



## Managed Operations in the Philippines for the U.S. Healthcare Industry



# Introduction

The Philippines has a lot to offer to U.S. Healthcare companies with its abundance of English-speaking healthcare professionals. MicroSourcing makes it easy for your company to have its own offshore operations in the Philippines. What we offer isn't traditional outsourcing, it's a unique solution allowing you to leverage our knowledge and our resources while retaining complete control and ownership over your daily operations. Join us as we answer these questions:

- What can the Philippines offer the U.S. Healthcare industry?
- How can MicroSourcing help me establish my own Philippine operations?





## The Bottom Line

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70%

Cost Savings

Operating in the Philippines is 70% cheaper than doing so in the U.S.

\$2.71

Per Hour

The average base salary per hour of a clinical encoder in the Philippines.

55,000

Healthcare BPO Jobs

Estimated number of Filipinos working for the U.S. Healthcare industry.

150,000

Available Nurses

The Philippines has a huge number of unemployed nurses.

100,000

Nursing Graduates

The Philippines has more than 100,000 nursing graduates annually.

# Discover the Philippine Advantage

## A Land of Opportunity

The business process outsourcing (BPO) sector directly employed over 900,000 people in the Philippines in 2013, and is projected to reach over one million by the end of 2014. The Philippines has two of the world's top 10 BPO destinations, with Manila in second and Cebu in ninth spot.

- **Highly compatible with Western cultures** as a result of strong American influence from years of being a U.S. colony. This eliminates cultural barriers and makes Filipinos very easy to work with.
- **English is the primary language** for government, business and education. Filipinos are generally fluent in English and speak with a neutral accent. Filipinos boast a high literacy rate of nearly 92%, with basic education available to virtually the whole population.
- **Excellent higher-level education** and an abundance of highly trained professionals, including widespread availability of medical professionals with more than 150,000 unemployed registered nurses readily available to work for offshore clients.
- **Salary levels** are around 30% of equivalent U.S. salaries, meaning savings of 50-80% on your cost of service are easy to achieve through MicroSourcing.
- **Fastest-growing economy** in Asia with a GDP growth of 7.8, outpacing China and India. The Philippines has also recently received investment grade credit ratings from S&P, Moody's and Fitch, foretelling of substantial increases in foreign direct investment. In addition to that, tremendous progress has been made in the quality and reliability of the country's infrastructure and business support capabilities.
- **Politically stable** with government incentive programs that encourage foreign companies to invest in the country and that offer extensive support for the BPO industry, one of the country's main revenue generators.



**Official Name:** Republic of the Philippines

**Geography:** Archipelago of 7,107 islands

**National Languages:** English, Filipino

**Population:** 103 Million

**Labor force:** 41 Million

**Currency:** Philippine Peso

**Religion:** Roman Catholic- 90%  
Muslim – 8%  
Other – 2%

**GDP: \$272.2B (2013)**

**Capital:** Manila

**Literacy rate:** 92%

**Average population age:** 23.1 years



# Home to World-class Healthcare Professionals

## A Wealth of Trained and Experienced Nurses

The Philippines is a prime source of world-class healthcare professionals. All over the globe, you will find Filipinos working in various healthcare-related functions. In fact, the Philippines possesses more healthcare professionals than jobs – creating a huge opportunity for U.S.-based healthcare companies who want to establish operations in the Philippines.

- The Philippines produces 100,000 licensed nurses per year – more than enough to fill the needs of the Philippine healthcare industry and the global demand for Filipino nurses.
- Philippine institutions currently employ 67,000 nurses.
- 130,000 Filipino nurses are working overseas.

All told, the Philippines has about 420,000 registered nurses, of which 150,000 are currently unemployed and readily available to work for your non-clinical healthcare needs!

An overabundant supply of licensed healthcare professionals, coupled with exponential leaps in healthcare information management technology, has opened the door for U.S.-based healthcare companies to perform non-clinical work from the Philippines. And, for jobs that do not require trained medical staff, the Philippines offers tens of thousands of university graduates with exceptional English communication skills and professional experience.

