Are Your Patients Now Your Payers? New Tools for Your Lab to Collect More Money, Faster, and at Less Cost

2019 Executive War College

Walt Williams
Director, Revenue Cycle Optimization & Strategy

Quadax, Inc.

My Background

- ✓ **26 year laboratory veteran**
- ✓ **Leader of Revenue Cycle and Market Access teams:**
  - Genoptix, Genzyme Genetics, Impath, Unilab
- ✓ **Architected and operationalized numerous reimbursement models:**
  - Fee-for-Service, Case Rate / Episode of Care, Capitation, Panel

Over 45 Years of Experience

By the Numbers

365,000+
Providers

4,000+
Payers

50
States Processing Claims

165M+
EDI Transactions

$32B
Provider Payments

52%
Acute Care Claims

225+
Hospitals/Health Systems

95%+
Client Retention

42
States With Existing Clients

Our People

6
Office locations

2,500+
Annual on-site visits

800+
Total employees

70+
Client services support team members dedicated to supporting our Partnership and SaaS solutions

100+
IT/Application development employees

10+ Years Experience

30% of employees have 10+ years experience in revenue cycle/medical billing

Key Learning Objectives:

- Market Trends & Forces that are shaping future Patient Access strategy
  - Patient out-of-pocket
  - Patient consumerism evolution
  - Payer policies

- Explore new Patient Access tools available to Labs and other HCP's that address these market challenges
  - Service overview
  - Best practices
  - Key considerations for implementation

Market Trends & Forces
(aka patients are more like Amazon shoppers)

It’s time to understand the importance of patient financial education.

68%

Prefer to know financial obligations at, or before, discharge

74% of insured consumers

Indicated they are both willing and able to pay out-of-pocket medical expenses up to $1,000 per year (90% up to $500/yr.)

Over 1/3

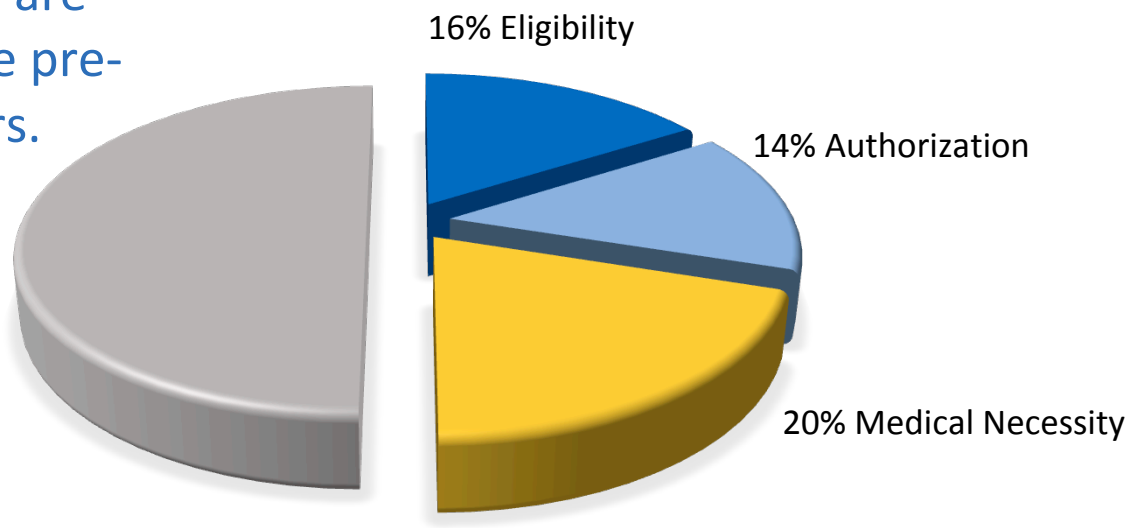
Want to know financial obligations prior to admission or registration

52% of Consumers

Would pay from $200 to $500 *if* an estimate was provide at the point of care.

