



CALLAGY RECOVERY

Callagy Recovery is an Arbitration Services Company, grown out of a line of business created by Sean Callagy in 1999. Initially focused on services in NJ and NY, Sean provided medical providers with a mechanism to pursue insurance carriers directly rather than balance bill patients. In the decades since starting his mission, Sean has recovered more than \$1,000,000,000 for medical providers.

Federal “No Surprises Act”

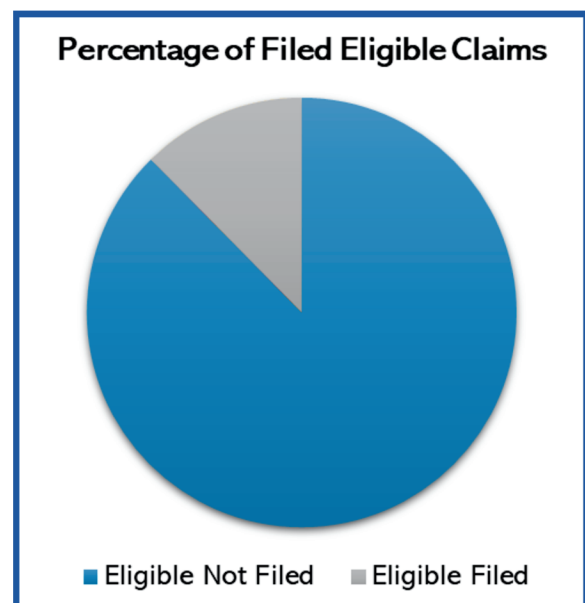
The Federal No Surprises Act (“NSA”) took effect January 1, 2022. The purpose of the law was first and foremost to protect patients from “surprise” medical bills stemming from emergency services rendered by on call physicians who were out of network with the patient’s insurance but were the only available doctors to provide treatment.

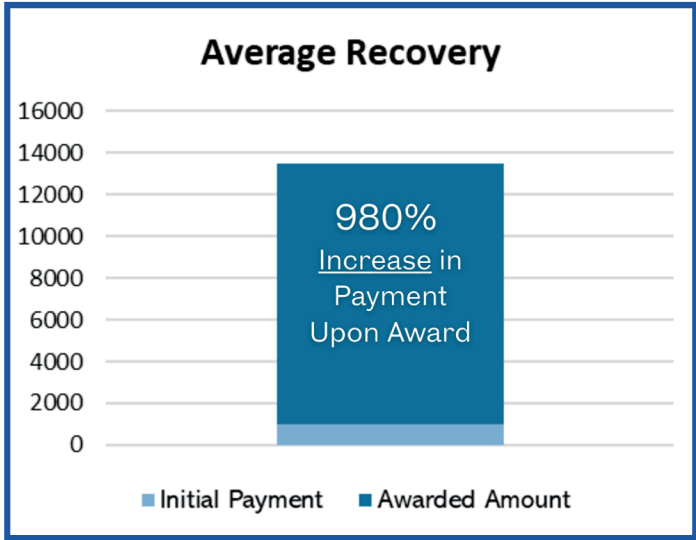
The secondary result of the patient protection was the creation of an arbitration process, which is the basis for Callagy Recovery and its mission. Through the federal arbitration process, medical providers who treat patients in an emergency setting but are out of network with the patients’ insurance cannot balance bill patients for insurance underpayments, but instead must pursue proper reimbursement from the carriers directly.

This arbitration process, with its very tight and unforgiving deadlines is a dramatic change from the traditional approach of appealing to the carrier for greater reimbursement.

Results of the NSA so far

For patients, the NSA is working as intended to prevent surprise bills. However, with respect to the arbitration process, only around 10-15% of eligible medical provider claims have been submitted through the process. Therefore, based on the fact that 90% of eligible medical claims have not been submitted through the system, the real winners thus far have been the insurance carriers, who are still paying a fraction of reasonable amounts to providers not arbitrating. It is this 90% of the emergency out of network surgeons and medical providers that need to be educated about this process and would benefit by Callagy Recovery taking them through the complicated processes of the NSA.





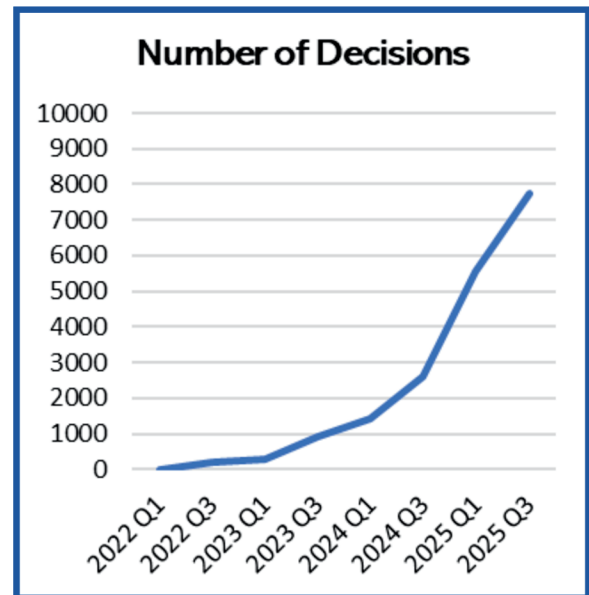
Arbitrated Reimbursement vs. Non-Arbitrated Reimbursement