## The Time is Now

Outsourcing providers have been delivering services from the Philippines for decades at cost savings of 50-80% of traditional domestic rates. Healthcare companies based in the U.S., Europe and Australia have taken notice and are now establishing their own Philippines-based operations to look after processes for the front office, the back office and everything in-between.

- |                                |                        |                                     |
|--------------------------------|------------------------|-------------------------------------|
| ■ Medical abstraction & coding | ■ Medical writing      | ■ Patient care follow-up            |
| ■ Medical chart acquisition    | ■ Finance & accounting | ■ Member services and customer care |
| ■ Medical transcription        | ■ Medical billing      | ■ Sales and marketing               |
| ■ Claims processing            | ■ Payment posting      | ■ HR services                       |
| ■ Scheduling coordination      | ■ Payment follow-up    |                                     |



# The Game-changer Managed Operations in the Philippines

## Traditional Offshoring Options in the Philippines

Traditionally, a healthcare company thinking of establishing operations in the Philippines would consider two options: outsourcing the work to a third party or incorporating its own Philippine subsidiary. Both options come with their own pros and cons:

### OUTSOURCING

Delegate the work to a third party provider with delivery centers in the Philippines.

- ✓ Fast start-up.
- ✓ No investment required.
- ✓ Partner with Philippine expertise.
- ✗ No operational control.
- ✗ Excessive costs.
- ✗ Dissatisfied clients and employees.

OR

### INCORPORATING

Establish your own wholly owned Philippine corporation.

- ✓ 100% operational control.
- ✓ Satisfied clients and employees.
- ✓ Reduced costs.
- ✗ Slow start-up.
- ✗ Requires substantial investments.
- ✗ Unknowledgeable of the Philippines.



## We Introduce a New Way of Thinking

At MicroSourcing, we offer a unique approach to offshore outsourcing. Your healthcare company can enjoy its own operations in the Philippines through our Managed Operations solution, which provides the perfect middle ground between outsourcing and starting your own company.

### MANAGED OPERATIONS

When you partner with MicroSourcing, we will establish, host, and help manage your operations in the Philippines.

- ✓ Shorter start-up period
- ✓ No investment required
- ✓ No long-term commitments
- ✓ Philippine BPO expertise
- ✓ Reduced risk
- ✓ Lower operational costs

#### SERVICES

MicroSourcing provides all support services:

- Advisory ▶
- Recruitment ▶
- HR Management ▶
- Technical Support ▶
- Facilities Management ▶
- Finance ▶
- Expat Support ▶

#### PEOPLE

Together, we manage your Filipino team.



Your Filipino team

#### ASSETS

MicroSourcing provides all the assets:

- ◀ Office Space
- ◀ Furniture
- ◀ Computers
- ◀ Software
- ◀ Networking
- ◀ Servers
- ◀ Telecom

MicroSourcing will provide you with your own managed operations in the Philippines. We will hire and employ your Filipino team members, and give them all the assets and support services they need to perform at their very best. We work together on the day-to-day operations. You can take full control using your own expats or locally hired managers. Or you can take advantage of MicroSourcing's skilled operations managers. Whichever you choose, you'll have an in-depth understanding of your company's operations and complete control of your team.



# An Offshore Operation of Your Own

MicroSourcing’s professional team will help you plan the set-up of your Philippine operations. Our experience and dedication will make your onboarding completely seamless and easy—all while affording you 100% control over every aspect of your offshore business processes.

<b>Your Own Employees</b>	MicroSourcing will recruit and employ your Filipino staff to be assigned exclusively and full-time to your company. Your staff will never work for a different client.
<b>Your Own Office</b>	We will provide you with your own dedicated office space, allowing you to operate according to HIPAA regulations and instill your own branding and corporate culture.
<b>Your Own Tools</b>	You’re free to tell us which systems and tools you want to deploy for your Philippine operations. In addition to that, our technical team’s vast experience in workflow design is available to guide you through the best onshore-offshore collaboration options.
<b>Your Own Policies</b>	Your Philippine operations can adopt your company policies, processes, and procedures for IT and data security, human resources management, work floor policies, compliance regulations, and any other aspect of your business you see fit.
<b>Your Own Company</b>	Down the road, you may choose to establish your own Philippine corporation and employ your Filipino staff directly. MicroSourcing can help you incorporate and manage your Philippine corporation on your behalf. We will continue to provide all assets and support services.





