LAByrinth

Helping Laboratories Work through a Maze of Minefields and Minutiae

Laboratories continue to be healthcare industry rock stars with the pandemic proliferating, and testing at an all-time high. But COVID-19 can't derail other tests needed by patients. This edition of LAByrinth speaks to that and other items of importance to laboratories, including perhaps the most important: getting paid.

NCCI Edits: Laboratories Excluded, Not

The National Correct Coding Initiative (NCCI) requires bundling component procedures or services into their more major procedure or service such that one overall claim is generated. If component services are submitted as separate claims, they'll be denied.

You no doubt already know that NCCI editing applies to laboratory testing and services as well.

The problem is, there are over one million possible combinations of NCCI edits. How could anyone know which tests, services, and procedures must be bundled into larger ones?

You can't. The reality is you'll spend inordinate amounts of time working denied claims which could've been avoided in the first place with an intelligent, instantaneous NCCI solution.

(ADS's MedicsPremier system for laboratories has an NCCI editor option ensuring your laboratory claims are bundled correctly when needed and are submitted cleanly. The system maintains a nearly 100% success rate on first attempt laboratory clearing house claims. MedicsRCM from Advanced Data Systems RCM does the same for its RCM clients.)

Opening a Lab during a Pandemic: Overcoming the Financial Hurdles

COVID-19 has produced fertile ground for hundreds of labs that are opening, hoping to ride the testing wave. But fertile ground in and of itself doesn't necessarily produce a successful crop. It requires thought, attention, and TLC for the planting to be fruitful.

The following is a list of common mistakes I have personally seen over the past few months regarding labs opening for coronavirus testing:

1. **Little or even no experience in the laboratory business:** Opening a new lab from scratch is difficult enough for a seasoned laboratory professional, let alone someone who's a relative novice. It's strongly suggested to engage a lab consultant who specializes in startup labs.

2. **Little or even no experience in laboratory billing:** Processing billing in-house with little or no experience presents an almost guaranteed way to go out of business within a few months. The right RCM company or in-house system for other medical specialties are wrong if the RCM company doesn't have lab billing experience, or if the system can't handle lab billing.

3. **Undercapitalization:** Even if the new lab owners have commitments of hundreds of samples per day, revenue can't be generated for typically 60 days from the laboratory receiving its license.

4. **Improper or no credentialing:** Poor, or no credentialing is one of the biggest mistakes made by any medical entity, including labs. Lack of credentialing will definitely result in claims being denied which causes no revenue until the claims can be rebilled. And if it's because of credentialing, it could takes one time. So, work with a vendor who has credentialing options!

5. **Paperwork:** Labs are needed now like never before. For that reason, you'd think insurance companies would make it a little easy for startup labs, but they don't. Just make sure to dot all of the "i's" and cross all of the "t's" on credentialing and EDI paperwork. Even better, your vendor or consultant should be able to help take the paperwork off your shoulders.

6. **A Single Sample Source:** Labs that open their doors to service one large account can easily go out of business if that account starts to use another lab. For that reason, you must always operate under the "samples here today/gone tomorrow" premise, and have as many sample sources as possible, just in case one disappears.

7. **To Cloud or not to Cloud:** That is the question you'll need to figure out before implementing your billing/ financial/reporting system. Do you want to have your own server(s) which need maintenance, malware protection and backups, or operate from a remotely hosted cloud system? Your software vendor should accommodate either format, and ideally, be flexible enough to switch later if you decide to go the other way. Another approach is RCM: the vendor may have an RCM solution as well if revenue cycle management services are preferred.

Following these suggestions will help ensure opening your new lab for COVID-19 will be successful.

Jim O'Neill
Director, Laboratory Sales
Advanced Data Systems Corp.

Laboratory Analysis: a Consultant's Expertise

Laboratories analyze everything. It's why they're in business.

But what about analyzing the laboratory? Processes currently in place that should be reviewed? Workflows? Time and resource usage? Revenue and financials?

Ironically, while laboratories spend their days analyzing, they themselves often don't see the need for analysis.

