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In billing, pair find a healthy business

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Opportunities

Doctors are skilled at healing, not accounts receivable. That has opened up a niche for entrepreneurs like Adrian Velasquez and Christine Krause.



**Tannette
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They are riding the coattails of health care growth by focusing on medical billing, a critical but complicated slice of the \$1.9 trillion health services market.

Velasquez, who is Hispanic, and Krause are the owners of FI-MED, a 12-year-old, Hispanic-and-woman-owned financial medical management company located on Milwaukee's northwest side. Housed in a nondescript office building in a nondescript neighborhood, FI-MED handles billing and collections for physicians' offices and medical labs.

Finally past a grueling start-up phase, the pair have found that their empathetic female employee base gives them an edge in retaining clients. That's critical in a field where newcomers are fended off by attentive service and the mastery of thousands of details. The partners attribute their success to their willingness to invest in the right technology, their business acumen and commitment to employee development and diversity.

"There's a code for everything that can be wrong with you and a code for everything to fix you," says Velasquez. "If a physician doesn't have something coded properly, many insurance companies won't pay it."

Medical billing can be daunting. It is subject to government regulations and medical codes that constantly change and is rife with esoteric terms.

Krause, FI-MED's vice president, and Velasquez, the firm's president, have survived for 12 years despite a regular onslaught of low-overhead wannabes who start medical billing services in their basements. The majority of FI-MED's employees are women and minorities, most with accounting degrees. About 80% are women. The partners believe that their women and minority staffers help to give them an edge in working with health care providers that increasingly are managed by women and minorities.

FI-MED has grown from a two-employee operation to a 25-employee company with clients in nine states. Sales have grown to \$1 million and are projected to reach \$2.6 million next year.

Krause and Velasquez's efforts have caught the attention of Nelson Soler, director of El Centro Empresarial, the Hispanic Entrepreneurial Center in the University of Wisconsin-Milwaukee's School of Continuing Education. He is helping them with their expansion plans and to secure a bigger space for their business.

"I have been very impressed with their management philosophy and their commitment to employees, not to mention the outstanding sales growth that they are experiencing," says Soler. "I consider them one of the jewels of Milwaukee."

Krause and Velasquez launched FI-MED in 1993 with a computer, a few desks and \$5,000 borrowed from a relative.

They met in a banking transaction; Velasquez was then a consultant for a health care organization in Milwaukee who had just identified the need for specialized medical billing, and Krause was a bank lending officer. "My side is creative and dealing with technology and finding new clients," says Velasquez, who has 25 years of experience in health care. "Chris is good with operations and systems. There's been a blending of that."

FI-MED



Photo/[Gary Porter](#)

Adrian Velasquez and Christine Krause are co-owners of FI-MED, a company that handles billing and collection processes for physicians. Over 12 years, FI-MED has grown to 25 employees with clients in nine states.

The partners sacrificed to keep FI-MED going. They didn't see any profits for the first two years. Even then, they weren't on easy street. They had to continually re-invest in technology while building a service- and detailed-oriented culture. Small solo practitioners usually are the bread and butter for firms like FI-MED. Most large, specialty health care groups tend to do all their billing in-house, says Bob Chang, a local health care consultant.

"Our passion helped us to move our dream forward," Krause said.

A tougher sell

The partners want to continue to grow their business both locally and nationally. But Wisconsin seems a tougher sell than some of the other states where FI-MED has established a presence. "It's easier to get in the door on the East Coast. Here you have to be persistent with your message," says Velasquez.

Their company culture is key to retaining clients, especially against the onslaught of low-priced services.

Their business plan pivots on trust. After all, if you've got someone doing your coding wrong, it can mean substantial losses. That's why many health care providers aren't willing to gamble on a company they haven't done business with before. But once a company like FI-MED syncs its technology with the billing technology of its health care client, it's home free.

David McGinnis, vice president of CBLPath Inc., an anatomic pathology laboratory in Mamaroneck, N.Y., said FI-MED offers an automated electronic process that enabled the lab to manage its business more efficiently.

"Their ability to fulfill our claims electronically speeds up our ability to collect payment from our customers," McGinnis said.

Velasquez said he was tired of watching doctors leave the medical profession because they could not keep their practices going while struggling to keep up with billing and related financial management.












Now, he and his partner take pride in knowing that they run a business that is helping to alleviate the financial pressures on doctors. It just shows what's possible when technology meets medicine.

Tannette Johnson-Elie writes about small and minority-owned businesses and diversity issues for the Journal Sentinel. She can be reached at (414) 223-5172 or by e-mail at telie@journal sentinel.com

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About Tannette Johnson-Elie

Tannette Johnson-Elie began her career at the former Milwaukee Sentinel in 1989 as a general assignment reporter. One year later, she moved to

the federal beat, making her the first African American woman to cover a major beat at the paper. In 1994, she joined the Sentinel's business staff, becoming the first African American woman and the first minority in that department. Her columns aim to send the distinct message that viable business enterprises exist in minority communities and that business owners of color are contributing to the health of the economy.

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