## The Benefits to your Business

No matter how you look at it, operating from the Philippines is a powerful business opportunity. MicroSourcing's services are not only the best way to get started in the Philippines, they are a great way to drive sustainable growth.

<b>Massive Cost Savings</b>	Salary costs are around 70% lower than in the U.S., plus your overhead costs are reduced by more than 50% by using our office space, assets and support services. You can furthermore grow your production capacity without making any large investments in office space, computers or other assets.
<b>Focus on Growth</b>	With MicroSourcing managing all assets and support services, you can focus on the things that will help your business grow, such as sales and marketing and core production processes. In addition to that, you can reallocate your cost savings into different business initiatives that can strengthen your company's competitive positioning.
<b>Stay in Control</b>	This is not traditional outsourcing; it's a complete game-changer. You will remain in full control of your healthcare data and day-to-day operations, so your domestic employees, clients and industry regulators will understand that you haven't outsourced the work – you have established your own operations in the Philippines.
<b>Uncompromising Security</b>	MicroSourcing is certified for two ISO standards: ISO 9001 and ISO/IEC 27001, and we host and manage HIPAA and PCI-DSS compliant operations on behalf of our clients in the healthcare, financial services and insurance industries.
<b>Around-the-clock Operations</b>	MicroSourcing never closes, so like many of our clients, you have the opportunity to establish 24/7/365 operations. Imagine the impact on your turnaround times, production capacity and performance if you have a team working around the clock.
<b>Scalable Business</b>	As your Philippine operations thrives, MicroSourcing will continue to scale to meet its demands. Whether you need to add one or one hundred additional staff, simply share your additional hiring needs with us and we'll take care of everything for you.

# MicroSourcing

## Your Partner in the Philippines



Since 2006, MicroSourcing has been doing things differently in the Philippines, opening the doors for companies around the globe to tap quality talent, start their own Philippine operations and take advantage of significant cost savings. And that's only the beginning.

- We've established managed operations in the Philippines for more than one hundred clients ranging in size from small start-ups to large publicly listed corporations. The size of these accounts ranges from one to more than 500 employees.
- Our international management team has decades of experience in the outsourcing and offshoring industry. We have more than 200 people in various management and operations support roles to support our clients' managed operations.
- We do things by the book. MicroSourcing is both ISO 9001 and ISO 27001 certified. We host and manage HIPAA and PCI-DSS compliant operations on behalf of our clients in the healthcare, financial services and insurance industries.
- Our in-house talent acquisition team comprises more than 30 full-time recruiters who are skilled at finding the best available talent in the Philippines. We have developed our own highly sophisticated screening and selection tools and have more than 60,000 candidates in our database.
- We take care of our people and we are very proud of our employee satisfaction scores and staff retention ratings.
- We're proud of our workplaces. Our sites are modern and spacious with a wide range of facilities making them comparable to high-end office spaces in the United States. Our delivery centers are all located in the most secure and technically advanced locations in the Philippines.
- We dedicate a fixed percentage of our revenue to local social corporate responsibility programs. One of our most successful programs provides disenfranchised Filipino youth with a six-month training and internship program at MicroSourcing.

## ABOUT MICROSOURCING

**Start of Operations:** 2006

**Number of clients:** 145

**Number of employees:** 2,400

**Offices:** 8 offices in 4 locations  
in Manila and Cebu

**Number of production seats:** 2,500

**Office Space:** 176,670 square feet

# Case Studies

MicroSourcing has more than 450 professionals working for our U.S.-based healthcare clients. We invite you to contact us for more information.