Laboratories of every type and size would do well to engage with a consulting firm for an outside perspective on how things are going. A "fresh eye" with no preconceived notions can do any laboratory a world of good in so many ways. Of course, it can't be just any consulting organization. It has to be one with expertise in laboratories, and even more, with your laboratory's particular specialty whether its genetic, molecular, clinical, pathology, or esoteric.

You'll want to ensure the consulting firm can strategize and direct you to best in class tools to enhance existing procedures and systems. That they'll provide a full assessment, perhaps using a point system, and which will provide a "report card" on its findings to whomever you designate. Generally, that would be the laboratory's owner and possibly the executive team if so directed.

Consulting firms should base their fees only on the project's time, which they should be able to estimate in advance.

Areas of interest for them (and you) would no doubt include:

- compliance and licensing

- patient-related areas such as eligibility, deductibles, the ability for patients to pay, collections, CPOE, etc.

- supply chain, expenses, service quality

- testing, methodology, and equipment

- reporting / TAT / delivery methods

- sales and marketing and general staffing

- billing, auditing, collections, A/R and A/R reconciliations, insurance recovery

Deciding on a consulting firm involves a number of factors. Obviously, their level of expertise would be considered off-the-bat. Review their website, determine their number of years in consulting, look for testimonials, and get a feel for their culture. You'll want a team that sets a comfort level for you since you're going to open up to them in so many ways.

Along those lines, you'll want confidentiality and non-disclosure agreements which they should readily offer.

Make sure you know their proposed scope of work in advance, and obtain their fees. Often, the consultant will end up interacting with almost everyone at the laboratory, so chemistry (no pun intended) is crucial. You know your staff and you know the consultant, so you'd need to determine how interactions will go.

Another interesting point is to determine their accessibility. Are they basically 9:00 a.m. to 5:00 p.m., Monday to Friday, or do they have expanded contact hours, perhaps up to 24 x 7? Laboratories operate at all hours, and if something arises for which the consultant should be made immediately aware, is that possible?

A consulting firm should be able to open eyes; the laboratory should be open to that.

Contributed by Roger Newberry/Legend Consulting Group

ADS Presents on Dark Daily

You no doubt know that Dark Daily Report (DDR) is a leading media/information outlet for laboratories, and that DDR also produces and hosts the annual Executive War College (EWC) conference for laboratory owners and executives.

ADS participates with DDR in a number of ways, and by attending the EWC.

Our most recent DDR collaboration comes in the form of a presentation on "COVID-19 Billing for Laboratories: Best Practices & Pitfalls to Avoid" by Jim O'Neill, ADS Director of Laboratory Business Development.

The approximately 20 minute webinar was attended by close to 1,000 DDR opted-in readers and subscribers when it was presented live on 11/18/20. The recorded version can be seen on-demand by clicking *here*.

Laboratory Services: Being Paid for COVID-19, and all Testing

Laboratories have always been "front and center" healthcare delivery assets. Today, their value and reliance on them have increased exponentially with COVID-19 testing.

Coronavirus testing has definitely impacted laboratories, in some cases, almost to the breaking point. For that reason, having high-end, intelligent technology in every possible automated segment - such as the laboratory's testing equipment, its LIS, and its financial/revenue cycle/operations software - is more critical now than ever. That's especially true with COVID-19's impact on testing volume.

But every test, regardless of whether it's genetic, molecular, clinical, or pathology-related, is essential to the patient who needs the test, the ordering physician, and the laboratory providing the test and its results.

So, for a laboratory to operate like a well-oiled machine, it's inarguable that "self-thinking" and hands-off automation are needed for maximized production, efficiency, and revenue. And since no business, including laboratories, can operate without being paid, let's focus on that.

The laboratory's financial system, which may be implemented locally on their own server or on the vendor's cloud, or its revenue cycle management (RCM) service, should support a nearly 100% success rate on first attempt clearinghouse laboratory claims of any kind, including for COVID-19. The laboratory would be pretty much assured their claims will go through the first time they're submitted.

