

## MEMORANDUM

**Date:** March 15, 2011

**To:** Michigan Economic Growth Authority

**From:** Robert Wilson, Project Specialist  
Packaging Team

**Subject:** Briefing Memo – Health Business Solutions, LLC  
Standard MEGA Credit

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### COMPANY NAME

Health Business Solutions, LLC  
10620 Griffin Road, Suite 240  
Cooper City, Florida 33328

### HISTORY OF COMPANY

Health Business Solutions (HBS), incorporated in 2002, is a full-service denied claims resolution and performance improvement consulting firm for the health care industry. They focus on resolving existing inventories of denied claims and improving organizational processes by identifying root causes and recommending performance improvement strategies to decrease denied claims. HBS provides customized, value-added services. HBS has worked with both healthcare providers and payers to reduce the industry standard costs associated with processing and resolving denied claims. In addition, through Health Business Solutions' efforts, hospital systems have been able to gain financial profitability allowing for improved patient care through the implementation of additional employee training and cutting edge technologies. HBS has created business presence in New Jersey, New York, Texas, Connecticut, Florida, Michigan, Tennessee, and Washington D.C. Health Business Solutions is currently headquartered in Florida.

The company does not currently have any operations in Michigan.

### PROJECT DESCRIPTION

Health Business Solutions will open a denied claims resolution and revenue cycle management facility to support the health care industry in the city of Dearborn. HBS will train and certify their new employees as Denial Recovery Specialists. These specialists will work with health care providers to resolve portfolios of denied claims and recommend processes to reduce the number of denied claims in the future. The company will purchase and renovate an underutilized building for their new facility. The need for a new facility is based upon recently signed contracts.

The company plans to invest approximately \$2.6 million and create 206 jobs over the next five years, with 61 jobs projected in year 1, as a result of this project. The average weekly wage for the newly created jobs is anticipated to be \$804. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

The effect on other Michigan businesses in the same industry was taken into consideration when recommending the amount and length of this tax credit.

#### **BENEFIT TO STATE**

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will generate a total of 340 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs, would be increased by \$4,533,000 (current dollars) due to the presence of this facility.

#### **BUSINESS CASE**

Health Business Solutions evaluated the proposed investment relative to sites in Georgia and Texas where they identified a cost gap including lower taxes in the other locations. The company also identified the uncertainty in Michigan's tax structure as a disadvantage of a Michigan location. The MEGA tax credit will help in part to offset the disadvantages associated with a Dearborn, Michigan location.

#### **OTHER STATE AND LOCAL ASSISTANCE**

The City of Dearborn is supportive of this project and anticipates approval of tax abetments through Wayne County's TURBO program. The estimated value of this incentive is approximately \$50,000.

#### **RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 50 percent standard employment tax credit for 5 years for up to 206 net new employees in excess of the company's established base of 0.