## CLIENT:

### A Healthcare Information Solutions Provider

**Location:** Georgia

**Client Since:** 2011

**Staffing:** Over 200 certified clinical encoders and 30 chart acquisition specialists

#### MicroSourcing Advantage:

- Achieved record-setting passing rates on certification exams
- A thin client environment, wherein all patient data remained in the United States
- Outperforms U.S. operations both in qualitative and quantitative KPIs
- Fully HIPAA compliant with regular third party audits

## CLIENT:

### A Revenue Cycle Management and Health Analytics Firm

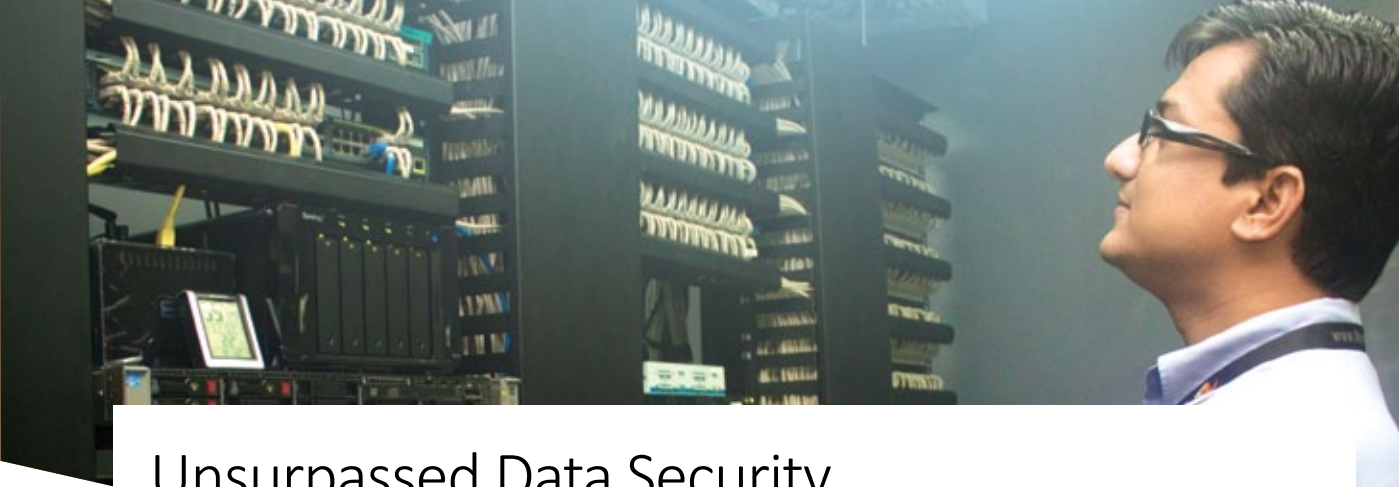
**Location:** Illinois

**Client Since:** 2012

**Staffing:** Over 90 professionals managing accounts receivables, payment posting and patient follow-up

#### MicroSourcing Advantage:

- Provided a more effective and efficient alternative to previous outsourcing arrangements in India
- Established a dedicated office in MicroSourcing's state-of-the-art facility near Manila Bay
- Supplied senior management support and cooperation for dramatic performance improvements



# Unsurpassed Data Security

We know how important it is to protect your company and your consumers – especially when you operate in an industry where data security and intellectual property protection are major concerns. MicroSourcing only employs the best data security and privacy procedures to help reduce your risk and provide optimal business continuity.

<b>Security Certification</b>	MicroSourcing is ISO 27001 certified. We apply a recognized information security management system that identifies and counters information security-related risks, threats, vulnerabilities and impact.
<b>Rigorous Screening</b>	All employees undergo a rigorous screening process before being recruited, including a criminal background investigation, academic verification, past employment verification and identity confirmation.
<b>Best Locations</b>	All our offices are in the most secure and technically advanced sites in Manila and Cebu. Offices are located in privately owned developments with a dedicated security force and strict security policies.
<b>In-house Security</b>	On-staff MicroSourcing security guards man our front desk and monitor the security cameras installed throughout our offices. Our guards are trained to implement a strict “no identification, no entry” policy.
<b>Custom Data Sensitivity Solutions</b>	Data-sensitive clients are provided with their own office space where the strictest data security regulations in compliance with HIPAA and PCI-DSS are enforced. MicroSourcing offers extensive experience in creating data secure office environments and work floor policies.
<b>Robust Infrastructure</b>	Our network and infrastructure solution provides a robust platform on which to service our clients’ needs. MicroSourcing works closely with clients to create secure IT environments that offer the best data protection for their onshore-offshore data flow. We can deploy thin client technology to enable our clients to retain all data on U.S. soil.



