

Jacksonville Pathology Consultants Optimizes Reimbursements with McKesson's Medical Billing Service

At a Glance

Organization

Jacksonville Pathology Consultants
Jacksonville, Fla.

- 7 physicians
- Serves five hospitals

Solution Spotlight

- McKesson Revenue Management Solutions

Critical Issues

- Need for better managed care contract negotiations
- Ineffective physician documentation and coding
- Poor hospital interfaces
- Lack of ongoing coding and compliance education

Results

- 10% revenue increase annually resulting from improved contract negotiations
- Detailed, actionable management reports
- Streamlined hospital interfaces, resulting in accelerated collections
- Ongoing coding and compliance education

The physicians of Jacksonville Pathology Consultants, a seven-physician practice in Jacksonville, Fla., serving five area hospitals, realized they needed help in streamlining billing processes and optimizing reimbursements. The group sought a partner with in-depth pathology-specific knowledge that could provide customized solutions to address its specific needs and requirements. Jacksonville Pathology Consultants found that partner in McKesson. With McKesson, the group gained the power to improve revenue capture, reduce days in accounts receivable and accelerate collections.

Challenges

Jacksonville Pathology Consultants' revenue cycle management was hamstrung by disparate and ineffective interfaces with the group's hospitals. As a result, patient demographics and charge codes frequently were absent or inaccurate. Moreover, the group had limited success in billing for the professional component of clinical pathology services. Reporting, too, offered room for improvement.

Answers

McKesson was brought in to develop a customized medical billing service and revenue cycle

management solution that addressed the group's needs. E. Dayan Sandler, M.D., president of the group, worked with McKesson to challenge payors regarding clinical pathology rates and reimbursement. In one instance, McKesson and Sandler secured reimbursement from a major national carrier for the professional component of clinical pathology services.

McKesson worked with Jacksonville and the hospitals to convert system interfaces between the group and the hospitals from weekly to daily updates in order to generate claims quicker and speed reimbursements.

In addition to improving the practice's revenue stream, McKesson has been instrumental in streamlining business processes across the operation. For example, McKesson led the initiation of accession reporting at all five of the group's hospital clients. This effort helped ensure that the hospitals' information systems were able to capture all relevant patient demographic information and charge codes.

Coding remains a critical area within pathology due to risks and potential liabilities associated with errors. As a result, McKesson performs coding audits to verify that all pathologists in the group share the same understanding of and are compliant in their coding. "McKesson's on-site assistance helps ensure that

Case Study

“Not only does McKesson provide us with insight into ways we can improve the practical, day-to-day aspects of our business, but it also possesses a great deal of strategic knowledge drawn from its observations of best practices in place with other McKesson clients nationwide. This combination of tactical and strategic guidance is invaluable in helping us grow our business.”

E. Dayan Sandler, M.D.
President
Jacksonville Pathology

physicians are coding properly and optimizing revenues in the fast-changing managed care arena,” Sandler says.

McKesson provides modality and statistical data reports that aid Sandler in making well-informed business decisions. McKesson also runs in-service educational programs designed to improve coding and reduce compliance risk.

Results

McKesson has been instrumental in recovering lost revenue for the practice. During implementation, McKesson meticulously pursued interfacing capabilities with the hospitals that Jacksonville Pathology serves, resulting in the capture of accurate and complete charge and demographic data. In one instance, more than \$500,000 in anatomic gross charges were identified that had not been billed because of an internal computer error at one of

the hospitals. Additionally, with McKesson’s assistance, Jacksonville Pathology’s professional component billing contract negotiation resulted in a 10% increase in annual revenue, according to Sandler. “Our experience indicates that McKesson has the capability to provide excellent customer service regardless of where the billing is actually handled,” Sandler relays.

According to Sandler, McKesson delivers benefits to the practice at every level. “Not only does McKesson provide us with insight into ways we can improve the practical, day-to-day aspects of our business,” explains Sandler, “but it also possesses a great deal of strategic knowledge drawn from its observations of best practices in place with other McKesson clients nationwide. This combination of tactical and strategic guidance is invaluable in helping us grow our business.”

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