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## Revenue Cycle Priorities

Labs that focus on data integration and management are better prepared to thrive under a value-driven health model

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The healthcare industry's transition toward patient-centered care and value-based payment drives innovation in care models and reimbursement methodologies that align stakeholder incentives and foster greater accountability to improve quality and cost outcomes. Value-driven organizations walk a strategic tight rope to provide care at the lowest cost and highest quality in order to optimize revenue. Below are key areas where progressive labs focus to help manage and respond effectively to healthcare reform initiatives.

### Information

As reimbursement shifts to value-based models, information becomes central to evaluating costs, performance, quality, and patient or population outcomes. Lab diagnostics play a significant role. Diagnostics intersect the cost-to-value quotient, influencing 70% of treatment and therapy decisions. Healthcare providers of all types see an unprecedented need for detailed, actionable information derived from integrated clinical and financial data across multiple systems and organizations to improve performance and maximize the effectiveness of regulatory, business and patient care decisions. Labs that focus on data integration and management are better prepared to thrive under a value-driven health model.

### Ongoing Performance Measurement

In the current climate of accountability, labs need to strategically manage their revenue cycle using information that identifies workflow trends and processing bottlenecks, while also producing a variety of on-demand fiscal and operating reports. To maximize net revenue, labs must closely monitor business performance and track key metrics to improve decision-making, enhance contracting and account management, and quickly identify problem areas in time to take corrective measures. Performance management tools require strong query, analysis, and reporting capabilities in addition to dashboards and scoreboards.

### Business Intelligence

Business intelligence and analytics are critical for demonstrating value and having actionable information to identify specific areas to improve quality at lower cost, capitalize on efficiencies, and support the best business decisions. True business

intelligence aggregates clinical and financial data from multiple sources and systems to create reliable and timely business performance analytics. As healthcare reform initiatives and coordinated care models gain momentum, access to timely business intelligence will be essential for demonstrating outcomes and appropriateness of care to patients and third-party payors in order to secure reimbursement. Labs that understand their business and are able to provide merged clinical and financial outcomes data gain a competitive advantage in pricing, reimbursement, and contract negotiations.

### **Optimized Billing and Accounts Receivable**

Revenue cycle management gives way to revenue performance management (RPM) in a value-based model. RPM requires a new systems framework that incorporates a "holistic" view of laboratory billing, including workflow design and automation, deep integration with third party technologies, and instant access to rules-based functionality to reduce front-end errors and ensure clean claims. Due to rapidly evolving standards and payor rules, systems must be agile and information updated in real time at the point of entry to ensure consistency and compliance while supporting data requirements of other systems and delivery models.

RPM capabilities optimally share a systems platform with other disciplines and departments in the care continuum to allow real time payor edits, eligibility checking, up-front collections and copays, and error processing by all parties requiring the information, such as the physician's office. Adopting RPM technology that facilitates the extension of such real time bi-directional billing logic through web services, to the point at which it is needed and most effective, results in cleaner claims, a reduction of third party denials, and increased revenue.



### **Interoperability**

The optimization of healthcare economics is contingent upon intelligent information sharing. Labs are investing to upgrade financial and aging revenue cycle management systems to improve interoperability in support of new data demands and to facilitate electronic communication, information exchange, and services with external systems. Interoperability allows organizations to share the same data sources and operate in real time, while utilizing their own systems and processes to integrate needed information and quickly respond to new requirements. Value-based payment models cannot be successful without the system connectivity and interoperability of RPM systems.

Additionally, patients and other authorized users increasingly require 24/7 access to real time data contained within the RPM system regarding their healthcare tests and costs. These capabilities increase efficiency and patient satisfaction and require that some areas of the RPM system be available outside the Lab's billing department.

### **Patient Portals and Mobile Applications**

A growing strategy in support of healthcare reform is patient engagement and participation in their own care. Patients are now managing many aspects of their healthcare and financial activities as an extension of the care process, requiring access to information contained within laboratory billing and information systems. Optimized revenue performance management systems provide patient portals so that labs can offer online and mobile access to important data and related system capabilities in a patient-friendly format. Patients are increasingly looking to perform a variety of tasks such as making appointments, obtaining lab results, scheduling an appointment, or paying a bill online. Portals and mobile apps can also be used to deliver information to other targeted users, such as physicians or patient service centers, to check patient eligibility, access lab test and pricing information, and provide claims management and payment services.

New types of information, systems, applications, and processes are central to payment reform. Having robust revenue performance management system capabilities and a progressive technology vendor partner are not only essential for a successful value-based Lab transition, but increasingly important for consumer-driven healthcare.

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