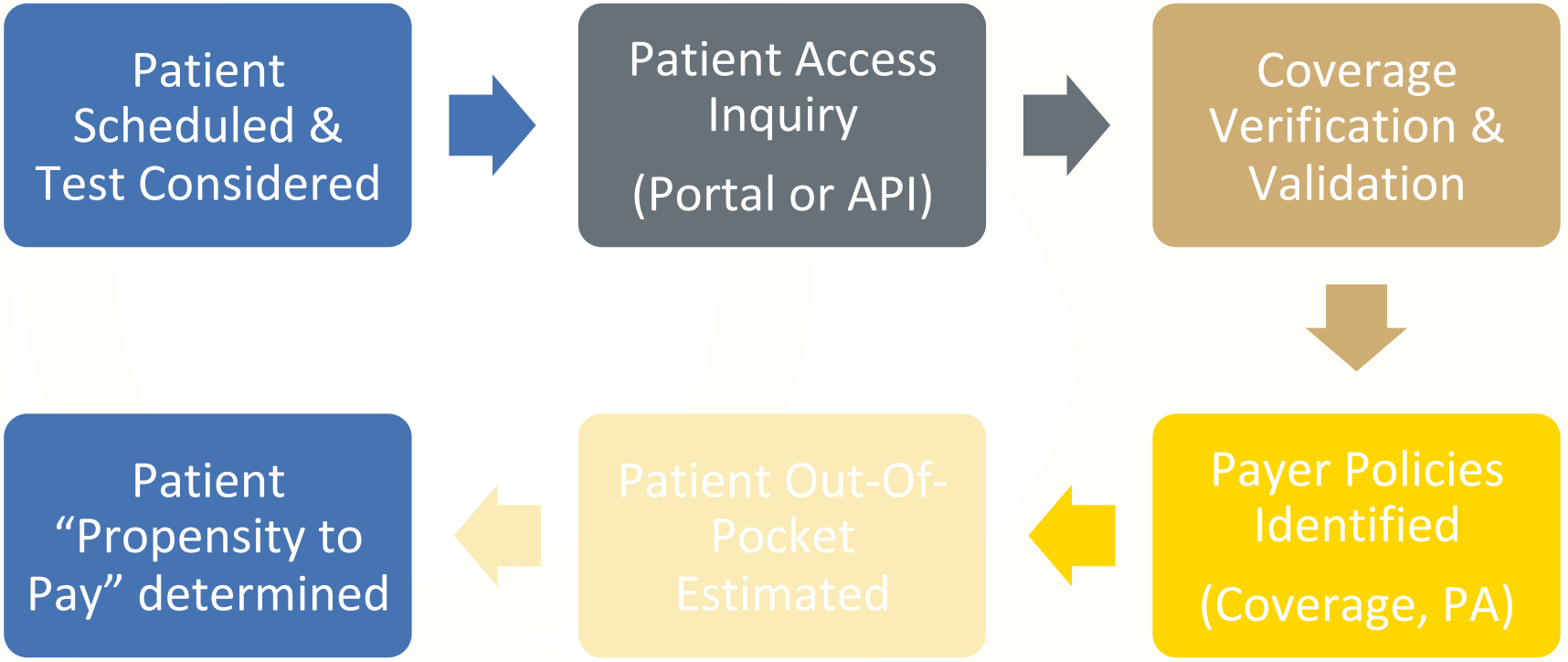
Source: IMA Consulting

50% of denials are due to avoidable pre-service errors.



Source: Latest Trends in Hospital Revenue Cycle Performance, Advisory Board Financial Leadership Council, 2017

Patient Access 2.0 –Future State



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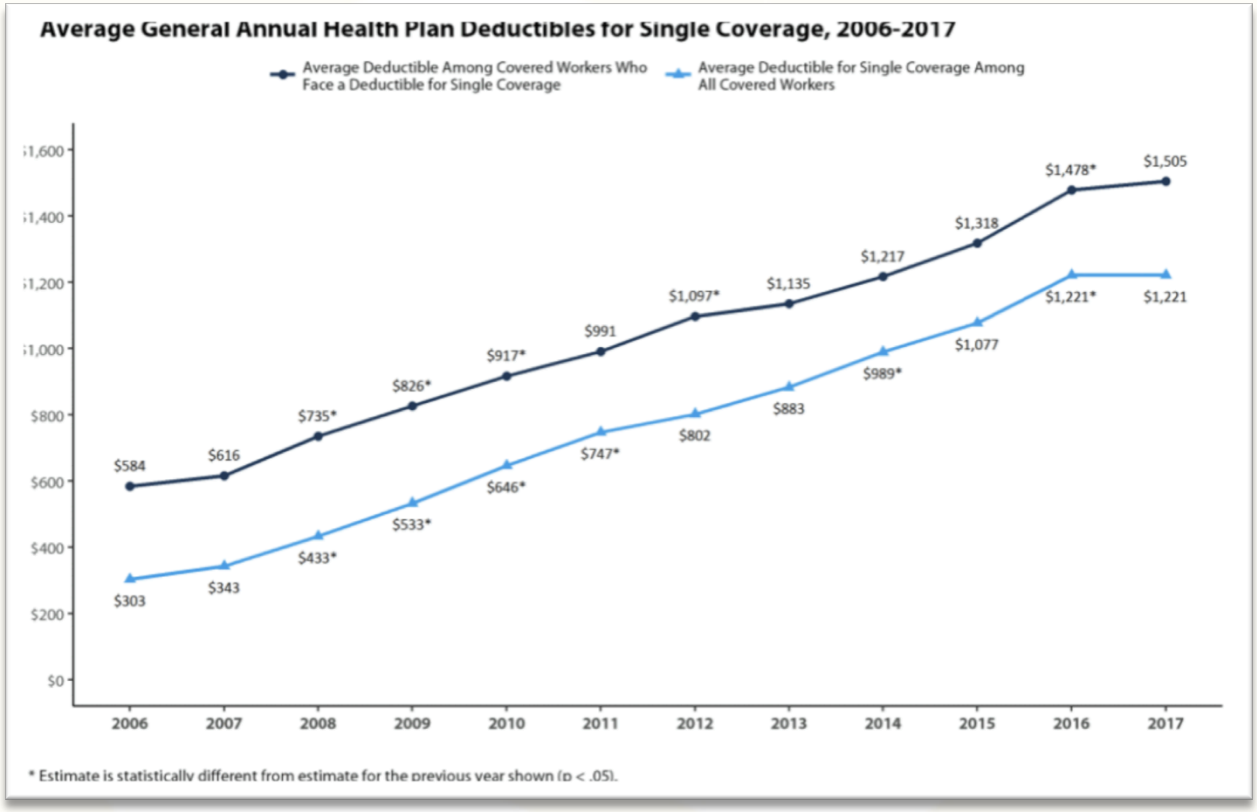
Rising Deductibles = Patient Financial Engagement