# Our Transparent Pricing Model

MicroSourcing's transparent pricing model puts you in direct control over your costs in the Philippines, so you can see exactly how your money is used. We work with a fixed monthly fee per employee calculated as follows:

TOTAL FEE		DIRECT EMPLOYEE COSTS		SERVICES FEE
We charge a fixed fee per employee per month.	=	The total direct costs of the employee in terms of base salary, benefits, taxes and insurance.	+	The fee we charge for the assets and support services we provide to your operations.

<b>Staffing costs you control</b>	You can budget for your direct employee costs including: compensation package upon hiring, performance-based incentive programs and annual performance increases.
<b>You choose the talent</b>	In traditional outsourcing pricing models, your provider can increase their profit margins by hiring less qualified people and making cuts on their benefits. MicroSourcing is different. Because you are directly involved in the recruiting and compensation process, you are in control of choosing the right staff for your business. So if you want to spend more and hire experienced staff or save by hiring junior employees and training them— that's your decision, not ours.
<b>No one-time fees</b>	We don't have any one-time fees. We will only send your first invoice when your people start working for you. This will be a simple breakdown of your Filipino staff, their direct salary costs and our total services fee.



## The Numbers Speak for Themselves

The potential cost savings are remarkable when comparing the average costs per month of an employee hired through MicroSourcing in the Philippines with a similar employee hired in the United States. Our clients benefit from saving across the board from the employee's salary to office space, management, support and overhead costs.

JOB PROFILES	IN THE UNITED STATES				AT MICROSOURCING				SAVINGS
	BASE SALARY	BENEFITS	OVERHEAD COSTS*	TOTAL	BASE SALARY	BENEFITS	SERVICES FEE	TOTAL	TOTAL
Chart Acquisition Specialists	\$5,784	\$1,880	\$1,518	\$9,183	\$697	\$173	\$640	\$1,511	83%
Clinical Readers	\$5,200	\$1,690	\$1,402	\$8,292	\$581	\$152	\$640	\$1,374	83%
Accounts Receivables Specialists	\$2,736	\$889	\$912	\$4,537	\$511	\$140	\$640	\$1,291	71%
Patient Follow-up Representatives	\$2,624	\$852	\$890	\$4,367	\$511	\$140	\$640	\$1,291	70%
Clerical Staff	\$2,672	\$868	\$899	\$4,441	\$465	\$131	\$640	\$1,237	72%
Medical Transcriptionists	\$2,550	\$828	\$875	\$4,254	\$465	\$131	\$640	\$1,237	70%

\*Overhead costs include all management and support costs, office rental, workstation assets, utilities, office supplies and all other overhead costs for housing and supporting an employee in the United States. We can provide you with a detailed cost comparison during our engagement process.

## Getting Started

Our senior leaders are more than willing to speak to you directly and help you get started. Using their vast experience in establishing and managing offshore operations, they can help you understand the concepts, identify the opportunities and present a potential road map for your company. A brief discussion with any of our experts will be a worthwhile exercise even if your company has never outsourced before or is currently not actively seeking to establish offshore operations. Furthermore, our engagement process is refreshingly simple and efficient. Many of our clients go live within 60 days after establishing first contact with us.

To talk to one of our executives:

[info@microsourcing.com](mailto:info@microsourcing.com)

For more information:

[www.microsourcing.com/healthcare](http://www.microsourcing.com/healthcare)





## 2014 Non-voice Excellence Company of the Year

In 2014, MicroSourcing won the International ICT Award in the Non-voice Excellence category, showcasing our position as a leader in the Knowledge Process Outsourcing and specialized BPO services segments of the Philippine outsourcing industry. Previous winners include IBM (2012) and Hewlett-Packard (2011).

For more information:

[www.microsourcing.com/healthcare](http://www.microsourcing.com/healthcare)  
[info@microsourcing.com](mailto:info@microsourcing.com)