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## VALUE IN THE LAB: 3 WAYS TO IMPROVE QUALITY, OPTIMIZE ORDERS AND INCREASE REVENUE

AN INDUSTRY BRIEF BY:

4MEDICA, INC.

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## About 4medica

4medica's cloud-based interoperability and clinical interfacing solutions provide real-time access to patient centric, clinically integrated data from multiple care-setting sources. Our lab, pathology, radiology and hospital ADT connectivity platform is fully integrated within the 4medica web-based provider portal, and well known for its sophisticated test ordering and reporting capabilities.

Our advanced Clinical Data Exchange (ClinXdata) clearinghouse platform helps commercial labs, specialty labs, hospitals, outpatient facilities, and physicians clinically integrate to reduce costs, eliminate data entry errors, and improve care coordination at the point of decision. Additionally, the 4medica Big Data MPI facilitates patient identity management at scale for organizations with millions of identities and millions of daily transactions.

Today, 4medica connects hundreds of organizations including ACOS, HIEs, hospitals, health systems, physicians, laboratories, and radiology imaging centers. Learn more at [www.4medica.com](http://www.4medica.com).

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## BECOMING A HIGH PERFORMANCE LAB

It is an exciting, and daunting, time for labs. Breakthroughs in medical testing techniques enable diagnoses of unprecedented precision—revitalizing the lab's mission and purpose. Yet in a parallel development, labs have become highly competitive, both with each other and new consumer “point of care” tests. Meanwhile, insurers continue to whittle away at reimbursement. In short, labs must also innovate how they operate. This brief highlights emerging uses of automation, innovative patient matching technology and revenue cycle management services to implement next generation efficiency in orders management. In turn, labs can ramp up financial performance—and bring new value to providers, payers and patients.

## FINANCIAL CLEARANCE

Processing orders requires substantial administrative work, not least of which is confirming that a patient or insurance company will actually pay for the order. Verifying this can routinely take 30 minutes or longer, creating a persistent backlog of orders. Taking a cue from hospitals that increasingly automate revenue cycle technology, labs can apply automation to the following processes.

**Obtaining pre-authorization of services.** Lack of pre-authorization is one of the leading causes of lost revenue for labs, especially when insurance authorizations are now required for many specialty and esoteric tests. Yet manually obtaining these authorizations is time consuming and labor intensive, which chips away at the bottom line.

In response, labs can take a page from what many hospitals do, which is to automate the process of requesting and confirming authorization for services. This enables providers to process large volumes of authorization queries at a fraction of the time—and cost—it would take to do so manually. This is typically done by integrating the automation tool in a closely related workflow, such as during patient registration. Labs can automate authorization requests from the system processing the order, at a new speed and scale.

**Confirming patient eligibility.** In addition to requesting authorization of tests and other orders, automated revenue cycle management tools can inquire with payers if a patient is eligible for a test or other lab service, directly from the system processing the order. Manually, this can become a prolonged transaction while staffers follow up with insurance companies to confirm a patient's coverage includes the test or procedure being ordered.

**Determining patient's out-of-pocket cost.** In this era of high deductibles and high co-pays, patients are increasingly required to pay more for services. Yet labs are not accustomed to collecting co-pays and verifying that deductibles have been met. This makes for a whole new business challenge for labs and their outreach clients.

Again, rather than assign additional staff to this task, labs can make use of price transparency tools that determine a patient's true portion of the cost based on real-time levels of insurance coverage. This will enable the lab to collect co-pays from patients ahead of time instead of after testing is completed and billed to the insurance company.

## ACCURATE PATIENT MATCHING

When processing an order, nothing is more important than assuring it is the right order for the right patient. Coming in at a very close second is making sure the right test result goes back to the right patient. Both need to be taken care of on the front end of orders management or else labs can quickly find themselves enmeshed in a clinical *and* financial issue.

However, when confronted with multiple records of patients with the same name, front end staffers often make the wrong judgement call. They simply create a new record, which adds yet another duplicate in the system.

Having a master patient index solution is an ideal way to combat this common problem. It solves the immediate need to accurately match patients with the right orders, while setting the stage for future capabilities such as having a more longitudinal health record for the patient where labs can spot if similar or same tests have previously been ordered.

## CLEAN ORDERS

With insurers only doubling down on medical necessity requirements, labs can significantly improve revenue by assuring clinically complete orders. When diagnosis codes don't match CPT codes, this delays orders—or if the order is actually submitted, results in a denied claim.

Automated technology can “scrub” orders that come from the practice's EMR before being forwarded to the lab information system. This essentially flags and corrects errors before they become a downstream issue that requires more time and cost to fix. Putting the right codes into the order for the right services covers both medical necessity, and further reduces the chance for denials.

## CONCLUSION

Despite the many new dynamics at play in healthcare, our reliance on labs to accurately diagnose (and in time to make a difference) remains constant. By innovating outdated, manual orders management, labs increase even more the already priceless value they bring to the American health system.

## GET A COMPLIMENTARY PERFORMANCE SCORECARD

Find out how your own lab's performance compares to the ideal. Get one of 4medica's legendary (and free!) "performance scorecards" that assess your current processes to see where the gaps are—and how much revenue you can recoup by closing them. Request your own free scorecard today.

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