

Doing the Right Thing

An Interview with Peg Stessman,
President, Chief Executive Officer, and Chairman of the Board, StrategicHealthSolutions, LLC

EDITORS' NOTE Peg Stessman founded StrategicHealthSolutions, LLC, (Strategic), which has grown over the past eight years from a small, woman-owned business to a large enterprise having \$30 million in revenues in 2013 and projected revenues of \$42 million this year. She has positioned her company to be a leader in helping the government maintain program integrity, especially as it relates to fraud, waste, and abuse in Medicare and Medicaid. From 2000 to 2005, Stessman was president of another government contractor providing similar services. She built it from a small division into a wholly owned subsidiary with revenues of \$24 million annually.



COMPANY BRIEF StrategicHealthSolutions, LLC (strategichs.com) is a government contractor that does work for the U. S. Department of Health and Human Services, Centers of Medicare & Medicaid Services, and the Office of the Inspector General. It provides personnel with a medical and or auditing/financial background to perform analysis of documentation surrounding payments made to doctors, medical facilities, and other health care entities. The goal is to determine whether the documentation is sufficient to warrant payment, and that services were rendered in a safe and appropriate manner. The company also develops educational materials for Medicare and Medicaid programs and provides expert testimony in conjunction with the prosecution of fraudulent Medicare and Medicaid claims.

How did your background lead to the creation of StrategicHealthSolutions?

I started as a nurse, but I was atypical in that I wanted to better understand the business behind medicine and providing care in a manner that was appropriate, ethical, and responsible from a fiscal standpoint.

Throughout my career, I got more involved in the insurance side of health care, and from that point on, it became evident that there was opportunity to look at health care in a manner that still considered the patient-centered approach.

I got very interested in fraud, waste, and abuse, in particular relating to Medicare and Medicaid. It upsets me that individuals who are unscrupulous take advantage of the systems and

take those dollars away from folks who will ultimately need them for appropriate health care.

How can you bring about real change in this area?

The things we focus on are the program vulnerabilities and the crooks who take advantage of them.

The crooks spend all day long thinking of how to take money away from someone else. We're busy chasing after what has already occurred.

But we have to become more sophisticated in our strategies and approaches, and we have to be willing to put money into the effort.

The government says that an estimate of between 4 and 10 percent of Medicare dollars are funneled off in a fraudulent way.

Efforts are being made to deter those fraudulent factors, but there is more that we can do. However, to do what needs to be done, the funding has to be there. Congress has to decide how aggressive it wants to be and then support the government agencies entrusted to oversee these programs.

What was your original vision for StrategicHealthSolutions and how has it evolved?

I had previously run a large company where we focused predominantly on Medicare – on fraud, waste, and abuse.

When we launched Strategic, it was started as a small woman-owned business. As the owner, I got to craft what I wanted. Initially we thought the focus would be fraud, waste, and abuse. While we developed deep expertise in those areas, we saw that there were many more opportunities for a small business like ours.

Because the government has set up programs for small businesses, we were allowed to compete for work that we wouldn't have even thought about doing before: education and training, for example.

So we became a very different looking company, but we stuck to that strategy of focusing on our core capabilities and small business opportunities.

Where has the strong growth you've been experiencing come from?

We have been able to execute on the contract opportunities, such as education and training, as well as medical review. We do a significant amount of work for Medicare in identifying

overpayments – we recoup dollars that were inappropriately paid to physicians, hospitals, and other Medicare providers.

Having this expertise and doing it well has allowed us to expand exponentially.

Has technology had a major impact on how you do business?

It has, especially with the introduction of electronic medical records: being able to receive data electronically has changed the way in which we review that content, and has allowed us to be better able to detect how those records were created.

We have to continually stay abreast of technology, especially in the analytic area where we have to be able to bring in huge databases and compare information and apply algorithms to detect patterns in data.

How do you avoid losing the small company culture as you grow?

We spend a lot of time talking about culture, and finding ways to maintain an entrepreneurial feel within the organization.

Two years ago, we went through an organizational redesign to identify a way to create divisions of entrepreneurialism.

I try to get people to think about how they're using the resources in the company as opposed to looking to me for that information. Ultimately, they share through profit-sharing. We also share bonuses based on achievement of metrics; not just bonuses for management but for all employees. By engaging the employees in this way, the odds are better that they will think like true business owners and maintain the ability to be agile and willing to meet customer needs, and to do the right thing.

What still keeps you up at night?

Concern over keeping my employees actively employed. Government shutdowns, limited government federal budgets, and competition with large companies are just a few of the challenges that concern me. We already successfully weathered a government shutdown because we took a lot of proactive steps to avoid layoffs. We are committed to helping the government recoup misspent dollars to stretch federal spending. We are focused on our agility and the value we give so that we can aggressively compete with large businesses. Bottom line: I want to make sure that my employees and their families, and their churches and their communities, are not adversely impacted by something that I failed to do. ●