

# The impact of connectivity on a lab's bottom line

By Marci Dop and Philippe Flamant

**A**mong the lessons learned throughout the past transformative year in healthcare, a crucial one is that laboratories must get out of manual processes and go digital. Timelines for claim submittals have been cut by 75 percent in many cases, and payers now require more documentation as a standard condition for reimbursement. In addition, reporting requirements to health agencies about COVID-19 testing have expanded and become a fluid target.

Labs that started 2020 with paper processes likely saw bottlenecks prior to the onset of the pandemic. But they felt the true pinch of those paper-induced bottlenecks as the pandemic progressed and their workload increased.

Labs fall into three main levels in terms of their level of electronic connectivity. If labs still have 50 percent of their orders coming in on paper, they are level one. Once they get past the 50 percent barrier, with about 50-75 percent of their orders and processes coming in electronically, they usually will have a patient portal that supports their outreach program. This is level two.

The goal is to see laboratories get to the third level, or top tier. Labs with top-tier connectivity are beyond 75 percent digital or have gone fully digital with their processes. This allows them to focus on other tools that can be used to improve their operations and efficiency in billing. The result is a streamlined ordering process that reduces the risk of most pre-analytical laboratory errors and minimizes laboratory calls to practices and hospitals to get missing information. This digitally enhanced workflow efficiency will not only increase first-time claims submissions but also reduce operational costs for the laboratory and the practice, improve the provider's experience, and provide more reliable results for better patient care.

## Level two: a central point for all communication into and out of the lab

If labs were still on paper at the beginning of 2020, they likely faced the decision to adopt digital processes quickly or risk being left behind. Labs have always had the challenge of bringing in orders from a variety of sources and formats, whether they are on paper, from a physician-ordering portal, from another laboratory, or directly from the electronic health record (EHR). Once 50 percent of a lab's orders are coming in from digital sources, it is essential that these orders are funneled into the lab in a consistent way. Interfaces and portals become the central repository for all communication into and out of the lab. Labs that take this step will improve their ability to efficiently scale their operations and increase their profitability while workflows will become less inhibited.

If patients show up at the patient service center and they do not have their requisition, it will not matter because labs will be able to pull up all orders in one

location. Labs also will be able to quickly collaborate with IT staff to onboard customers, or they can set up patient service centers or swab pods for COVID-19 testing because they have a cohesive and integrated system where all information is going into one place.

Bringing all information into a central repository, with control of that communication flow, allows labs to now focus on being a lab. They can refocus their resources on optimization, laboratory projects, building data warehouses, improving throughput, or automating processes.

## Achieving top tier connectivity

The rapid advancements needed for true interoperability were exposed throughout the past year. The requirements for COVID-19 reporting at national, state, and local levels provide a great example. Labs are required to submit to governmental authorities additional patient information in addition to test results – whether or not that information had been submitted by the ordering physician or practice with the test order.

Missing information is not a new challenge for laboratories, even for those with level two connectivity. Labs may have a great interface in place, but how do they ensure that the orders coming into their lab are good orders? Their ability to do so has a direct effect on their profitability.

Labs see orders from the EHR with basic errors, such as not including a gender or lacking medical necessity checks. These downstream problems affect the ability of labs to be reimbursed by payers and can cause claim denials. It also costs human capital because laboratory employees will have to track down missing information so orders can be processed. To be assured of reimbursement, labs need access not just to demographic and insurance information but also to clinical documentation of medical necessity and insurance pre-authorization.

Ninety percent of claim denials are usually preventable and can be traced back to a user or technical error. It could be that the order is for a Medicare patient, and it needs to get an advance beneficiary notice (ABN) or that it must go through medical necessity checking. Other common issues include orders with missing pre-authorization information, incorrect patient demographic data, incorrect subscriber identification number, or even incorrect diagnostic codes.

Insurance mapping is not a new concept, but it must be pushed to the beginning of the order process. Labs can no longer afford to wait until the issue is in the lab and then try to complete mapping during the billing process. Labs need the ability to capture bad data when the order is placed in the EHR, so they can alert the provider to make the change before the order is ever sent to the laboratory. Labs need to remind providers to pause and double-check lab-test orders before they submit them.

Providers should double-check demographic information, such as gender, as well as the presence of medical necessity information and accurate test codes.

If a bad order gets into accessioning at the lab and then into billing with incorrect diagnosis codes, missing information, or bad insurance information, it becomes very expensive for the lab and provider to correct.

### Eliminating phone calls to providers during billing process

Order problems need to be caught on the front end, so labs are not stuck with the financial burden of requiring a cleanup process on the back end. Establishing connectivity to a physician's EHR to extract and deliver clinical data and encounter documentation for a patient empowers a lab to access the pre-authorization details required for a medical necessity verification, which were taken at the time of the order but not included in the requisition. This data can be submitted with the claim and used to validate many pieces of information, such as prior-authorization information received from providers, based on demographics, test codes, diagnosis codes, and patient histories. The data also can be saved for later requests from payers for more information or appeals of denied claims.

Lab billing departments need the ability to go knock on the EHR's door and do an update or refresh of patients' demographic information without having to call the provider's office. It is becoming essential for labs to have the ability to do this without having to pick up the phone, and it is a game changer for the billing department. Billing department employees can work in a two-screen mode, with the billing information on the left and the entry from the EHR on the right. They can then reach into the EHR and pull the information they need without having to disturb the account.

Anyone who has been in an accessioning department, whether the volume is 1,000 orders a day or 10,000 orders a day, will have confronted situations in which the required information for a requisition is scattered everywhere. For employees in accessioning, the goal is to process orders in 45 seconds or less. But they cannot meet that metric if

they must look at the requisition and then hunt for the information in multiple EHRs.

Labs with top-tier connectivity use tools to print branded requisitions within the office instead of printing the EHR's requisition. This puts all the information in the same place each time and speeds up accessioning, which allows employees who are processing the requisitions to have the same consistent workflow 100 percent of the time. This also allows employees at a physician's office to print an instrument-ready barcode for the specimen label at the time an order is placed, allowing those specimens to come in for processing, get checked in, undergo quick review, and then go right into the laboratory.

By establishing true interoperability with EHRs, leveraging automation solutions, such as barcode labeling, and moving real-time data collection to the front-end ordering workflow, laboratories can receive 100 percent clean orders that include essential patient demographic, insurance, and clinical data. The result is a streamlined ordering process that reduces the risk of most pre-analytical laboratory errors, minimizes laboratory calls to practices and hospitals, increases first-time claims submissions, reduces operational costs for the laboratory and the practice, improves provider experience, and provides more reliable results for better patient care. ➔



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