

# LAByrinth

## Interesting Items and Items of Interest in Laboratory Industry News and Revenue Cycle Management



This issue of LAByrinth talks about maximizing laboratory revenue, simplifying integrations, insurance discovery, the 21st Century Cures Act, and Staffing.

### How Laboratories can Maximize Revenue and Improve Profits by Ensuring Clean Claims at the Time of Order

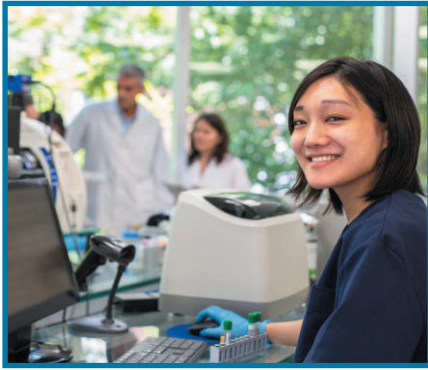
Claim denials are a predictable, even frequent, component of the revenue cycle management process.

Depending on the source, claim denial rates range from roughly 5% to as high as 18% causing lost revenue and increased administrative cost and burden. According to an Advisory Board study, roughly 90% of claim denials are preventable, with the biggest cause of denials - missing and erroneous information – within our grasp to solve.

According to the CAQH Index, more than 60% of claims are initially denied due to (1) incomplete and erroneous paper orders, (2) unreadable faxed orders, (3) missing or incorrect insurance information or demographics, and (4) inappropriate diagnosis codes. All of these involve some element of human error.

And, each one of these denial-and-appeal cycles costs \$20 - \$40 to correct and collect, resulting in an estimated \$80 billion in avoidable administrative cost.

With millions of lab tests ordered at drive-up locations, schools, and businesses, the need for



real-time/at-the-time-of-order interoperability solutions has never been greater. And that's why a HIPAA-compliant healthcare automation platform designed to access and transfer patient information in real-time, safely and securely no matter where it resides, isn't a luxury...it's a necessity.

As an example, clinicians should be able to access their EHRs and automatically connect discrete data fields in their patients' charts to the corresponding fields in a lab order form or ordering portal. This real-time connection across multiple disparate applications promotes automating typically rote tasks such as lab orders, results,

PDMP checks, insurance verifications, and prior authorizations.

More importantly, by automating the exchange of data at the time of order, critical demographics and billing information can be transferred and included **before services are rendered** and the claim is submitted for payment.

As such, instead of waiting three to six months for a new clinic to come online through a traditional back-end integration, lab orders can be submitted electronically on Day 1.

There's more: with a single click, all of the patient's demographics, diagnosis, and insurance data should be automatically pre-populated on the electronic order form (or in a lab's ordering portal). The provider would simply select the appropriate test(s) or panel(s), answer the "ask at order entry" questions, and click "submit," reducing the time it traditionally takes to place an order from minutes to seconds!

There's more: the submitted order now has insurance information in the chart verified and if inaccurate, outdated, or incomplete, auto-updates it **during the submission process!**

And more: if a **prior authorization** is needed the system should be able to match the CPT, ICD-10, and patient benefits data, automatically kicking off a prior-authorization request. Again, all of this is happening **before the order is received at the lab.**

This type of digital transacting and interoperability, intelligently without human intervention, isn't imaginary. It's available today and will provide virtually immediate results to bottom lines, efficiency, and workflow. Contributed by: Gregory A. Stein, CEO, Shadowbox. See [www.shadowbox.com](http://www.shadowbox.com), email [info@shadowbox.com](mailto:info@shadowbox.com), or call **323-596-0999** for more information on ho

## Realizing Revenue, COVID-ly or Not

While no one wanted it to happen but **COVID has resurged** creating a boon for laboratory testing. And now with testing resurging, laboratories need to **ensure they're billing correctly for COVID testing**, and really, **all** testing. You don't have time to deal with denials and sub-par reimbursements.

So, capturing maximized claims revenue cleanly on **first submission** is so important, especially since COVID testing will probably again begin to diminish over time. That's why your other testing has to be spot-on for producing revenue if COVID testing slows down again.

MedicsRCM is ideal for **clinical, pathology, genetics, molecular**, and **esoteric** laboratories, and is proficient at claims for **COVID testing** as well.

With our success at increasing clients' revenue by 10% - 20%, **we guarantee to increase yours** in ninety days.





## Uninsured Patients? Maybe.

Laboratories are **especially prone to performing tests on uninsured patients** because they're often not face-to-face encounters or tests.

How dramatically would your laboratory's revenue skyrocket if it turned out **30%** of those "uninsured" patients are really insured, and that claims can be submitted to those payers? It would be dramatic.

**Insurance Discovery** is an option offered by MedicsRCM, and ours has a remarkable **30% accuracy rate** on finding insurance for "uninsured" patients. It also works to **fill-in the blanks** when only **partial** insurance information is available. An added benefit is how the option can **update old Medicare account numbers** to the newer, non-Social Security account number format.



The MedicsRCM Insurance Discovery option **produces results on-the-fly** without having to wait days or hours, let alone the time it takes to contact patients individually about possible coverage.

- **BTW:** Certainly you'll have patients who **really are uninsured**, but if you've **tested them for COVID**, you'll **still be reimbursed** through the HRSA portal (and MedicsRCM's connectivity to it). So, at a time when **COVID testing is at an all-time high**, you'll want to ensure being **reimbursed for every test** whether patients have insurance or not. MedicsRCM helps facilitate that.

## Integrations Simplified

The increasing demands for testing created by COVID-19 are stretching laboratories to the limit.

