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POL PROFIT CONNECTION

Navigating Reform For Profitability

By Keith LaBonte

Laboratory testing is playing a more central role in clinical practice, and physicians that fail to understand the changes in the healthcare system or are unable to manage the associated complexity are experiencing less-than-optimal profitability.

Historically, the best any practice could do to improve clinical lab profitability was to establish an ongoing process to continuously manage as many internal elements as possible. The keys to success were to hire qualified staff, constantly reassess technologies and methodologies, create and update patient requisition forms, find and eliminate waste, and address the constantly evolving billing and coding challenges. All of these components are still critical to clinical lab profitability, but equally important are many external components emerging from U.S. healthcare reforms.

Healthcare Reforms

U.S. healthcare reforms are employing financial incentives to redesign the delivery of care and yield appropriate, high-quality care.

Insurers, in an effort to improve patient outcomes, have realized they cannot improve what they do not measure. Data that scientifically validates the patient's condition (stable, improving or deteriorating) is being incorporated into many of the new clinical guidelines, so Medicare and all other insurers can be informed.

These clinical practice guidelines (systematically developed statements intended to assist physicians and reduce variations in interventions while improving the quality and effectiveness of care) are increasingly incorporating clinical lab data as quality indicators.

Managing Data

To improve clinical lab profitability in today's healthcare environment, it is essential for any practice to establish an ongoing process to produce data relevant to the management of its patient base. The keys to success are to identify relevant data and implement new staff-driven processes to obtain that data, which in turn supplements existing evaluation and management revenues. Several governmental websites contain information regarding data relevant to various clinical conditions. Transitioning

to evidence-based practices is a fundamental element of informed decision making and long-term profitability.

The physician quality reporting initiative (PQRI) has a measures list that has grown each year since its inception in 2007. The list can be downloaded from the Centers for Medicare & Medicaid Services (CMS) website (www.cms.gov/PQRI/). The next paragraph is from the website:

"The 2006 Tax Relief and Health Care Act (TRHCA) established the physician quality reporting system, including an incentive payment for eligible professionals (EPs) who satisfactorily report data on quality measures for covered professional services furnished to Medicare beneficiaries. CMS named this program the Physician Quality Reporting Initiative (PQRI). The PQRI was further modified as a result of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) and the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)."

The AHRQ (Agency for Healthcare Research and Quality) has a website designed to distribute new clinical practice guidelines as information comes into the system from clinical trials and evolving medical interventions. The website is named the National Guideline Clearinghouse. The next paragraph is an excerpt:

"The National Guideline Clearinghouse™ (NGC) is a comprehensive database of evidence-based clinical practice guidelines and related documents. NGC is an initiative of the AHRQ, U.S. Department of Health and Human Services. NGC was originally created by AHRQ in partnership with the American Medical Association and the American Association of Health Plans (now America's Health Insurance Plans [AHIP])."

The NGC mission is to provide physicians, nurses and other health professionals, healthcare providers, health plans, integrated delivery systems, purchasers and others an accessible mechanism for obtaining objective, detailed information on clinical practice guidelines and to further their dissemination, implementation and use.

Ordering Patterns and Testing Intervals

Managing the complexity associated with acquiring an increasing amount of data at the appropriate testing intervals is one of the most important components of clinical lab profitability.

Elevating the role of EMR from passively collecting information to actively managing the transition to evidence-based practices will significantly improve overall practice profitability.

EMR software should not only be compliant and qualify for "meaningful use," but should also have the functionality that enables the physician to establish protocols and rules. Protocols are guidelines that prompt ordering of data relevant to certain conditions at appropriate intervals and "rules" that prompt them to order appropriate reflex tests when data comes back in an abnormal range. ■

Keith LaBonte is the CEO of Medical Source Inc., Marietta, GA.