

Gulf Coast Pathology Associates Makes Strong Start with McKesson Revenue Management Solutions

At a Glance

Organization

Gulf Coast Pathology Associates
Houston, Texas

- 2 hospitals
- 14 physicians

Solution Spotlight

- McKesson Revenue Management Solutions

Critical Issues

- Building a billing process for a new organization
- Retaining established contracts and securing new ones
- Streamlining hospital information interface
- Ongoing coding and compliance education
- Optimizing reimbursement for the professional component of clinical pathology

Results

- Reduced denials
- Improved A/R days
- Delivered detailed management reports
- Strategically negotiated managed care agreements, including professional component of clinical pathology reimbursement
- Improved cash flow
- Revealed strategic, new business opportunities

When the founder and president of Gulf Coast Pathology Associates (GCPA), a group practice in Houston, announced plans to retire and close the business, the group's remaining 10 physicians quickly assembled a new organization that could continue providing service to St. Luke's Episcopal Hospital in Houston. Key to GCPA's success was finding the right partner to meet the complex requirements of pathology billing, compliance and managed care contract negotiations. GCPA found that partner in McKesson. McKesson provided the medical billing service and revenue cycle management solutions that allowed GCPA to relaunch its practice with stronger financial standing.

Challenges

During the formation of GCPA, physicians realized they needed to identify the best external resource for medical billing services, collections, coding and compliance. The group sent RFPs to four companies and accepted three proposals for further review.

"The costs from all three were very similar, so it was not a cost-based decision," says Rhonda Shannon, M.D., the group's president. "We wanted to determine which company

could provide superior service." The selection process was rigorous. Each company made presentations, and GCPA thoroughly checked their references. A committee then made on-site visits to practices where each contender provided services.

Answers

In the end, GCPA contracted with McKesson to meet the complex requirements of pathology billing, compliance and managed care contract negotiations. According to Shannon, McKesson was the obvious choice and its pathology service capabilities stood out for a range of reasons, including the account team's depth of experience.

In addition to surpassing competitors' billing and collections capabilities, "McKesson's managed care contracting and administration services were by far the strongest," explains Shannon. "We wanted to keep the contracts established by our former employer and establish new ones. McKesson helped us do that."

Overall, Shannon relays, it was McKesson's expertise in the managed care arena that led to the company's selection. Of particular importance was McKesson's ability to successfully garner reimbursement for clinical pathology.

Case Study

"Pathology coding and billing issues are very complex. McKesson brought its experience to the table and helped us reach decisions. It was definitely the best choice."

Rhonda Shannon, M.D.
President
Gulf Coast Pathology Associates

Results

Once under contract to GCPA, McKesson established an electronic interface with St. Luke's computer systems and developed procedures to gather information electronically. The smooth transition enabled enhanced access to data and timely receipt of demographic and claims information to create billable charges.

In addition, the McKesson team implemented procedures to proactively identify and prevent potential denials. As a result, days in accounts receivable fell to 56 while revenues increased significantly.

Physician education, coding feedback and compliance are other important services McKesson provides. On the compliance front, all anatomic pathology reports are reviewed for documentation accuracy to minimize risk. Problems are immediately identified and addressed, and quarterly audit reviews are conducted.

Shannon says the group's relationship with McKesson has been a learning experience. "Five years ago, it would not have meant anything to me if a vendor said its people understood the entire pathology billing process," Shannon explains. "But now I understand its complexity. I see the value of having an account team that is intimately familiar with every detail of billing and has the systems to manage it."

Today, GCPA operates smoothly and continues to grow, adding four physicians to the group. "I highly recommend McKesson," Shannon declares. "Pathology coding and billing issues are very complex. McKesson brought its experience to the table and helped us reach decisions. It was definitely the best choice."

McKesson Provider Technologies

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