Year	Deductible	With & W/O Deductible
2006	$584	$303
2016	$1,505	$1,221
Increase	**158%**	**120%**

Source: https://www.kff.org/report-section/ehbs-2017-section-7-employee-cost-sharing/attachment/figure%207_10-11/

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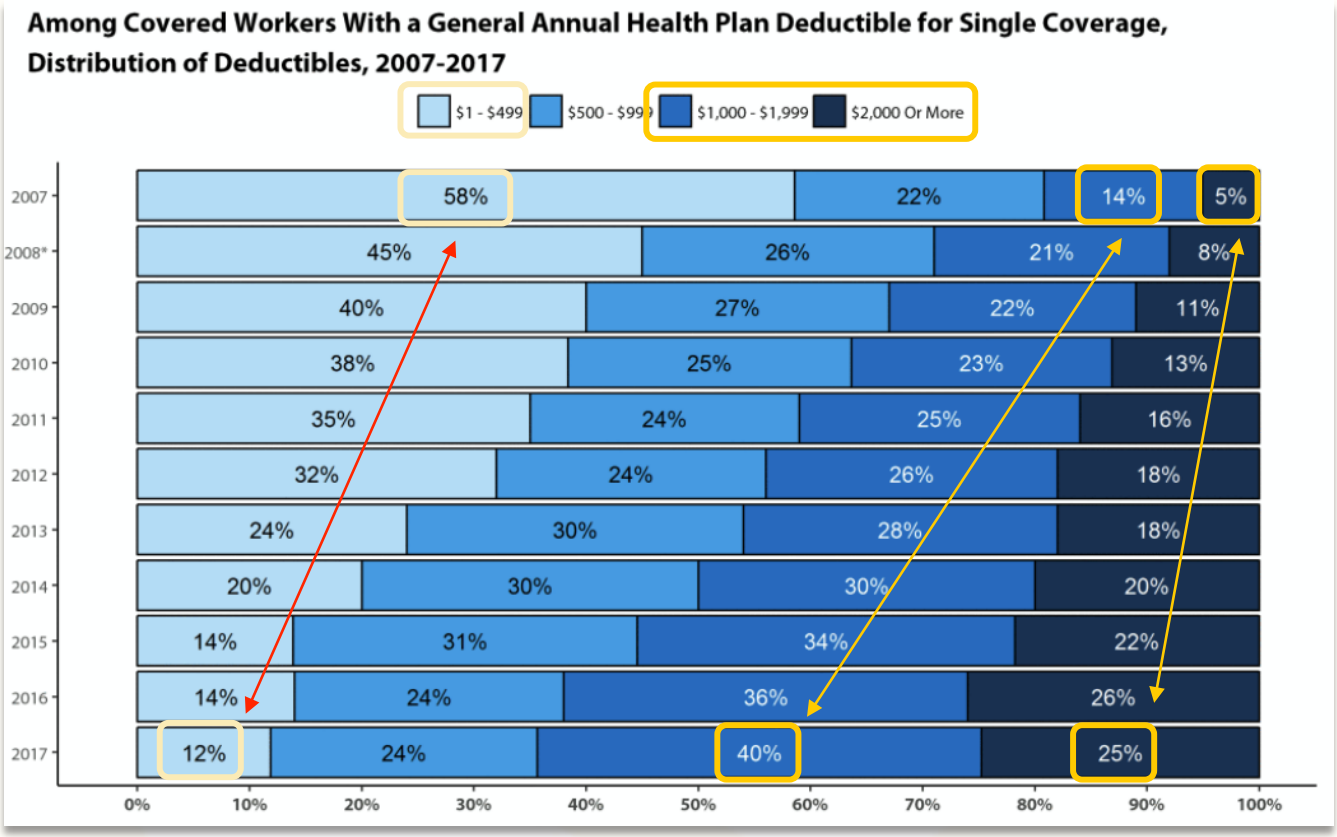
Single Coverage 10-YR Deductible Trend



