0%
Partial Advance:	53,2%	47,6%	43,4%
Pure Servicing:	60,7%	60,7%	60,7%

**The higher upfront only purchase model from other funding companies causes those companies to enforce higher collection requirements, which can ultimately damage provider referral sources*

Legacy Approach to LOPs

Healthcare providers traditionally either manage these LOPs in-house or sell them outright to medical funding companies

CLH's Proven Solution

Both Partial Advance LOP Servicing and Revenue Share LOP Servicing make healthcare providers more money than traditional in-house management or asset sales

CLH historical collects 900 basis points more than in-house LOP management

gain's Partial Advance model also decreases the healthcare provider's risks

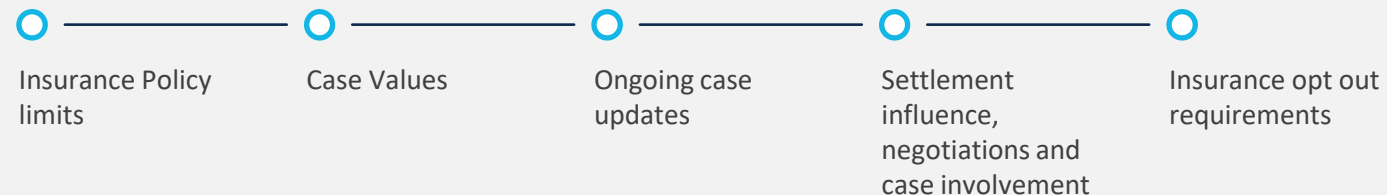
Minimize Risk – Insurance Defense Counsel

Insurance defense counsel have made doctors holding patient liens their number one target

The Information needed to be gathered when seeing personal injury patients who have no health insurance potentially biases doctors professional opinions

They question whether healthcare providers who service their own liens act as investors in litigation

Insurance Defense Counsel looks for communication between healthcare providers and attorneys regarding;



Having an independent, third-party servicing platform handle the management of liens helps alleviate these potential risks much like outsourcing ERISA retirement plans, HR functions and or payroll

Minimize Risk – Discovery Playbook



Quotes from the “Discovery Playbook of Insurance Defense Counsel - How do we get this stuff?”

- Discovery requests to the medical provider for all text messages, phone logs, emails and all other forms of communication
- Bring in Medical Forensic Accounting experts to look for dual charge masters, varied billing, upcoding, double billing or unbundling
- Look for the separation of patient and clinical records
- “Trap someone at the medical practice group with ‘billing authority’ into saying that overbilling is fraud.”
- “Discovery battles are worth the trouble”
- “Motions to Compel are expensive necessities”.



The Information needed to be gathered when seeing personal injury patients who have no health insurance potentially biases doctors professional opinions



Having an independent, third-party servicing platform handle the management of liens helps alleviate these potential risks much like outsourcing ERISA retirement plans, HR functions and or payroll.

Gain Benefits



Most Advanced
LOP Platform



Increased Revenues



100% Visibility



Reduced Costs



Reduced Liability

Key Stats

Performance Stats

69.6%

% of Billed Charges Paid

0.7%

Write Offs

Performance Stats

1,000+

Healthcare Practices

15,000+

Law Firms

35,000+

Attorneys

