

# HealthRecon improves diagnostic laboratory efficiency by 80%

The increased focus on precision medicine, growing demand for more in-office phlebotomist services and patient-centric care models is resulting in redefining the landscape of the industry for service providers. The environment actively promotes opportunities for providers to increase their focus and offering of lab services that drive more revenue and patient care. However, the ongoing industry consolidation where hospitals and physicians are expected to align more closely due to more physicians being employed by hospitals and health systems is expected to have varying implications on different segments of the industry. The shift to 'bundled payments' - a combined payment covering the hospital stay, all procedures, lab tests and physicians' services is expected to reshape the traditional laboratory – referring provider relationships and drive diagnostics services away from national laboratories towards hospital based outreach programs. Further challenges are introduced by regulatory changes such as CMS's Protecting Access to Medicare Act (PAMA) implementation. Reimbursements on lab services will undergo significant reductions effective 2017 with 75% of tests set to undergo price reductions - 58% set to undergo phased-in cuts due to annual reduction caps and automated tests set to take on the highest hit with many high-volume tests undergoing substantial rate reductions.

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These changes and trends are expected to create both opportunities and challenges for the industry – forcing providers to relook at their traditional delivery models amidst fierce competition and continued industry disruption. Laboratories are forced to drive down their cost to collect while increasing focus on driving competitive advantage via improved relationships with patients and referral sources, investing in more R&D in pursuit of excellence in precision medicine, shifting focus of internal teams towards processes that drive strategic value for patient and other stakeholders in the value chain etc. As a result, providers are compelled to relook at their traditional revenue cycle management (RCM) processes and ensure that they could withstand the volatility of the industry via lowered cost to collections, reduced days in AR, maximized reimbursements from payers, use of agile teams that could adjust to the demands of the business swiftly etc.



## The Client

Headquartered in Lewisville - Texas, MedFusion, is an integrated Roche molecular center of excellence, full-service laboratory and clinical trial service organization focused on patient and responsible precision medicine. The laboratory is contracted to support labs from Baylor Scott and White in a partnership that included McKesson.

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## Challenges

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

### **Unresolved credit balances spanning over three and a half years**

MedFusion had unresolved insurance and patient balances spanning over three and a half years. The billing and collections team was challenged with internal resources having to be focused on other high priority revenue cycle management (RCM) processes such as new claims billing, cash posting, managing payer correspondences etc. The unresolved credit balances were resulting in payer recoupments, patient complaints, inflated revenue forecasts, incorrect aging etc.

### **Unbilled claims at billing stage over 9.24%**

The laboratory's resource challenges had resulted in their unbilled claims due to unresolved system and clearinghouse rejections increasing to over 9.24% of their typical monthly test volume. The internal billing team was challenged due to a lack of understanding in the root causes that was resulting in the unbilled claims and did not have the necessary resources to clear out the backlog and bring the numbers under control. These challenges were resulting in increased days in AR, claims missing timely filing, delayed revenue, lost sales reps etc.

### **Claims billed with no payer responses over 16.67%**

MedFusion's reimbursement issues were further amplified due to a high number of billed claims with no responses from payers. Claims were either not received by payers due to incorrect billing related issues, payer stall tactics, system configuration issues etc. The inability to drive timely follow-up on these claims within 14 – 21 days from billing to understand and resolve root causes was resulting in additional issues around cashflow management, increased cost of collections, patient complaints due to delayed filing of claims etc.

## Solutions implemented

### **Staffing compliment – augmented team**

HealthRecon was tasked with augmenting MedFusion's billing department with a lab specialized team to meet their short-term and ongoing resource constraints. 3 dedicated teams were assigned to clearing out backlogs in the credit balance resolution, unbilled claims and submitted claims with no payer response processes. HealthRecon initially added a team of over 30 full time employees to expedite clearing of the backlogs. Following resolution of the backlogs, MedFusion continued to retain HealthRecon's augmented team to assist with ongoing management of the three processes and other similar processes.

### **Dedicated project management**

HealthRecon assigned dedicated project managers to each of the processes that helped manage each project with efficiency, improve visibility of performance vs. KPIs, drive timely and efficient communication with all stakeholders and manage outcomes vs. client expectations. The dedicated project managers continued to provide daily and weekly progress updates, supported weekly performance review calls with client that enabled MedFusion's internal team increase focus on other top priorities focused on driving business growth and satisfaction of MedFusion's patients, referring providers and sales reps.

### **Root cause identification and corrective action supported by HRC Analytics**

HealthRecon utilized their expertise in the lab space to implement lab-specific analytics for MedFusion, customized based on the laboratory's business model and the unique challenges they were looking to overcome. The real-time analytics meant that MedFusion's management could continue to monitor progress and trends of their KPIs with the ease of a few clicks – saving much needed resources that were diverted to reinforcing the positive trends using an 80/20 approach.

## OUTCOMES

**Outstanding credit balances reduced by 90.56% within 90 days**

**Unbilled claims at billing stage reduced by 82.47% within 60 days**

**Submitted claims with no payer responses reduced by 83.04% within 60 days**



# 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 | 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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