$	2007	2017	Δ
< 500	58%	12%	-380%
1-2K	14%	40%	190%
> 2K	5%	25%	400%

Source: https://www.kff.org/report-section/ehbs-2017-section-7-employee-cost-sharing/attachment/figure%207_10-11/

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Evolution of the Patient Consumer

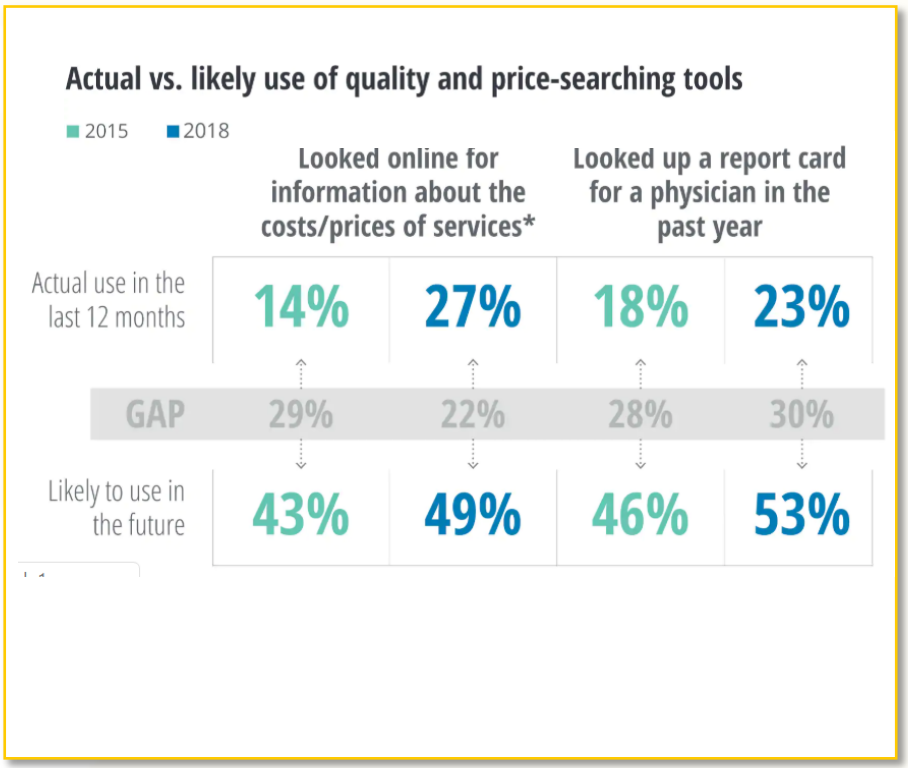
When searching for a new doctor or medical professional, consumers are most concerned with convenience, cost, and reputation

Survey question: When you are searching for a new doctor or medical professional, which of the following do you consider most important?

50%	46%	39%	34%
In network for my health insurance	Convenient location	Reputation	Personality/ bedside manner

Other responses:

32% Convenient hours and accessibility	16% Medical school/training of the physician
31% Price I have to pay/my out-of-pocket expenses	10% High quality ratings from a magazine or ranking website
27% Affiliation with my local hospitals	8% Use of technology for other services, such as getting test/lab results
25% A friend or family member's recommendation	5% Use of technology for scheduling and payment
20% High user reviews from other patients	4% Offers telemedicine/ virtual visits



Source: https://www2.deloitte.com/insights/us/en/industry/health-care/patient-engagement-health-care-consumer-survey.html

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Patient consumers open to new care pathways

At-home self-diagnostic and genetic tests are becoming more popular among consumers. Many consumers are comfortable using at-home tests for their current health concerns and identifying potential future health issues. For instance:

Fifty-one percent are comfortable using an at-home test to diagnose infections (such as strep throat and urinary tract infection) before going to the doctor for treatment.

Forty-five percent are comfortable using an at-home genetic test to identify existing or future health risks.

Forty-four percent are comfortable using an at-home blood test that connects to an app to track overall health trends.

Forty-one percent are comfortable sending/mailing a stool sample to a laboratory service that identifies gut bacteria, which in turn can help guide nutritional choices.

Source: https://www2.deloitte.com/insights/us/en/industry/health-care/patient-engagement-health-care-consumer-survey.html

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Patients demanding pricing transparency

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In Summary

- Higher **deductibles** are influencing patient consumerism behavior
  - > $2K deductible from only 5% of insured to 25% (**+400%**)
  - < $500 deductible from over 58% of insured to only 12% (**-380%**)
- Multiple inputs being considered by patients
  - Key drivers include **Network Status** (50%), **Service Cost** (31%) and **Ease of Payment** (5%)
- Patients more willing to use **online tools** to find high quality, lower cost providers
  - 22% increase in usage over the last 3 years

Patient Access Solutions Unpacked

Patient Access Solutions

Insurance Eligibility
- Avoid Processing Errors and Denials
- Eliminate Reworks

Insurance Discovery
- Identify Additional Coverage from Third-Party Payers

Identity Verification & Demographic Repair
- Improve Registration Accuracy & Collections

