

WEATHERING THE STORM

Healthcare advocacy company Patient Care was riding the crest of a million dollar capital investment when Hurricane Katrina bore down on New Orleans and its headquarters on Canal Street. The four-year old company opened a Milwaukee office where it resumed operations.

As healthcare red tape wrapped itself around more and more Americans, the need for a company to help patients navigate the maze was clear. Jane Cooper had twenty years of experience in managed care and saw an opportunity to jump to the other side as an “advocate.” And so the idea of Patient Care was born – a company to provide advocates to help clients best use their health insurance.

The capitalization of Patient Care began in 2001 with a check for \$100,000 written to Jane Cooper by her first investor over a Heineken in his basement. That allowed Cooper to return to New Orleans, the intended headquarters for Patient Care and contract with several key employees to begin building the infrastructure and processes that would become one of the nation’s leading healthcare advocacy companies.

Small and large investments by individuals followed over the next several years. These angel investors had all worked with Cooper or knew of her past entrepreneurial successes. By the beginning of 2003, the company was growing very quickly, but continued to have an ongoing need for capital. The venture capital community in Louisiana was small, not experienced in healthcare and not comfortable with investing in companies at the start-up stage. Beginning in 2002, Cooper met with many of them, always getting the same reaction: “Come back when you have more revenue”.

Finally, a large capital infusion came in early 2005 when Louisiana Capco’s came together to form the Louisiana Technology Fund. Patient Care was identified as their first investment, based on their use of unique technology to support the advocacy process for Patient Care’s 80,000 clients across the country. In exchange for the expansion capital, Patient Care had to agree to issue its first preferred stock. All prior investments had been common stock. The parties closed on August 12, 2005. Little did anyone know how critical the timing of that closing was to the company’s future.

THE WRATH OF KATRINA

“On August 26th we left the office expecting to have a normal weekend,” Cooper explains. “Hurricane Katrina was projected to hit Florida, not Louisiana.” But the news changed dramatically. Katrina hit New Orleans directly as a strong category four hurricane. The City survived the hurricane well enough but not the ensuing levee breaks which pushed water several miles into the city, reaching the central business district, where Patient Care’s corporate offices are located. “We had over twenty employees and

some lost everything in the storm and flooding. It was a tremendously emotional time for all of us.”

Cooper knew that recovery had to begin immediately and that included making plans for Patient Care and its employees to relocate. Some of Patient Care’s largest clients are located in Wisconsin so Cooper and her management team re-established offices there within days following the storm. The Milwaukee business community welcomed Patient Care with open arms and generosity. Commercial realty company Towne Realty donated office space and covered relocation expenses for six Patient Care employees. Most employees opted not to make the move so Cooper hired advocates in Milwaukee.

The recent venture capital funding allowed Patient Care to calmly and systematically hire and train staff, purchase and install all of the necessary equipment, reprint marketing and sales materials and establish a communication plan with clients. Beginning on October 10th and thanks to the Louisiana investors, Patient Care was back in business in Milwaukee.

LESSONS LEARNED

Throughout the ordeal there were two things that led to Patient Care’s swift recovery: technology and personnel.

“Protect your technology at all costs,” advises Cooper. “Data is the backbone of our company – patient medical and insurance forms, all of which are highly confidential” Cooper said. “Fortunately we were able to retain and access that data so we could remain in business. That alone allowed us to continue to serve our clients all over the country who needed our services, she says.

“And your people – treat them well and be as supportive as you can,” Cooper adds. “Be mindful of what they are going through.”