

LABOR PAINS: Nurses drawing line on many issues. 3

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| ENTREPRENEUR |

Through the maze

Crowe Paradis Services Corp.



W. MARC BERNSAU | BUSINESS JOURNAL

Ken Paradis expects growth for Crowe Paradis to continue as new rules governing Medicare claims reporting take effect next year.

Crowe Paradis builds growth by helping clients comply with dizzying Medicare rules

BY KEITH REGAN
SPECIAL TO THE JOURNAL

Ken Paradis has grown businesses before, but none has gotten as big as quickly as **Crowe Paradis Services Corp.**

Paradis, 42, co-founded Crowe Paradis in the spare bedroom of his Wilmington condominium when **Alternative Risk Concepts** — the company he co-founded with **Michael Crowe** — began to offer a Medicare compli-

ance product, helping insurance companies and others plan for and report workers' compensation settlements.

"We saw a niche and started to invest in it," said Paradis, who today serves as chief executive officer of Crowe Paradis, or CPSC. "Clients of ours were recognizing there was a lack of craftsmanship around compliance issues. When you're trying to knit together 50 state statues and one federal one while also trying to prognosticate and do forensic work at the same time, it is a bit daunting."

CPSC attacked that pain point with a team approach that matches up lawyers and nurses to help companies specifically pinpoint the right settlement amounts for workers' compensation cases.

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CROWE PARADIS: Making sense of the maze of Medicare regs

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"The backdrop for our company has always been the need to preserve the Medicare Trust Fund, and that need has never been more immediate and never had as much political leverage as it does today," Paradis said. "That has helped drive a more robust level

of compliance and that has helped drive growth for us. We've had the compliance wind at our back and we also had a better mousetrap."

The firm helps insurers and others address Medicare set-aside allocations — situations where settlements are made in workers' compensation cases and where proceeds from those settlements must be used before Medicare can be tapped. Crowe Paradis' teams helps customers understand what their obligations

are under state and federal laws and review medical records to make future projections to arrive at the correct settlement and set-aside amounts.

If anything, the compliance winds are picking up speed ahead of changes to Medicare claims reporting requirements scheduled to take effect on Jan. 1, 2011. Though the changes, which include stiff financial penalties for being out of compliance, have been delayed in the past, but political momentum is building to strengthen enforcement and protect the Medicare Trust Fund.

'Medicare compliance is not the most exciting product in the world, but Ken has found a way to simply communicate it'

Dean Murray,

VP of workers' compensation and regulatory compliance, Electric Insurance Co.

"Medicare compliance is not the most exciting product in the world, but Ken has found a way to simply communicate it," said **Dean L. Murray**, vice president of workers' compensation and regulatory compliance at **Electric Insurance Co.** in Beverly. "He also spends more time with customers than most other CEOs and gives him awareness of what clients are dealing with that is constantly translating into something actionable."

Electric Insurance — which was founded to provide insurance to General Electric employees and now offers coverage to the public as well as businesses — worked with Crowe Paradis over the course of several years to enhance its own Medicare reporting compliance. This spring, Electric signed a joint agreement with the firm to help market the same services to third parties such as law firms.

The combination has made for some impressive growth. In 2006, CPSC had revenue of \$1.2 million. Last year, it brought in \$16.7 million. The firm's headcount stood at 123 at the end of June, a number Paradis expects to reach 144 by the end the year. "Growth is still at 100 percent plus, so we anticipate more hir-

ing in 2011," he added.

Crowe Paradis was founded as Crowe Paradis & Albrecht in 2002. Four years later it became Crowe Paradis Services Corp.

The firm's growth is made possible by a strong team built around an entrepreneur with a unique background, said **Eric Kogan**, a partner at **Clarion Capital Partners**, which took an equity stake in CPSC in 2006, when there were six employees.

"We liked the industry Ken was operating in and thought he was a best in class potential partner," he said, citing Paradis' legal background in handling worker's compensation issues and his knowledge of the public sector.

In addition to continued growth in Crowe Paradis' core business of aiding with compliance and providing a platform to do so in-house, Kogan also sees "several additional avenues for growth. We had high expectations and they've been able to meet or exceed those expectations so far."

Paradis, a 1994 graduate of **University of Notre Dame School of Law**, began earning his stripes in the world of workers' compensation when he worked as special assistant attorney general to the Massachusetts Department of Industrial Accidents. In 1999, he and Crowe founded Alternative Risk Concepts, for which Crowe is still CEO and Paradis serves on the board.

CPSC marks Paradis' third time growing a business, and he said it has benefited from lessons he learned during earlier entrepreneurial endeavors. For instance, investments in technology made early on made rapid growth possible.

"Those early investments have really paid off for us and have given us room to continue to grow," he said.

Growth chart

Company: Crowe Paradis Services Corp.

Business: Consulting firm specializing in Medicare set-aside allocations

Based: North Reading

2009 revenue: \$16.7 million

Principal: Ken Paradis, CEO