Out-of-Pocket Estimation
- Increase Payment Transparency

Deductible Monitoring
- Collect from third-party
- Patient outreach when time is right

Healthcare Policy Discovery & Navigation
- Prior Authorization
- Medical Necessity

Patient Financial Clearance
- Patient's Propensity to Pay

Expanded Patient Access Tool-Set

Patient Access Service	Legacy (1.0)	Expanded (2.0)
Eligibility	✓	✓
Insurance Discovery		✓
Deductible Monitoring	✓	✓ ✚
Identity Verification & Repair		✓
Out-Of-Pocket Estimation (OOPE)		✓
Payer Policy Discovery & Navigation		✓
Financial Clearance / Propensity to Pay		✓

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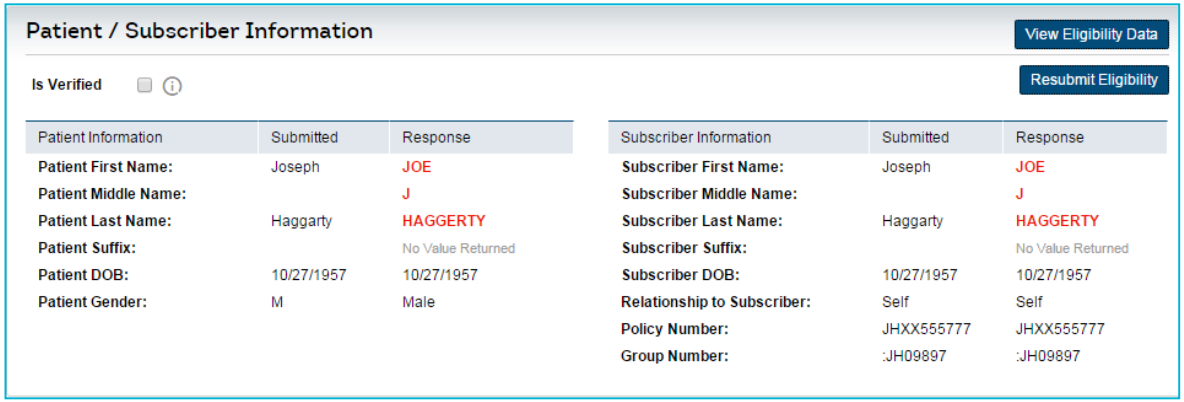
Advanced Eligibility Verification

***Best Practice*:**

Verify the patients insurance eligibility coverage and benefits early (and often) to determine:

- **Patient responsibility**
- **Meet payer requirements**
- **Reduce claims denials**



Patient / Subscriber Information

View Eligibility Data

Resubmit Eligibility

Is Verified

Patient Information	Submitted	Response
Patient First Name:	Joseph	JOE
Patient Middle Name:		J
Patient Last Name:	Haggarty	HAGGERTY
Patient Suffix:		No Value Returned
Patient DOB:	10/27/1957	10/27/1957
Patient Gender:	M	Male

Subscriber Information	Submitted	Response
Subscriber First Name:	Joseph	JOE
Subscriber Middle Name:		J
Subscriber Last Name:	Haggarty	HAGGERTY
Subscriber Suffix:		No Value Returned
Subscriber DOB:	10/27/1957	10/27/1957
Relationship to Subscriber:	Self	Self
Policy Number:	JHXX555777	JHXX555777
Group Number:	:JH09897	:JH09897

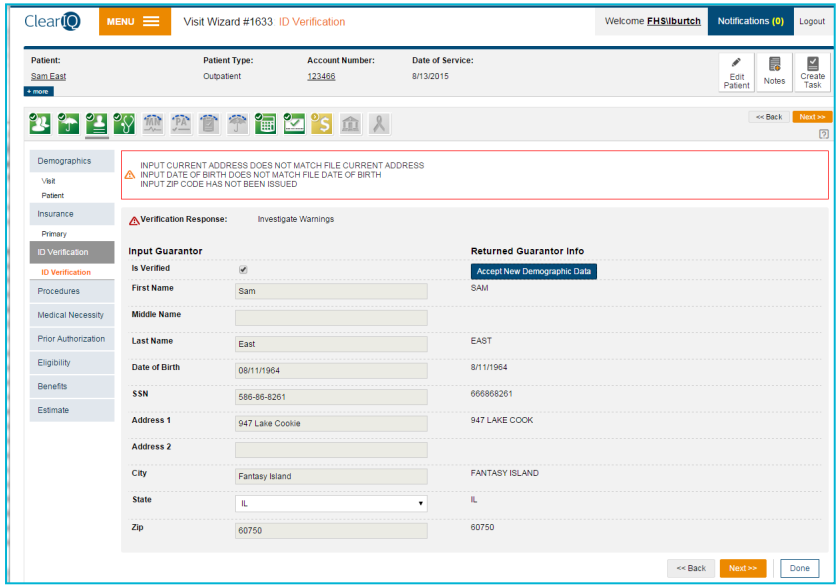
- Initiate Eligibility Verification for every encounter via **integration** with your **patient** education portal, **test** ordering portal, **Lab** Information Management System, or **Revenue** Cycle system
- Drill down to insurance plan / product level to improve claim success
- Rules-based and automated deductible monitoring