Out of Network claims are, on average, paid at only 3% of the billed charges. Through arbitration, Callagy Recovery increases that reimbursement by an average of 980% per case. With the average surgeon submitting 6 cases to Arbitration per month, that potentially could yield a minimum of \$67,000 per month, or \$808,000 per year in additional revenue for their practice.

Trajectory

Since 2022, arbitration-based recovery is slowly increasing, though 80% of filed claims are still submitted by only 20 large multi-state provider groups, billing companies, health systems, and Callagy. Less than 20% of claims are filed by smaller, mid- or even large independent medical practices. This is the market that needs Callagy Recovery.

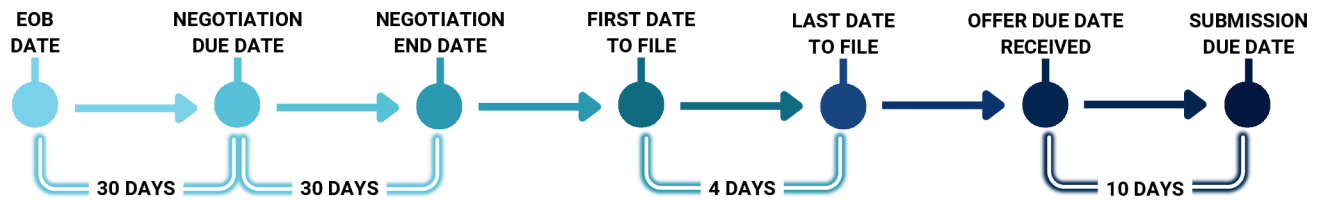
Thus, while the number of arbitrations has been on an upward trajectory, out of network physicians who perform essential emergency services are not taking advantage of this mechanism that could increase their revenue exponentially.



Barriers

There are several barriers to medical providers arbitrating under the NSA.

1)The process is extremely time sensitive, and if any of the deadlines are missed, the claim is precluded from moving forward. Callagy Recovery has a specialized team to not only move through all of the phases of the process, but entire teams who specialize in each step. This ensures that deadlines are not only hit, but are met with substantive, compliant, and tailored submissions. Our final submission brief was drafted by in-house attorneys, who also review those briefs prior to submission to include up-to-date developments in the law and pertinent legal arguments.



If any single deadline is missed during this process (with the three essential ones highlighted above) the claim is deemed ineligible, with no recourse for delays or missed deadlines. Given the short time frames of 30 days, 4 days, and 10 days to deal with each respective stage, most medical providers do not have the capacity or resources to track and adhere to the timelines. This is the very thing that Callagy Recovery was created to navigate.

For example, due to filing fees, the cost of arbitration can be \$1,000 or more per case. When successful, all but \$115 is returned to the provider; however, the timeframe for the refunding of the money expended can be up to 3 months. For a practice with 10 files per month, that can amount to a \$30,000 investment in filing fees at any given time.

Callagy Recovery has the resources to front the filing fees for all cases, so medical providers pay nothing until a determination is rendered.

Win Rate

Callagy Recovery prevails on over 90% of the cases that go to determination. Callagy has a relationship and knowledge of the 13 arbitration forums and selects where each of its cases is filed based on a number of criteria. With weekly calls with many of the forums, the thoroughness and reputation of Callagy Recovery's submissions is well known.



Providers Who Qualify For NSA Arbitration

The medical providers who qualify to submit claims under the NSA Arbitration include, but are not limited to, emergency medical facilities, ancillary providers who provide necessary inadvertent services, and on-call emergency surgeons, including but not limited to the following:

Emergency Surgeons:

- Spine Surgeons
- Neurosurgeons
- Orthopedic Surgeons
- Plastic Surgeons
- General Surgeons
- Access Surgeons
- Bariatric Surgeons
- Gastrointestinal Surgeons
- Ob Gyns
- Cardiac and Thoracic Surgeons

Inadvertent Provider Specialties:

- Intraoperative Monitoring
- Assistant Surgeons
- Physician Assistant Surgeons
- Anesthesia

Medical Claims that Qualify

To qualify for the NSA, the patients' insurance plans must be federally regulated or be out-of-state plans, and the carrier must have made some allowance for the services, whether it is copay, deductible, or insurance payment. If services are not paid at all, the claim will not be eligible for the NSA, with certain exceptions though any portions of the bill that are paid will be. Services must be rendered on an emergency basis, without the patient having the opportunity to choose their treating provider, or an ancillary provider working in support of an elective surgery being performed at an in-network facility.