Laboratories must understand and implement looming federal mandates; they have to pivot and support them. And although laboratories have certainly felt the strain, it's been remarkable to see the level of innovation that's emerged to help meet the demand.

The results of COVID-19 have been unquestionably heartbreaking. At the same time, this heartbreak has highlighted long-standing deficiencies in the laboratory and healthcare industries. Some of our processes were already broken, and COVID-19 has produced the urgency to implement solutions.

These unusual circumstances in needing to communicate a new deluge of test results efficiently and securely have proved that our industry could — must — do better than did in our pre-COVID world. While there's talk of taking tourist trips to Mars, perhaps our industry has finally outgrown paper requisitions and fax machines.

Interfaces are a crucial element in laboratory advancements. Yet, the same pain points described by almost every laboratory professional are (1) integrations are expensive, and (2) they take too long to complete.



Both are true.

Interfaces are often complex, complicated, and expensive. Many variables must be considered that will impact the time needed for development and, consequently, the cost. Will look-up or conversion tables be required? Will the data be traveling bi-directionally? Will there be data transformations? Multiple destinations?

Despite the variables that may exist, laboratories essentially need the same things:

- a secure and reliable way to connect their systems
- an ability to create and send orders
- a way to deliver results to patients and providers

It's not unusual to see that laboratories often have cobbled together outdated and "clunky" systems to try to accomplish those three seemingly simple things: connections, orders, and results. With the increased demand placed on them by COVID testing, those "mashed up" systems are straining under a dramatic increase in volume.

There is good news since many in the industry have responded to the demands of COVID-19 with innovation.

One is a ready-made, adaptable platform that dramatically shortens the data delivery time in creating orders for COVID tests by delivering results to a secure, white-labeled patient portal in one day. And, it's doable at a cost of only **ten cents** per delivery with no other fees!



Although there are fundamental similarities in what laboratories need, it's also understood that each laboratory is unique. All too often, when laboratories make requests to their counterparts in healthcare IT, they are met with rigidity.

For example, a laboratory may need to customize its portal or change things to serve its patients or providers best. The vendor should see those requests as opportunities to strengthen their services. In other words, customization requests should be a vendor's driving force for innovation, not as a "pain in the neck" nuisance.

One way of responding to COVID's demands is to embrace readily available technology for delivering data and shed relying on a deceptive sense of security simply because it's familiar but inefficient.

If you find integrations take too long and are too expensive, all with COVID creating its crush on laboratories, there are solutions and platforms to overcome that! Contributed by Aaron McNutt, Healthcare Integrations, [aaron.mcnutt@healthcareintegrations.com](mailto:aaron.mcnutt@healthcareintegrations.com), [www.healthcareintegrations.com](http://www.healthcareintegrations.com), 816-323-0213.

## New Medicare Clinical Consult Billing Code

Starting January 1, 2022, pathologists will have a new set of CPT® codes for reporting clinical consulting pathology services. CPT codes 80500 and 80502 had been discontinued. New codes 80503, 80504, 80505, and 80506 were published in CPT's 2022 code set update for pathologists to use to report for their pathology and clinical consultation services to both Medicare and non-Medicare payers. Guidelines were also created to select and document the appropriate level of service.

New CPT coding should improve the physician service reporting and billing process for pathologists because the instructions now have a "time" or "medical decision-making" basis for code selection. It provides for a degree of complexity and/or time of service, broken down by 20-minute increments each for codes 80503, 80504, and 80505, along with add-on code 80506 reflecting an additional 15 to 30 minutes above that spent on CPT 80505.

MedicsRCM is completely familiar with these and all coding updates and nuances. Click ***here*** for more information.

## 21<sup>ST</sup> Century Cures Act and Laboratories

The 21st Century Cures Act (CA) mandates that a patient's lab results and really, all of a patient's medical records be available on-demand to the patient via an app on his or her iOS or Android device.



The information sharing concept began in 1996 as part of HIPAA which gave rise to the CA becoming a law in 2016. A provision of the CA took effect in April 2021 stating that providers may not block or delay patients' access to any "eligible information" which includes test or study results entered or stored in the patients' electronic health records...that providers must make a core set of clinical data available to patients in a timely fashion as a way to encourage interoperability and portability of health data. By December 2022, the government wants lab and electronic health records (EHR) vendors to have their apps standardized to accommodate a provider's ability to make the CA a reality.

Your laboratory must be able to interoperate on making test results available to patients through their providers' EHRs, and perhaps directly to your patients through your own portal. Someone on your staff should know how CA will specifically impact your laboratory.

### Laboratory Staffing and Technology: a Challenging and Costly Struggle

Staffing is one of the costliest areas for any laboratory, considering identifying candidates, recruiting, interviewing, hiring, salaries, benefits, raises, vacations, sick/personal days, scheduling, and unavoidable HR issues. The pandemic certainly hasn't helped.

MedicsRCM can help with its team of 300 billing, claims, EDI, analytics, and workflow professionals who know laboratories, and who are ready to alleviate all of the issues noted above.

As for technology, we use MedicsPremier from ADS. Its included as part of our service. So if you're paying support or a monthly hosting fee, they're eliminated with MedicsRCM.

**Next up: the LAByrinth Spring edition, and seeing you in New Orleans in April at the Executive War College conference.**

**Enjoy the winter and stay warm and safe!**

**Advanced Technology. Simple Solutions.™**



**Advanced Data Systems Corporation™**

*Innovation and Excellence in Healthcare Systems Since 1977*

(800)899-4237 ext. 2264 • [info@adsc.com](mailto:info@adsc.com) • [www.adsc.com](http://www.adsc.com)