Identity Verification and Repair

***Best Practice*:**

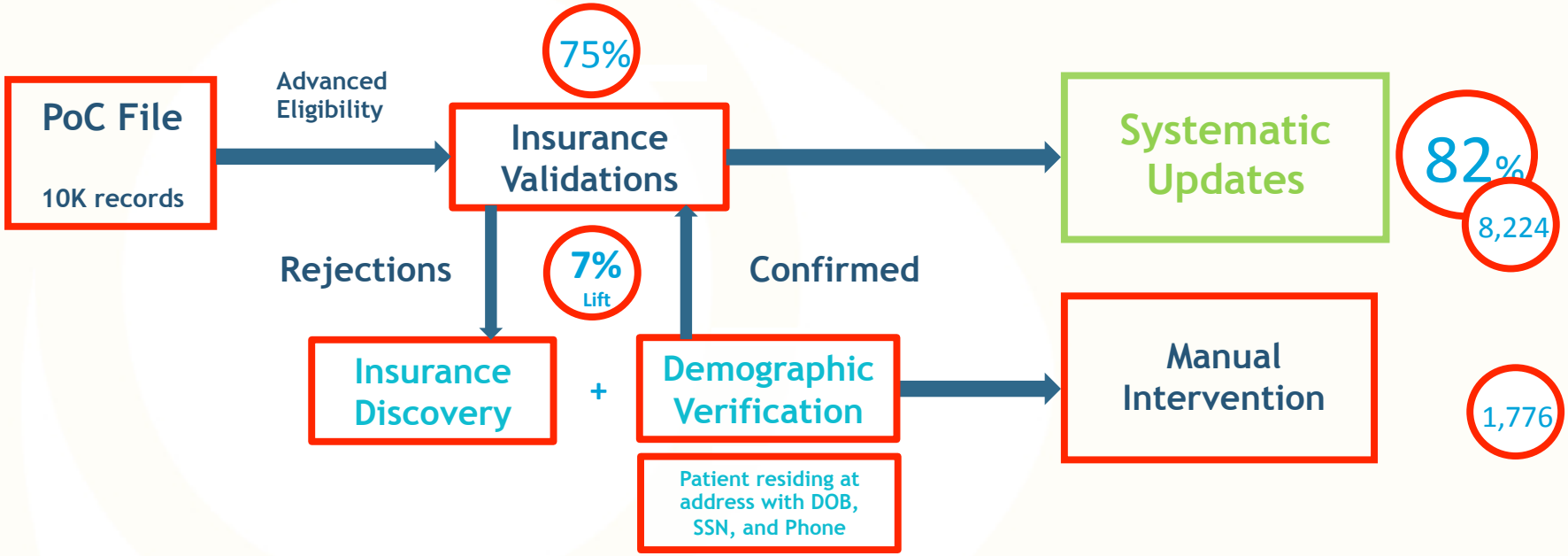
Improve registration accuracy by verifying patient identity and demographic information BEFORE

- **Submitting claim or**
- **Patient statement.**



- Services exist that can verify patient demographic registration data against comprehensive databases covering 500 + million people
- Reduce claim denials and undeliverable patient statements
- Reduce manual work –increase customer satisfaction (reduced calls for information)

Demographic Repair – Proof of Concept Results



- 7% Improvement over basic eligibility resulting in less manual work (724 records)
- Fewer call-backs to referring physician asking for updated information

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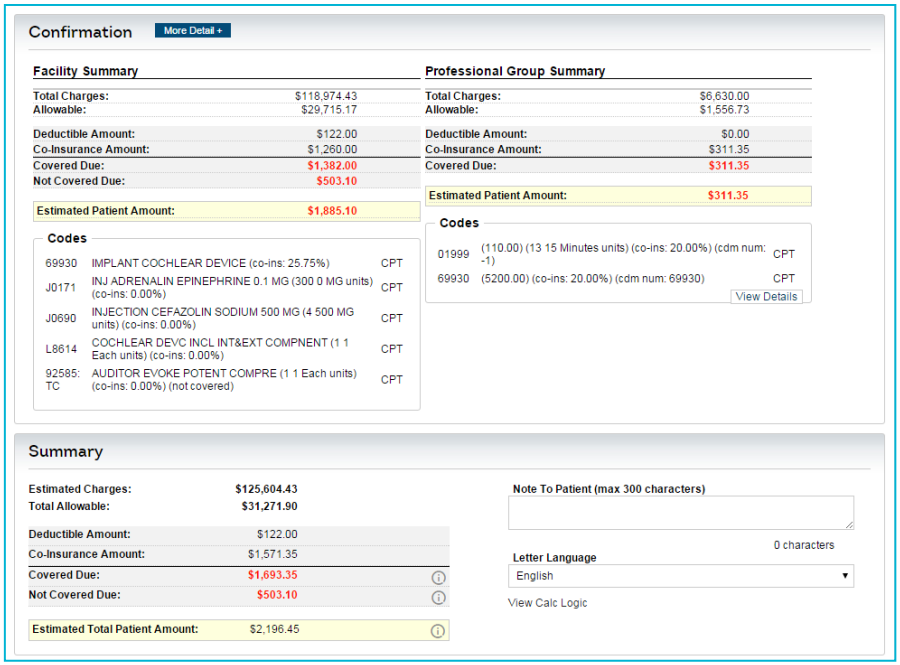
OOPE

