

Consultants for Pathology and Laboratory Medicine Makes a Smooth Transition to Source Billing with McKesson

At a Glance

Organization

Consultants for Pathology and Laboratory Medicine
Los Angeles, Calif.

- Forty pathologists
- Annually, 1.4 million clinical and 300,000 anatomical procedures

Solution Spotlight

- McKesson Practice Consulting Solutions

Critical Issues

- Departure of practice manager
- Uncertainty about sustaining in-house billing
- Questions about billing performance

Results

- Executed wind-down of existing A/R
- Ensured a smooth transition to outsource billing partner
- Collections improved by 50% on an annualized basis

Los Angeles-based Consultants for Pathology and Laboratory Medicine is one of the largest pathology practices in California. The 40-physician group, providing pathology services to multiple hospitals, including Cedars Sinai Medical Center, fulfills a broad academic mission and supports a rapidly growing outreach business.

Faced with growing practice complexities and expansion of outreach services, Consultants for Pathology and Laboratory Medicine recognized the wisdom of outsourcing its billing services to McKesson. The group wanted to ensure that the transition to a new billing platform went as smoothly and efficiently as possible. A smooth transition was especially important, given the departure of the group's long-time practice manager.

Consultants for Pathology and Laboratory Medicine leadership understood the need for expert oversight and management of the overall process and turned to McKesson. The consulting team quickly stepped in and helped wind down the group's legacy accounts receivable, while providing insight regarding overall operational improvements — from coding and compliance to revenue enhancement opportunities.

Challenges

Following the departure of the group's long-time practice manager, McKesson consultants were retained to conduct a 90-day review of all aspects of Consultants for Pathology and Laboratory Medicine's revenue cycle management, including coding, claims, denial management, compliance and revenue enhancement opportunities.

Answers

The review produced multiple recommendations for improving documentation, coding, fee updates and collections. Consultants for Pathology and Laboratory Medicine leadership appreciated assistance from McKesson, understanding that the rapidly increasing complexity of new procedures in pathology required a deep level of expertise.

"There are so many aspects of billing, from contract negotiation to establishing interfaces from the laboratory information system to business intelligence and compliance," says Mahul Amin, M.D., chairman of the Department of Pathology at Cedars Sinai and president of Consultants for Pathology and Laboratory Medicine. "The business side of pathology has grown more intricate and complex, and we realized pretty quickly it was probably more than we could handle."

Case Study

“McKesson helped us with compliance, with their ability to provide business intelligence and reporting, and from their wide experience with academic practices like ours. We have a very complex organization, so having a company that can provide all of those services is very important.”

Mahul Amin, M.D.

Chairman of the

*Department of Pathology,
Cedars Sinai Medical Center*

*President, Consultants
for Pathology and Laboratory
Medicine*

Results

As the billing transition progressed, Amin says McKesson included vital services to ensure a smooth cut-over from an operational and resource perspective. Specifically, McKesson consultants took charge of winding down the group’s legacy A/R as colleagues ramped up the new billing service.

The transition was complicated by a significant loss of data relating to a change in the hospital’s electronic medical record. Similarly, the growth of the group’s outreach business added another layer of complexity to the process. The McKesson consultants nonetheless persevered and had virtually completed the task within eight months.

“McKesson helped us with compliance, with their ability to provide business intelligence and reporting, and from their wide experience with academic practices like ours,” says Amin. “We have a very complex organization, so having a company that can provide all of those services is very important.”

Amin says that the group had faced a potential crisis with the departure of its long-time practice manager, but thanks to the seamless billing transition, the improvements implemented by McKesson and organic growth of the business, collections increased during the transition. In fact, collections have stabilized above prior collection performance, a difficult achievement, particularly considering the high level of complexity of the practice.

“For a large, complex group like ours, it is very reassuring to have a group of very sophisticated people assisting in areas like compliance, contracting, business intelligence, coding and collections.”

McKesson Provider Technologies

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