

Healthcare Solutions to expand, create jobs

By Urvaksh Karkaria

STAFF WRITER

A Duluth-based health services firm plans to invest up to \$15 million and create up to 300 jobs over the next few years, to keep pace with rising demand.

Healthcare Solutions Inc. supplies health-care products and manages medical care services for people involved in workplace injuries and auto accidents. Customers include insurance companies, third-party administrators and government entities.

By buying services and products in bulk, Healthcare Solutions is able to lower costs for its customers by up to 45 percent, CEO David A. George said.

The company is chasing a large and growing market.

About \$40 billion is spent annually on treating workplace injuries and about \$20 billion is spent on auto accident injuries, George said. Those markets are growing at a 6 percent to 8 percent annual clip, he said.

Healthcare Solutions was formed in 2007, after Dallas-based private investment firm **Brazos Private Equity Partners LLC** merged Procura Management Inc. with Cypress Care.

Healthcare Solutions, which employs more than 500 and had revenues of about \$232 million last year, is contemplating an initial public offering.

"Because we've created some value in the company," George said, "some of the investors, who have been invested since 2006, are considering recouping some of their investment."

To help do that, Healthcare Solutions is considering several financing options, including the public offering, he said.

One-stop shop

Healthcare Solutions leverages technology to allow customers, such as **Broadspire Services Inc.**, to more efficiently manage medical services.

Healthcare Solutions has about 10 product lines, including medical devices, wheelchairs, pharmaceuticals, and medical services.

"From the insurance company's standpoint, we look like the provider of service to their members," George said.

Healthcare Solutions, which offers customers a network of qualified suppliers, uses technology to match the right products and services to the patient's needs.

"The supplier market is highly fragmented," George said. "You only have to access us, versus accessing thousands of suppliers."

Healthcare Solutions is able to negotiate bulk discounts with manufacturers and service providers, which it passes on to its customers.

By contracting with Healthcare Solutions, Broadspire has reduced its annual durable medical equipment expenses by 20 percent to 25 percent, said J.J. Schmidt, vice president of

operations at the Plantation, Fla.-based third-party administrator. "From a purchasing-power perspective, they



HEALTHCARE SOLUTIONS

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In the news: Plans to add up to 300 jobs in the next few years

Employees: More than 500

2009 revenues: \$232 million

are able to negotiate better agreements and arrangements with a vast number of

providers," Schmidt said. "They can get better pricing than we can."

Healthcare Solutions also provides the physician networks that Broadspire's customers can send their workplace-injured employees. Through its technology, Healthcare Solutions' makes the "job of our adjusters and case managers a lot easier," Schmidt said.

Healthcare Solutions forecasts annual growth of 35 percent to 40 percent in the next three years.

To hit those numbers, the company hopes to sell more products and services to existing customers, while winning business from new customers.

While the recent recession shrunk the market pie somewhat, George noted, that was offset by an increase in medical costs and the fact that auto and workplace injuries are getting more severe.

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