***Best Practice*:**

Increase pricing transparency by providing accurate estimation of patient liability amounts

Caution: This is VERY hard to do well



Confirmation More Detail +

Facility Summary

Total Charges:	$118,974.43
Allowable:	$29,715.17
Deductible Amount:	$122.00
Co-Insurance Amount:	$1,260.00
Covered Due:	$1,382.00
Not Covered Due:	$503.10
Estimated Patient Amount:	$1,885.10

Codes

69930	IMPLANT COCHLEAR DEVICE (co-ins: 25.75%)	CPT
J0171	INJ ADRENALIN EPINEPHRINE 0.1 MG (300 0 MG units) (co-ins: 0.00%)	CPT
J0690	INJECTION CEFAZOLIN SODIUM 500 MG (4 500 MG units) (co-ins: 0.00%)	CPT
L8614	COCHLEAR DEVC INCL INT&EXT COMPNENT (1 1 Each units) (co-ins: 0.00%)	CPT
92585: TC	AUDITOR EVOKE POTENT COMPRE (1 1 Each units) (co-ins: 0.00%) (not covered)	CPT

Professional Group Summary

Total Charges:	$6,630.00
Allowable:	$1,556.73
Deductible Amount:	$0.00
Co-Insurance Amount:	$311.35
Covered Due:	$311.35
Estimated Patient Amount:	$311.35

Codes

01999	(110.00) (13 15 Minutes units) (co-ins: 20.00%) (cdm num: -1)	CPT
69930	(5200.00) (co-ins: 20.00%) (cdm num: 69930)	CPT

View Details

Summary

Estimated Charges:	$125,604.43
Total Allowable:	$31,271.90
Deductible Amount:	$122.00
Co-Insurance Amount:	$1,571.35
Covered Due:	$1,693.35
Not Covered Due:	$503.10
Estimated Total Patient Amount:	$2,196.45

Note To Patient (max 300 characters)

0 characters

Letter Language: English

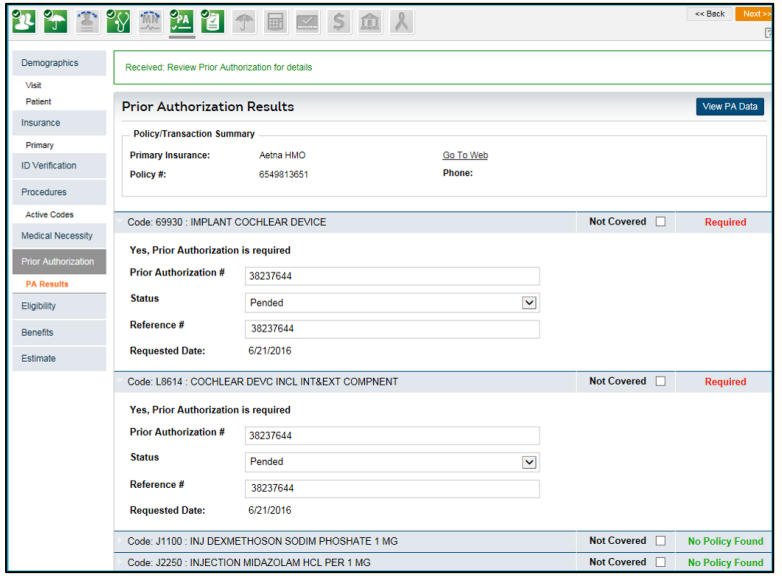
View Calc Logic

- **Payer** + provider **contract status** (in or out of network) + payer **medical** policies **most** accurate method
- Have a policy for how you communication deductible amounts – Point in time estimation
- Auto-identify potential additional procedures to further enhance true OOPE for patients

Preauthorization Assessment

***Best Practice*:**

- **Confirm prior authorization requirements prior to service to lower odds of denial**
- **Consider specimen process and hold rules until PA requirements are met or patient has agreed to pay.**
- **Consider use of third party for Physician-Initiated Prior Authorizations.**