That type of success rate is bolstered when claims are submitted at their highest possible value without over-coding, and when proactive denial alerts are generated, helping to avoid denials in the first place. The system or RCM company should support assurance on maximized claims and proactive denial alerts.

That "trifecta" scenario on claims presents three significant financial advantages for the laboratory:

- claims are being submitted with an almost 100% first-time acceptance rate, and

- they're coded for maximum value, and

- their likelihood of being denied is dramatically reduced

A fourth feature is actually needed in the form of NCCI edits.

NCCI-friendly laboratory claims can't be overlooked, but with well over one million editing possibilities, laboratory staff can't possibly manage it. The laboratory's financial system or RCM company should be on top of NCCI, ensuring subordinate claims (tests) as part of larger, more inclusive claims (tests) are bundled together into one claim for a clean submission.

Secondary claims submitted individually will almost assuredly be denied.

Regarding any post-submission denials, the system or RCM company should support an on-the-fly denial manager for editing and resubmitting, quickly turning denials into revenue. A powerful denial manager adjunct for the laboratory is a built-in, real-time ability to track submitted claims to ensure they're being processed by their payers.

However, discussing claims first is incorrect since several automation steps should have happened before any claims are submitted.

Here, we're referring to in- and out-of-network pre-test eligibility verifications, connectivity to automated prior authorizations and credentialing options, and access to a patient responsibility estimator empowering the laboratory to alert patients in advance as to what they'll owe for their laboratory tests. Verifications and prior authorizations actually work to protect laboratory revenue before tests are performed. And the estimator provides a powerful feature for obtaining patient balances after insurance, as well as any copayments.

A few added, although no less essential thoughts are these:

- the laboratory's system or RCM company must have connectivity to CMS's HRSA portal to ensure the laboratory is reimbursed when COVID-19 testing is provided to uninsured patients

- patients should be able to make secure online payments through a portal and use the portal for any other number of self-service actions and capabilities

Recap: when the laboratory operates with intelligent automation, and it can protect itself financially in advance of providing tests when claims can be submitted as close to perfection as possible, and when patients are empowered to pay their portions of their claims, that's when the laboratory will thrive financially and succeed.

Submitted by Wendy Wu, QDx Pathology Services, www.qdxpath.com, 866-909-PATH (7284).

COVID-19 and Uninsured Patients

The HRSA portal was created to ensure that healthcare personnel and facilities are reimbursed when coronavirus treatment and testing are provided to uninsured patients.

ADS's MedicsPremier system, and MedicsRCM from ADSRCM support HRSA portal connectivity ensuring clients obtain reimbursement for coronavirus-related treatment and tests when patients are uninsured.
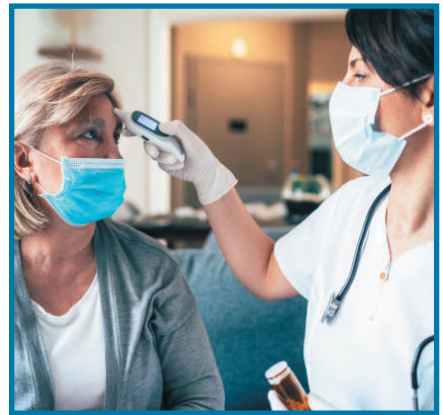
Florida's Bureau of Public Health Laboratories Selects MedicsPremier from Advanced Data Systems for Comprehensive Billing, Financial, and Data Analytics Requirements

November 19, 2020 – Paramus NJ – The Florida Department of Health's Bureau of Public Health Laboratories has selected the MedicsPremier system from Advanced Data Systems Corp. (ADS) to handle the Bureau's extensive billing, financial, and reporting requirements. The Bureau will deploy MedicsPremier on their servers in Jacksonville.

Click *here* for the full press release.

We look forward to seeing you in 2021 at all of the laboratory conferences in which we've always participated and supported. Hopefully they'll be live, not virtual. You're always welcome to visit our Library Learning Center by clicking *here*.

To laboratorians everywhere: wishing you a safe and happy holiday season!

From ADS (*MedicsPremier* for Laboratories) and ADSRCM (*MedicsRCM* for Laboratories).

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