

In- or outsource your value-based
care revenue cycle management?

5 KEY QUESTIONS

EVERY LAB OWNER SHOULD ASK.



VBC & YOUR REVENUE CYCLE

After years of discussion, debate, & false starts, the era of value-based care (VBC) is truly upon us.

Originally catalyzed by provisions in the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) regarding Medicare payments, the shift from fee-for-service to value-based service models is gaining momentum across a broad spectrum of healthcare systems.

Viewed by many experts as not merely shifting the system, but actually standing it on its head, the stakes are high for laboratory owners and providers to make the adjustments now that will ensure they thrive in the long term.



TRIPLE THREAT



This new landscape presents lab owners with a serious triple threat: increased complexity, more stringent reporting requirements, and significant long-term financial impact. Additionally, as with any new legislative mandate, the guidelines continue to flux and change, further challenging busy labs to stay ahead of the compliance curve to ensure accurate reimbursement.

In this new environment, labs will no longer be able to get by with revenue cycle management systems that aren't at the leading edge of technological capability, legislative rules updates, and deep integration with other key care delivery systems.

A recent report by Deloitte put it this way:

As the shift from fee-for-service payment models to VBC continues—including Medicare's plans for increased value-based payments by 2018—health systems will likely need to blend financial, operational, clinical, and other data to achieve their goals of improving quality, providing access, controlling cost, and managing provider networks. Analytics investment will be essential to support the VBC payment and delivery models that require insights to support more effective decision-making.¹

The upshot is that lab owners will again need to upgrade their systems in order to maximize reimbursement for the value they provide.

Build or Buy the Expertise?

The big question then becomes: do I try to do VBC-based revenue cycle management myself – keep it in-house – or outsource it to the experts? There are many complex details involved in this decision, but as a lab owner you must first get very clear on five fundamental decision points that will set the direction for whether to try and grow this expertise within your lab, or outsource it to the professionals.

These five questions assess not only the potential cost and revenue impacts of the two options, but just as importantly, the time, emotional and clinical distraction impacts often camouflaged by a numbers-only analysis.

5 Key QUESTIONS

1

Do I have the time and expertise within my lab team to track and update the changing requirements?

Because the regulations are in a state of flux, constant updates will be needed to remain compliant. You and/or your team will need to devote time and expertise to remain current. Make an honest assessment as to the time and level of expertise required. (hint: if you haven't done this before, it will be a lot more than you think).

2

Do I have the systems – integrated across billing & clinical – that will allow efficient tracking, reporting, and billing consistent with new requirements?

In order to effectively track and calculate required measures, your systems must be integrated across lab areas. Remember that systems must be constantly updated to stay in synch with changes in a rapidly evolving regulatory environment. Assess whether your current systems include the necessary integration and depth of reporting and calculation to keep pace. (Hint: If you are running manually or partially manually, you will be seriously challenged to keep up. Don't kid yourself on this one).

3

Do my systems have the capability to achieve nearly flawless first-pass clean bill submission integrating the new guidelines?

Inaccuracy in calculating and billing according to the new guidelines can be costly, significantly impacting your profitability. Reworking denied claims is a major cost contributor. It's important to assess whether your system has the capability to hit a high first-pass clean claim rate, taking into account the new requirements in MIPS coding as well as ICD-10 and other coding updates.

4

How much time am I personally (doctor) and my staff willing to divert from improving clinical quality to focus on rules & regulations compliance?

You must make an honest assessment regarding the time requirement and/or degree of distraction from clinical excellence that diving into the nuts and bolts of MIPS regulations and changes will create. Don't underestimate the amount of extra time that will be required of your staff, and the reality that you will be periodically involved in helping to resolve issues that arise.

5

Am I looking down the road at the long-term impacts of today's decisions?

While addressing this year's requirements is the immediate need, implementing these new regulations will be a multi-year process. Carefully assess where you want to put your resources over the next five years, knowing that the regulations will continue to evolve and change.

THE BOTTOM LINE

The final in-vs-out-sourcing decision depends mostly on whether you believe you have the capability and resources to build and sustain an internal solution, or would be better served to pay outside experts. The costs and benefits of those tradeoffs must be calculated both in terms of dollars and cents, and the time and emotional energy invested in building your own team.

In either case, the right system is the critical foundation piece for success. It must be robust, proven, continuously updated, and integrated across lab disciplines. A patchwork, piecemeal system, especially if it includes manual processes, is a formula for disaster. AdvancedMD provides proven, state-of-the-art systems to support your internal team, or complete, turnkey options that remove the management challenges completely.

¹"Value-based care - Winning the shift from volume to value", Perspectives web posting, Deloitte, 2018;
<https://www2.deloitte.com/us/en/pages/lifesciences-and-health-care/articles/value-based-care-lifesciences-and-healthcare-services.html>