

Finding a cure to cyclical swings in business

Medical technology company nearly doubles revenue in one year

BY BETH FITZGERALD

MD ON-LINE, a technology company that ushers doctors into the

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digital age, has nearly doubled its revenue and work force during the recession.

CEO **Bill Bartzak** said the company he founded in 1995 swims against the tide of the tough economy in part because it's helping create a new industry. Parsippany-based MD On-Line enables doctors to submit claims electronically to health insurers and the government — instead of sending paper claims through the mail.

Having moved 40,000 doctors nationwide into its online claims system, MD On-Line is poised to take them for the next technology leap: trading their paper charts for electronic health records, where the patient's entire medical history can be accessed online by any health care provider on earth who needs to see it — whether the patient is home in New Jersey or traveling in China. Someday, "when you go to the emergency room, your medical records will beat you there," Bartzak said.

Instead of slowing his company down, Bartzak said the recession has helped MD On-Line's revenue grow to \$11.6 million in 2009, from \$6 million the year before, as doctors and insurers strive to cut costs by shifting from paper to computer. Two years ago, one of his largest clients, **WellPoint**, "put a challenge to us to convert 60,000 claims in a 12-month period. In that 12 months, we converted

Christina Mazza



Bill Bartzak, founder and CEO of MD On-Line, says he expects acquisitions to play an important role in his company's growth, including a jump from 67 employees today to 100 by 2012.

more than 1 million" from paper to digital, he said.

Bartzak said he's not just riding the digital wave. An acquisition last year accounted for \$3 million of MD On-Line's revenue gain, while \$2.6 million came from organic growth.

Acquisitions will continue to fuel growth: Bartzak said a shake-out of medical technology providers is under way, and he expects his company to be among the survivors as the industry consolidates. His goal is to have 100,000 doctors on his system by 2012, when he expects his work force to reach 100, from 67 today.

Bartzak used to be in the construction industry. After the real estate slump in the late 1980s, he went looking for a new business that wasn't vulnerable to cyclical swings. "I decided my next business had to be technology-based, and recession-proof," he said.

MD On-Line gets a steady stream of recurring revenue from the doctors and insurance companies that subscribe to its services; the insurers subsidize the expense of filing electronic claims, to encourage doctors to use technology.

"We've really proved that this business model is recession-

proof — there's always a need for doctors," he said. The new health reform law will give MD On-Line a boost: "So many more people will have insurance," he said. "They will go to the doctor, and that means more claims." ♦

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Making It

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