

**Edited Transcript of Assure Holdings Corp earnings conference call or presentation 14-July-20
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Corporate Participants

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* John Allen Farlinger

Assure Holdings Corp. - Executive Chairman & CEO

* Preston Thomas Parsons

Assure Holdings Corp. - Founder & Director

* Scott Kozak

Assure Holdings Corp. - Director of Investor & Media Relations

* Trent J. Carman

Assure Holdings Corp. - CFO

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Conference Call Participants

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* Dante Severini, DW Healthcare Partners

* James Philip Sidoti, Sidoti & Company, LLC - Research Analyst

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Presentation

Operator [1]

Greetings, and welcome to the Assure Holdings First Quarter 2020 Earnings Call. (Operator Instructions) I would now like to turn the conference over to your host, Scott Kozak, Assure's Director of Investor and Media Relations. Thank you. You may begin.

Scott Kozak, Assure Holdings Corp. - Director of Investor & Media Relations [2]

Good morning and thank you for participating in today's conference call to discuss Assure Holdings' financial results for the first quarter ended March 31, 2020.

Joining us today are Assure Holdings' Executive Chairman and CEO, John Farlinger; CFO, Trent Carman; Assure's Founder and Director, Preston Parsons; Alex Rasmussen, Senior Vice President of Operations; Sean Blosser, Vice President of Revenue Cycle Management; Stephanie Krouse, Vice President, National Technologist Manager; and Paul Webster, Vice President of Managed Care.

Before we start, please note that remarks on this conference call may contain forward-looking statements within the meaning of applicable securities laws about Assure's current and future plans, expectations, intentions, results, levels of activity, performance, goals or achievements or any other future events or developments. Forward-looking statements are based on information currently available to management and on estimates and assumptions made based on factors that management believes are appropriate and reasonable in the circumstances. However, because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes and circumstances that are difficult to predict and many of which are outside of our control, and there can be no assurance that such estimates and assumptions will prove to be correct.

Many factors could cause actual results to differ materially from those expressed or implied by the forward-looking statements. As a result, Assure cannot guarantee that any forward-looking statements will materialize. And you are cautioned not to place undue reliance on these forward-looking statements. Except as may be required by law, Assure has no obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise.

During this call, we may refer to certain metrics such as adjusted EBITDA, equity method of investments in Provider Network Entities or PNEs, managed cases and number of procedures, which are non-IFRS measures and do not have any standardized meaning under IFRS and are, therefore, unlikely to be comparable to similar measures presented by other issuers. Assure believes that these measures may offer useful supplemental information but are subject to

inherent uncertainties and limitations and rely on various assumptions by the company and should, therefore, not be relied upon for the purposes of making an investment decision.

For additional information on these assumptions, uncertainties and risks, please consult the cautionary statement regarding forward-looking information contained in the company's earnings release dated July 14, 2020, most recently filed quarterly financial statements for the 3 months ended March 31, 2020, and management's discussion and analysis for the same period, which are available in the company's SEDAR profile at www.sedar.com. Please note that Assure reports in U.S. dollars and all dollar amounts to be expressed today are in U.S. currency.

I would like to remind everyone that this call will be available for replay through July 28, starting at 2:00 p.m. Eastern Time today. A link to a webcast replay of this call was also provided in the earnings press release. Any redistribution, retransmission or rebroadcast of this call in any way without the express written consent of Assure Holdings is strictly prohibited.

Now I would like to turn the call over to the Executive Chairman and CEO of Assure Holdings, John Farlinger. John?

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [3]

Thank you, Scott, and good morning, everyone. First and foremost, I hope everyone listening and all of your loved ones are safe and healthy. Our employees, surgeon partners, patients, and communities have certainly been disrupted by the impact of COVID-19 and the ensuing pandemic, and we will continue dealing with the impact over the coming months. Our top priority has been and will remain the health and well-being of our dedicated team members, providing exceptional clinical care and a positive patient experience.

Now I'd like to turn to our performance in the first quarter of 2020. We made important strides during the period, including a 77% increase in managed case volume compared to the earlier quarter. Having said that, our financial results were negatively impacted by a number of factors.

Number one was the COVID-19 related decline in elective procedures that began in March.

Number two, the reserving for first quarter 2018 receivables against current quarter revenue that we automatically write-off or write-down when aged 2 years. This issue is driven by the legacy third-party billing provider that we terminated in autumn of 2019. I will provide greater context around this momentarily, but we anticipate that 2018 claims uncollected at their 2-year anniversary date and, therefore, reserved will continue to affect Assure's financial results during the balance of 2020. Having said that, pursuing 2018 claims is a top priority for our billing team and we are confident that a material share of these claims that are reserved will ultimately be recovered.

Number three was the impact of the previously disclosed reserving of claims associated with a private health insurance company. This reserve is mainly associated with their Louisiana affiliate that failed to reimburse the Company despite Assure providing services. I'll address this in further detail later, but advise here that negotiations have restarted and Assure is confident that the value of our services will be recognized and we will ultimately recover a portion of these claims.

Fourth and finally, Neuro-Pro, the intraoperative neuromonitoring company we acquired in late 2019, has a lower accrued revenue per procedure rate compared to the core Assure business. This affects both our revenue and accounts receivable. We expect this gap to narrow over the course of 2020. In fact, we've already successfully negotiated higher rates for some of the professional services with several of the Neuro-Pro surgeons, and we are actively engaging the others.

The ultimate effect of these factors is that while the company's number of procedures has continued to grow, our financial performance has not kept pace. Excluding the effects of COVID-19, which is evolving, and that's out of our control, the company is proactively addressing and making progress on the matters we can influence. We expect to demonstrate substantial progress on each of these issues in 2020.

Next, I'll transition to advances we are making on our 3 corporate objectives. As a reminder, they are: number one, improving the performance of our billing and collections function; number two, developing an in-network revenue stream; and number three, scaling our platform through both organic growth and M&A.

The first objective I'll address is the performance of our billing and collections team. Given the issues that we've experienced in the past, in particular, the lack of attention to claims from our legacy third-party billing company, it was necessary for Assure to bring the function in-house. We began the transition in the autumn of 2019, and we were able to take control of the process by February of 2020. Assure assumed this responsibility to ensure that there is a persistent and tenacious effort to collect all cash that is owed to us. As I referenced a few moments ago, one of the primary objectives of our billing and collections team is working through every file from our 2018 claims. Frustratingly, in many instances, these files will be touched for the first time. Quite frankly, our legacy third-party billing company gave very little attention to the substantial majority of our claims.

With this renewed effort, we expect collections for 2018 to improve over the balance of this year. Assure's revenue cycle management team has become much more experienced, knowledgeable and aggressive with respect to billing in a timely fashion, making appeals, and negotiating and adjudicating claims. We bolstered this effort through a wide range of investments. This include the hiring of Sean Blosser, a seasoned revenue cycle management leader we brought in to manage this effort. In addition, Assure assembled a skilled 16-person in-house billing and collections team, recruited for their competencies and ability to scale this business into the tens and eventually hundreds of millions of dollars.

Company has also invested a 6-figure amount in a platform to automate and integrate revenue cycle management with our own internal teams and systems as well as outside vendors. While we don't expect to complete this automation until the end of September, some modules are already activated. This project will eventually automate the process that was previously almost entirely manual. We're already seeing the positive results from these changes. Back in the first half of 2020, excluding cash collected for the Provider Network Entities or PNEs for professional intraoperative neuromonitoring services, which are recorded separately, Assure collected more than \$6.9 million for technical intraoperative neuromonitoring services, including a quarterly record of \$4 million in the second quarter compared to \$8 million for all 12 months of 2019.

In addition, the company has generated positive cash flow for four consecutive months from March through June of 2020. And we see that trend accelerating in the second half of the year. This in part reflects Assure's success collecting from our significant backlog of legacy cases in which services were provided but we had not yet been compensated. The company has already collected over \$1.2 million of previously reserved receivables relating to 2016 and 2017. This will be categorized as new revenue and income in 2020, as these amounts have previously been written off and reserved. As I mentioned, we've extended these efforts to 2018 legacy claims and expect to make similar progress, but acknowledge that this process will take the balance of the year to produce the results we anticipate.

We recognize and emphatically agree that there's still much work to do in terms of revenue cycle management. However, we are confident that Assure is making the advancements necessary to improve collections, drive accounts receivable lower and reduce days outstanding.

Our second and key corporate objective is the development of a new in-network revenue stream. Assure is seeking to build out our in-network revenue stream because providing entirely out-of-network health care services frequently results in a much longer revenue collection cycle and a higher likelihood of denied claims. These hurdles at risk, complexity and time to the collection process and also create volatility in our quarterly bad debt expense. I'm pleased to report multiple successes on this front.

In June, Assure signed our second in-network insurance agreement. The agreement is with First Health Group, a third-party administrator. This agreement binds insurance payers to the contract we negotiated at a predetermined rate and at a time frame that is beneficial for Assure. To provide essential scale in 2019, First Health received nearly 300 requests from payers for network access to Assure accounts. This represents approximately 5% of Assure's overall commercial insurance volume.

In addition to the agreement with First Health, Assure also signed 3 separate agreements with smaller administrators to provide network access for hundreds of commercial insurance payers. Unlike First Health, the agreements with the smaller administrators are nonbinding on payers. Nevertheless, collectively, they could potentially represent 5% of Assure's overall commercial insurance volume.

In network agreements like these are so important because they will effectively reduce the time it takes to collect payments for related claims. Further, Assure will leverage these agreements as a framework to negotiate similar contracts in the future, and we are engaged in multiple network contracts and discussions at the current time. We believe that converting more of our revenue to in-network agreements in 2020 and beyond will make our collection cycle shorter, further reduce our outstanding receivables balance and, ultimately, improve cash flow. While we're excited and optimistic regarding this initiative, the company will continue to be patient and only strike in-network deals when they make good economic sense for Assure. I fully expect this effort to extend over a period of years.

It should also be noted that agreements with the terms we are seeking become more attainable as we bring greater sale in terms of procedures with us into the negotiation discussions. This dovetails into our third objective, which is expanding Assure's scale through organic growth and M&A. Preston will provide a more detailed perspective on this and other revenue growth opportunities later in the call, but I want to briefly highlight a few actions now. Assure's increased its operational footprint twice in the first half of 2020, adding South Carolina in January and Arizona at the end of May. We see a strong potential in both of these markets.

Assure is continuing to seek opportunities to accelerate our growth. A number of these elements are as follows. One element of that strategy is expanding and continuing to expand into additional states and extending our presence in these new states.

The second element is building a platform for selling the hospitals directly. The cost and disruptions hospitals are experiencing as a result of COVID-19 are opening the door for a value proposition that Assure is marketing as an outsourced provider of intraoperative neuromonitoring services.

The third element is driving more revenue and profitability from our professional bill. We will continue to improve performance in this area by negotiating a larger share of the professional bill with new surgeons that we are bringing on to the platform as well as renegotiating revenue share agreements with the existing surgeons in our network. In particular, we've been making important progress on this front with former Neuro-Pro customers, and we expect that this will be instrumental in securing a bigger piece of the PNE revenue and thereby positively impacting our financial results this year and beyond. In addition, in 2020, we intend to augment our professional revenue by bringing the off-site neurologist function within the organization. This will allow us to capture more revenue and margin and enforce strict quality control.

The fourth element is staying opportunistic in the pursuit of accretive acquisitions that provide us with important new surgeon and facility partnerships, complementing our geographical footprint and helping us to enter into new surgical verticals. Revisiting briefly our 2019 acquisition, Neuro-Pro is performing as well as expected. It is profitable and cash flow positive, with substantial growth opportunities ahead of it in the Texas market. We've learned a lot from the experience of acquiring and integrating Neuro-Pro. While we don't anticipate pursuing a target of Neuro-Pro's size and scale this year, we are looking at potential acquisitions on highly

attractive terms among smaller players in intraoperative neuromonitoring space that are reeling from disruptions caused by the COVID-19 pandemic.

The fifth and final element of our growth acceleration strategy is an emerging business development initiative. In the third quarter of 2020, Assure will begin rolling out our channel program aimed at distributor outreach. We already have contracts signed with a number of medical device distributors, and we expect to sign numerous additional partners through this effort. These partnerships expand individual distributor's offerings to include Assure's intraoperative neuromonitoring services. Through this program, distributors will introduce their surgeon clients to Assure and sell our intraoperative neuromonitoring services. In return, they create a recurring revenue stream for themselves based on taking a small share of our fee for each procedure that their doctor utilizes Assure's intraoperative neuromonitoring services.

Now I will transition and provide a current and forward-looking perspective regarding the operational impact of COVID-19. Starting in March and accelerating in April, Assure saw a decline of more than 70% in our number of procedures performed. The months of May and June saw a return to weekly case volumes, equivalent to the averages experienced in January and February prior to COVID-19 becoming an epidemic. As a reference point, we did over 750 managed procedures during the months of May and June. Thus far in July, we have seen disruption in particular markets as COVID-19 cases have increased in certain parts of the country. To date, we have been primarily impacted in Texas with a pullback of approximately 10% in terms of procedures.

In addition, COVID-19 has delayed our expansion in Arizona. As with the pandemic, we would have been further along in making roads in that state. Assure is continually and continuing to carefully monitor the impact of COVID-19 in all states within our operational footprint.

Two further points on this topic. Firstly, we anticipate that the majority of the procedures postponed in March and April will be scheduled for later dates in 2020. Secondly, the conversations we are having with our surgeons suggest a strong desire to proceed with existing surgeries where possible.

Finally, I'll discuss Assure's efforts to strengthen our balance sheet and liquidity. The company received \$1.2 million in unsecured funding from the Payment Protection Program. This 2-year SBA-administered payment protection loan has an interest of 1% per annum and Assure anticipates that a significant portion or all of this loan will be forgiven, hopefully in the third quarter of 2020.

Moreover, we are looking at other funding opportunities. Crucially, we'll be evaluating these options from a position of increased strength given our improved cash collection performance.

In addition, we were pleased to have attracted funding and reinforced our balance sheet in a challenging market environment. Between December and June, Assure raised a total of \$3.45 million across several tranches of a convertible debt offering. These funds were primarily used

for payments associated with the acquisition of Neuro-Pro and other expansion efforts, including extending our footprint into new states.

Although our first quarter financial results did not meet our expectations, we have taken steps to remedy this, and I'm very proud of the cash collection improvements that we have made and the cash flow that we are generating in the first half of 2020. While there will likely be some bumps between now and the end of the year as we clean up legacy issues, as I previously outlined, we are very optimistic and focused on delivering against each of our objectives in 2020. With consistently positive cash flow over the past 4 months and successful funding efforts, the company has significantly improved its financial strength.

As I discussed on the fourth quarter conference call, Assure had a dispute with a major payer, primarily in Louisiana. We have had a restart in negotiations as we try to resolve this matter. As a reminder, the company proactively took a reserve of approximately \$10 million over the dispute in which claims were submitted, but reimbursement associated with technical claims performed were not made. We continue to expect to recover a portion of the amount owed to us.

While this experience has been difficult, it has also been an important learning experience for us. Specifically, it has demonstrated the need for us to develop an outreach program and evangelize the advantages and benefits of intraoperative neuromonitoring services. And additionally, to educate payers on the exceptional surgeon support and patient care that Assure specifically delivers. This is a significant opportunity for us in 2020 and going forward by helping payers unfamiliar with intraoperative neuromonitoring and Assure understand what we do. We can more easily transition these relationships into long-term partnerships with the sharing of this knowledge.

In terms of our operational outlook, notwithstanding the impact of COVID-19 and the epidemic and the continued uncertainty, the company is continuing to forecast total procedures for our full year 2020 to exceed 10,500, a record number representing a nearly 65% increase in cases compared with 2019.

As a final note, Assure is continuing to explore the possibility of filing a registration statement on Form S-1 with the U.S. Securities and Exchange Commission as we consider uplisting to a major U.S. exchange. Our focus over the balance of this year will be on improving metrics, particularly cash flow collections, expanding scale and signing additional in-network contracts.

Now I'd like to pass the call to our CFO, Trent Carman, who will go through the results from the first quarter in detail. Trent?

Trent J. Carman, Assure Holdings Corp. - CFO [4]

Thanks, John. Good morning, everyone, and thank you for joining us today.

Total revenue in the first quarter was \$4.3 million compared to \$6 million in the first quarter of 2019. There were really 4 to 5 reasons for this decline in revenue despite the increasing cases during this 2020 first quarter, and John pretty much discussed all of these reasons a few moments ago, so I will not repeat them here. Of the 77% increase in case volume during the first quarter of 2020 that John previously mentioned, approximately 51% of that increase relates to our acquisition of Neuro-Pro late last year.

I would like to chat for a moment about our contract fee and other revenue for a moment. This revenue is derived from billing hospitals and surgical centers a contracted amount for cases where the patient does not have a private health care insurance provider, i.e., coverage is provided by Medicare, Medicaid, the VA, and the billing of management, equipment and supply fees to the PNE entities that the company does not have an ownership interest in. Our contract fee and other revenue increased from \$471,000 in the first quarter of 2019 to \$1,987,000 in the first quarter of 2020. The increase in this revenue item in 2020 was primarily due to billing management fees to the Neuro-Pro PNE entity and to increasing the number of PNE entities that operate under a management fee arrangement as opposed to having an ownership interest. As the company continues its expansion, this line item of revenue will continue to grow.

Our cost of revenue now includes our internal billing and collection department. Previously, we included the third-party billing and collection fees in this line item. The effect of this is to turn a variable cost into a mostly fixed cost. As a result, there will be some volatility in this gross margin percentage as revenues grow, but the internal billing and collection department may not immediately grow proportionately with that revenue growth. Gross margins in the first quarter of 2020 are an example of that. Gross margins for the first quarter of 2020 were 58.7% compared to 76.1% in the first quarter of 2019. This was due primarily to the revenue adjustments previously mentioned by John, and the company setting up the internal billing and collection department during the first quarter.

Going forward, the company plans to utilize a third-party billing and collection company for a portion of its billing and collection activities and this cost will be variable depending on the amount collected. Total operating expenses increased to \$2.7 million compared to \$2.3 million in the prior year period, primarily due to the hiring of employees to support the company's growth and professional fees associated with Assure's fundraising activities during the quarter.

Earnings from equity investments decreased to a negative \$107,000 during the first quarter of 2020 compared to \$200,000 in the first quarter of 2019. The same issues that John mentioned about Assure's revenue in the first quarter of 2020 impacted the PNE entities and this resulted in a loss for the quarter. The net loss was \$600,000, and the adjusted EBITDA was \$200,000 for the first quarter of 2020. Both of these amounts decreased in the first quarter of 2019, primarily due to the revenue issues previously mentioned and to slightly higher expenses.

Turning to our balance sheet. We ended the quarter with \$600,000 in cash compared to \$59,000 at the end of 2019. Total bank debt, lease liabilities, convertible debentures and acquisition debt at the end of the quarter was \$11.8 million compared to \$11.2 million at the end of 2019.

During the first quarter of 2020, the company raised approximately \$1.6 million of proceeds from the issuance of convertible debt. Subsequent to the end of the first quarter, the company raised an additional \$880,000 of proceeds from the issuance of convertible debt and an additional \$1.2 million from the Paycheck Protection Program. As John previously mentioned, the company believes that most of the Paycheck Protection Program loan will be forgiven when it files its forgiveness request, which is currently anticipated to occur in the third quarter of 2020.

Before concluding, I want to reiterate Assure's 2020 goals from a financial perspective. We are focused on tightly managing expenses and improving collections. John has already noted the steps that the company has taken to execute against these objectives. Now I'll turn the call over to Preston Parsons who will provide an update on future growth and business development initiatives.

Preston Thomas Parsons, Assure Holdings Corp. - Founder & Director [5]

Thank you, Trent, and good morning, everyone. I want to highlight some more initiatives we're working on and talk further about how business development is going.

The first initiative I would like to discuss is our effort to build an education and training program for technologists at Assure. Given the limited number of trained certified IONM technologists, estimated at approximately 5,000 individuals nationwide, building our own talent pipeline is essential to continue our industry-leading level of service and to prepare for our anticipated growth. To alleviate the bottleneck for technologists and foster the talent pipeline necessary for staffing our growth opportunities, Assure is developing our own technologist training program. We will be one of only a handful of IONM companies that are developing our own talent in this manner.

This program will include lectures and classroom work, laboratory practicums, online instruction and operating room clinicals. This program will also incorporate university internship opportunities and additional educational opportunities past the board certification, all with the goal of preparing these candidates to pass the CNIM certification exam and ultimately join our workforce. The education program will allow Assure to teach and mold these technologists as they prepare for a career in IONM and help us maintain rigorous quality control standards and the clinical excellence that Assure demands for the surgeons we support

and the patients we serve. We look forward to updating you on this initiative, which is an important differentiator for us in the IONM industry.

The second initiative we are working on is the establishment of a medical advisory committee. The main purpose of establishing this committee that will report directly to the Board of Directors are: to establish and maintain best practices as it relates to the clinical operations of Assure, to review quality assurance measures established by the company and to oversee research and innovation initiatives. This committee will be chaired by Dr. Chris Rumana, current independent director of Assure and former neurosurgeon. Another member of this committee is Steven Summer, current independent director of Assure and former CEO of the Colorado Hospital Association. I will also be on this committee. In addition, we will be adding talented individuals to the committee with the skills, background and expertise needed to advise the company and the Board of Directors of the aforementioned duty.

Our third initiative I want to spotlight and one that I'm very excited about is the establishment of a research and innovation team within Assure. As previously mentioned, we are moving forward on research projects relating to IONM efficacy, safety, cost savings and improving patient outcomes through our collaboration with the surgeons at the internationally renowned Texas Back Institute. These research projects with TBI will be the team's initial focus. We envision numerous ways this research will help Assure and the industry as a whole. Beyond that, the team will also be tasked with fostering new innovation in our company and staying up to speed on the latest developments in the ever-evolving IONM industry.

Now turning to business development. Our business development and operations teams are hard at work onboarding new surgeons. In fact, we recently onboarded new doctors in Arizona, Assure's eighth state. We are now working in both Phoenix and Flagstaff areas. In addition, since we last updated everyone at the end of May, we have added new surgeon relationships in Michigan and Texas. Of note, the new doctors in Texas came by way of our relationship with the distributors that we brought in to the organization as part of our Neuro-Pro acquisition. We expect this relationship to drive additional growth in the future.

Beyond extending our reach within our existing operational footprint, we anticipate striking new partnerships in additional states and have doctors and hospitals at various stages of onboarding in Nevada, and for the first time being mentioned, the state of Virginia. We, of course, will update the market after we perform our first procedures in these states.

We look forward to providing further updates to the market on these and other expansion efforts in the coming months. As you can see, these are just a few of the exciting objectives we have at various stages of completion and we look to continue building our brand and expand our footprint around the country.

And with that, I'll turn it back over to the operator for Q&A.

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Questions and Answers

Operator [1]

(Operator Instructions)

Our first question comes from the line of Jim Sidoti with Sidoti & Company.

James Philip Sidoti, Sidoti & Company, LLC - Research Analyst [2]

Good morning. Can you hear me?

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [3]

Loud and clear, Jim.

James Philip Sidoti, Sidoti & Company, LLC - Research Analyst [4]

Great. Glad to hear you're all well. I appreciate all the detail you gave in the script. Can you comment a little about how the integration of Neuro-Pro is going? Have you been able to retain all the technologists that were brought on initially? And in general, how do you think that deal is working out for you?

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [5]

So multiple aspects to the question. With respect to retention, we've been able to keep all the technologists and all the surgeons, and we're actually looking at multiple opportunities now in bringing on additional surgeons in the Dallas-Fort Worth market through the relationships with

Neuro-Pro. And I think we're looking at really 4 to 5 additional doctors that we're hoping to onboard in Q3. So it's worked out well. Certainly, to date, it has met the expectations that we'd hoped for in making the acquisition.

James Philip Sidoti, Sidoti & Company, LLC - Research Analyst [6]

Okay. Then can you talk a little bit about revenue per procedure? You reported very, very strong procedure growth -- volume growth in the quarter. But as you indicated, for various reasons, you saw the revenue procedure come down. Is this a number that you think rebound by the end of the year? Or do you think it's more 2021 before you see that number start to come back again?

Preston Thomas Parsons, Assure Holdings Corp. - Founder & Director [7]

Great. I'm going to let Trent respond to the first part of that question, Jim.

Trent J. Carman, Assure Holdings Corp. - CFO [8]

Yes. One of the things that John mentioned was the issue in Louisiana, that has obviously put -- the case count is included, but the revenue for those cases is de minimis. If we're able to strike a contract with that private insurance party, obviously, that will assist in helping to: one, increase, from a legacy standpoint, what our revenue accrual has been, but then going forward. So yes, we do believe it's going to increase there. The second thing was the Neuro-Pro revenue per case is lower than what the legacy Assure revenue per case has been and there is some efforts to increase that as well going forward. So we do believe that there will be some upward movement in the Neuro-Pro revenue per case as well. So we do believe that's going to increase and we have made it an objective for 2020.

Obviously, there's nothing for the first quarter of 2020. But yes, we do believe there'll be upward momentum there from those two aspects of the insurance side of the house.

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [9]

Thanks, Trent. Jim, the only other lingering issue here is just cleaning up the remnants of the issues from the third-party billing company that we're using. And that additionally put some downward pressure on the revenue. A major focus for us over the balance of 2020 will be cleaning up, in particular, the 2018 accounts receivable, which, for the most part, was not worked or was barely touched by that group. And so there has been some downward pressure on revenue. But at the same time, there was significant upside from areas that could be realized here to grab some gains back. And as Trent mentioned, particularly if we can strike a deal. And we're in negotiations to that effect now with the payer in Louisiana.

James Philip Sidoti, Sidoti & Company, LLC - Research Analyst [10]

So is it fair to assume we might see a small uptick possibly by the fourth quarter this year, but it's really 2021 when you see that number really start to move north again?

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [11]

I think you could see an uptick in Q4. I think, realistically, I think we'll work through the balance of this year. And I think in '21, you will start to see the needle move here on revenue per procedure and cleaning up these issues. The caveat being, the big issue, is if we can strike a deal with the payer. That moves the needle significantly because we're accruing very low amounts from that payer in really what is one of our biggest states. So that's the upside right now for us.

James Philip Sidoti, Sidoti & Company, LLC - Research Analyst [12]

Okay. Because obviously, if you have procedure growth in double digits and that number even staying flat, you're going to see some pretty significant revenue growth over the course of the next couple of years.

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [13]

Right. And if you can grow and state for the mean on that revenue per procedure is significantly higher, you'll see an uptick as well. So you're right. If we can continue to add additional states where we're getting a higher number, that will move the needle. But I think in the short term, to your question, the biggest upside for us is to get a deal done in Louisiana and to move on and to start to accrue higher numbers per procedure going forward.

James Philip Sidoti, Sidoti & Company, LLC - Research Analyst [14]

Okay. And then the last one for me. Now you reported through the end of March. Do you expect to have the June quarter results out sometime in August or do you think that will be pushed further out?

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [15]

No. We plan to get them out in August, by no later than the end of August.

Operator [16]

Our next question comes from the line of Dante Severini with DW Healthcare Partners.

Dante Severini, [17]

Right. Can you hear me?

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [18]

Yes.

Dante Severini, [19]

I just missed the EBITDA numbers for Q1. Would you guys mind repeating those for me?

Trent J. Carman, Assure Holdings Corp. - CFO [20]

\$200,000.

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [21]

\$200,000 was the EBITDA number. \$200,000 in positive EBITDA.

Dante Severini, [22]

Okay, awesome. And then what was that compared to 2019?

Trent J. Carman, Assure Holdings Corp. - CFO [23]

2019 was \$2 million.

Operator [27]

Thank you. At this time, this concludes our question-and-answer session. I'd like to turn the call back over to Mr. Farlinger for any closing remarks.

John Allen Farlinger, Assure Holdings Corp. - Executive Chairman & CEO [28]

Thank you. We'd like to thank everyone for listening to today's call. Before concluding, I'd like to add a few final comments.

Firstly, continuing to improve the performance of our revenue cycle management function is a top priority of Assure, and it represents an important differentiator in the intraoperative neuromonitoring industry.

Second, we're pleased to advance against our objective of signing new network contracts as they will make our collection cycle shorter, further reduce our outstanding receivable balance and, ultimately, improve cash flow.

Thirdly, we're expanding our scale through the growth of Neuro-Pro as well as its organic expansion in the states we're currently operating in as well as continuing to grow into new states.

Fourth and finally, Assure anticipates disruption from the continually changing COVID-19 pandemic in the second half of 2020, although its impact is unclear at the current time. In addition, the company expects a continuation of short-term effects from cleaning up issues from the former third-party billing partner. We anticipate that this will impact our accounts receivable and revenue per procedure metrics over the balance of the year. At the end of that process, I'm very confident, though, that we will come out of this a much stronger company going forward.

We look forward to speaking with each of you again on our second quarter call at the end of August. Again, thanks for joining us this morning.