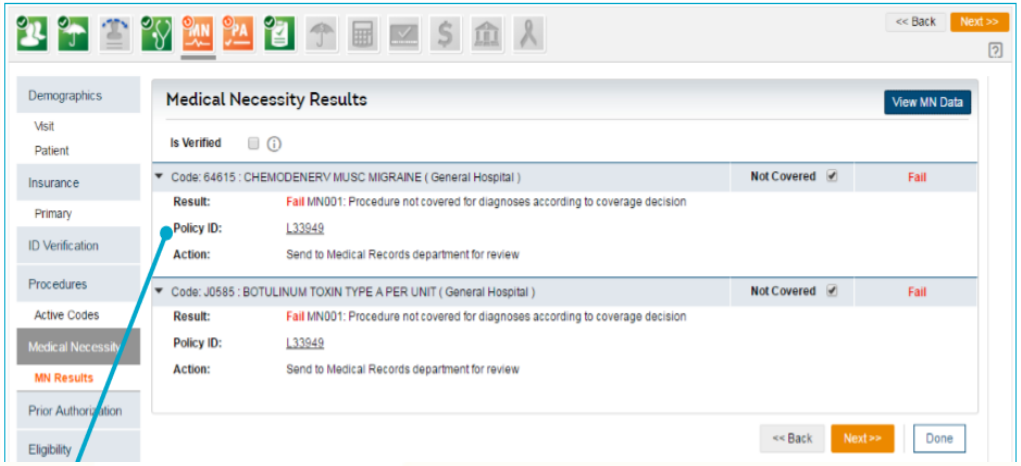


- Check every encounter via **integration** with your **patient** education portal, **test** ordering portal, **Lab** Information Management System, or **Revenue** Cycle system
- CPT + Payer rules engine
- Preauthorization Assessment process is integrated with overall solution workflow

Payer Medical Necessity

***Best Practice*:**

- **Identify potential coverage issues <u>prior</u> to claim submission and provide a more accurate OOPE**
- **Automate medical necessity verification & ABN generation process.**
- **Ensure ABN's provide patient financial responsibility.**



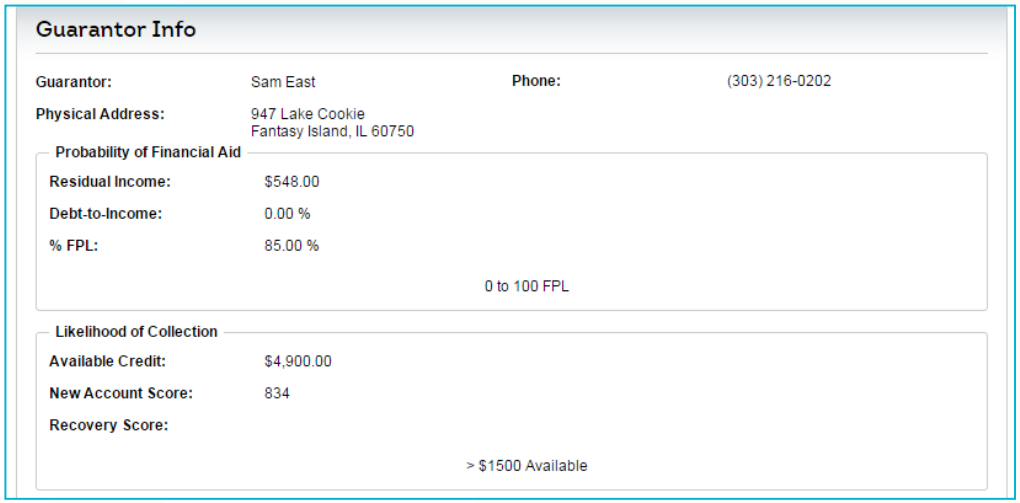
- Check every encounter via **integration** with your **patient** education portal, **test** ordering portal, **Lab** Information Management System, or **Revenue** Cycle system
- Payer + CPT + ICD-10 + other policy specific inputs must be captured
- Cases are flagged if Procedure-Diagnosis combination fail any NCD/LCD edit
- ABN form, if required, auto prepared for patient signature

Propensity to Pay and Community-Based Financial Aid

***Best Practice*:**

Improve self-pay collections through

- **The accurate classification of accounts into the optimal payment workflow**
- **Consider patient's unique financial situation.**



- Target your scarce collection resources carefully – refer more difficult cases to third party
- Ensure payment policies correctly applied to every patient
- Create payment decision messages to guide staff assist staff to engage patients in accordance with organization's collection policies
- Maximize pre-service and point of service collections

Maximize Patient Collections

Essential Technology

- Exception Based Workflow
- Automated Insurance Verification
- Accurate Pre-Service Estimation
- Streamlined Prior-Authorization
- Targeted Propensity to Pay

Patient Collections Best Practices

- Monitor collection results vs. goals
- Prepare the patient for financial responsibility
- Ask for patient payments that reflect patient's ability to pay
- Identify mutually agreeable payment terms
- With "right" payment amount confidently ask for payment

Robust Patient Access Benefits Summary

By conquering patient access issues, you will:

- Optimize patient collections
- Reduce denials with accurate information
- Reduce back-end costs
- Increase transparency, enhancing the patient experience
- Drive automation of the revenue cycle

Thank You!

Questions?

waltwilliams@quadax.com
(949) 466-2977