Maximizing Your Laboratory Outreach Program: The Path to Success at NGMC
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• Northeast Georgia Health System
• 558 Bed NGMC is Flagship hospital
• New 100 Bed Hospital under construction
• 50+ System Owned Multi-Physician Practices
• 2 SNFs
• Psychiatric Hospital
• 3 Medical Plazas
Main Campus Laboratory

- Full Service Highly Automated Lab
- 115 FTEs
- Performs over 1.7 Million Billable Tests Per Year
- 6 Pathologists
- In Lab Registration Staff for Outreach Registrations
New Role

Administrative Director of Medical Plaza 400

- NGHS’s Newest Facility!
- Urgent Care
- Lab
- Imaging
- Family Medicine Practice
- Specialty Physician Practices, Surgery, GI, Urology, Neurology
Objectives of Today’s Presentation

- Examine the experiences at HealthLink Lab to understand keys to outreach success
- Demonstrate how lab automation, lean principals and IT maximize a outreach program
- Understand how an effective outreach revenue cycle improves the finances of the lab and hospital.
History of Outreach at NGHS

- Active Program For Over 35 Years
- 75 Active Multi-Physician Clients
- 350,000 Outreach Billable Tests in Fiscal 2012
- Very Competitive Environment
- **Added $3.86M in Contribution Margin in FY 2012**
Surprise! in 2012 Lab Services $CM Almost Matched That of Imaging. How Did We Do That?

Volume

+ Eliminating Non-Value Added Activities

+ Strong Revenue Cycle Processes

+ Strong Customer Service
NGMC’s Path to Success

- Gaining C-Suite Support
  - Find a VP (or higher) champion
  - Focus on lower unit costs due to increased volume and ability to use excess capacity
  - Ability to offer a larger in-house menu relates to decreased length of stay and more patient days
Create Separate Financial Reports for the Outreach Program

- Critically Important!
- Gives This Business Line Needed Visibility
- Helps You Understand Factors Contributing to Profitability
- Provides Senior Leadership with Information to Continue to Invest
- Make sure Senior Leadership requires all System owned Physician Practices to refer to the hospital lab.
How We Created an Outreach Financial

- Identify all direct cost associated with Outreach, i.e. Courier, Sales Staff, Specimen Processors, Registrars, Call Center Staff, