

HealthRecon increases diagnostic laboratory's revenue by 14.93%

Laboratory diagnostic medicine more than any other healthcare service type is operationally driven by inventory management breakdowns which can impact clinical outcomes of the tests. This trickles down to ensuring specimen acquisition is timely, stored properly and resulted while the specimen is still stable. Lab directors and managers must keep tight controls around their reagents, storage and temperature monitoring, calibration of analyzers etc. making sure that everything needed to result multiple or specific tests are performed with exact precision. With over 70% of all clinical decisions driven by laboratory tests, precise management in all operational areas of laboratory testing is a must.

Why should laboratory revenue cycle be any different than laboratory clinical operations?

Typically, when hospital systems rollup billing and collections functions into their patient financial services (PFS) departments, laboratory claims are lost in the shuffle due to higher dollar claims due service types such as - surgery, inpatient services, advanced radiology, etc. The same holds true with revenue cycle management (RCM) companies that do not have specialized divisions or solutions for laboratory billing services. Labs pay per individual current procedural terminology (CPT) code and payers require different combinations of modifiers, coding and grouping to allow for maximum reimbursement of the tests. Very few RCM companies or hospital based PFS departments invest the same resources in understanding these nuances. Solutions are developed to focus on higher dollar issues that drive higher impact to hospital metrics and provide CFO's with stronger ROI's. Laboratory accounts receivables typically do not have the same dollar impact vs. hospital RCM metrics such as discharged not final billed (DNFB), days in accounts receivable, cash collections %, etc. This makes lab claims a lower priority in focused solutions such as short pay analysis, denials management, creation of documents of financial review (DOFR) for lab billing guidelines and prior authorization etc. With so many systems focused on cost to collect, laboratory services end up as loss leaders as they show low ROI based on their billing or collections efforts.

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Like laboratory operations that have built specific controls around specimen collections, inventory management and utilization of analyzer times to maximize efficiency and cost; your RCM company needs to adopt the same principals in managing your laboratory billing and collections. Laboratory billing operations need to create DOFR for all laboratory services (pharmacogenomics, cancer genetics, allergy, molecular, toxicology, blood etc.). This would ensure that every service performed is billable and authorized like any other higher dollar outpatient or inpatient procedure would normally be. Advanced tracking should be used as it is in inventory management to track every individual reimbursable CPT code - treating each payable test as a unique reimbursable unit to make sure that every item on every claim is paying and no revenue is lost. Billing departments and laboratory departments should meet regularly to review each referral source and provide feedback and education to make sure that all necessary information required to receive reimbursement on each claim is received and issues with referral sources are logged and fixed. Laboratory specific RCM should use denials data to track issues and meet regularly using joint operating committees (JOC) with each payer to resolve specific payer policy determinations and stall tactics. Laboratory RCM should operate as precise as laboratory clinical management to ensure maximum and efficient collections of receivables.



The Client

NCFDNA is a high complexity molecular diagnostics laboratory located in Progress Park, a biotechnology and research community in Alachua, Florida and generates over 150 thousand claims annually. The laboratory utilizes advanced technology to identify various hereditary disorders, determine medication metabolism and expedite the diagnose of infectious disease.

Challenges

HealthRecon identified the following challenges at the time of engaging the client.

Understanding payor medical policies

The laboratory needed to understand the varying payer medical policies for molecular testing that impacted coverage and reimbursement of tests performed. The laboratory was in-network with certain payers and out of network with the rest. This added another level of complexity that needed to be considered.

Incorrect coding of tests

In line with their goal of driving precision medicine, NCFDNA continued to customize their testing panels based on the needs of their patients and referring providers. The high number of variations in test panels introduced challenges in identifying the correct coding that represented the tests accurately with each payer.

Poor visibility of denials and short payments

The laboratory's high test volume, variations in test panels, in-network and out-of-network payer mix, inconsistent payer medical policies etc. resulted in a high mix of denials that was challenging to analyze and manage. The laboratory had no visibility into their short payments and very little understanding of their revenue and profitability at a patient, test panel and overall level.

Solutions implemented

Documentation of all top payer policies

HealthRecon researched and documented the molecular testing medical policies for all top payers of NCFDNA. Cheat sheets were created for billing and collections staff and the billing system QA rules were updated to capture payer specific requirements. The knowledge management system was updated to support all employees attached to the NCFDNA account and monthly discussion sessions were setup to review changes in payer policies.

Compliant CPT code set

HealthRecon with the help of their certified coders undertook a full coding audit of all test panels performed by NCFDNA. A compliant code set was determined, taking the laboratory's clinical protocols and payer policies into consideration. The code set was customized based on payer requirements around unbundled or bundled coding, use of modifiers, maximum unit edits etc. to drive maximum reimbursements.

Lab specific HRC Analytics

HealthRecon customized and implemented their proprietary HRC analytics platform based on NCFDNA's business model. The lab specific analysis platform provided the laboratory with the much needed visibility into denials, revenue and profitability by - payer, test panel, CPT, top referral sources, revenue forecasting, sales performance by distributor groups and sales rep etc.



OUTCOMES

Revenue increased by 14.93%

Denials reduced from 12.89% to 3.34%

Payments cycle improved by 32.6%



HealthRecon Connect

What do we do?

We offer end to end revenue cycle management services and cloud based analytics to healthcare Providers. Our outcome based services model enables Providers increase focus on Patients, drive more revenue, reduce costs & regain the peace of mind they deserve.

Our Services & Solutions

End to End RCM Services

- Credentialing
- Eligibility & preauthorizations
- Coding
- Charge entry & submission
- Rejects management
- Payment & denial posting
- Denial analysis & management
- Secondary/tertiary billing
- Insurance collections & Appeals
- Patient billing
- Patient customer Service calls
- 15+ Value Added Services

HRC Analytics

- Cloud based & HIPAA Compliant
- Fully Integrated – Real time
- Fully customizable
- Multiple levels – Sales rep, staff, Lab, Referring Provider etc.
- iPhone and iPad ready
- Many filters – Payer, CPT etc.
- Export in one click to excel, PDF etc.

Why HealthRecon Connect?

Expertise

Executives with 20+ years in labs
 Pharmacogenetics | Cancer Genetics | Blood | Toxicology |
 Allergy | RPP| Infectious disease
 In-network/Out of network/Hospital outreach expertise
 Many referenceable clients

Concierge Service Model

Dedicated operations team
 Custom reporting
 Weekly consultation calls
 Outcome based pricing model

Processes / Technology

Processes aligned to payer specific challenges
 Customized work flow applications
 Experience in all top tier Lab Info Systems
 LIS & HIS/PMS Integration capabilities

Results

Industry leading performance outcomes
 Stringent SLA driven with clear transparency
 8.33 - 13.67% increase in client revenue

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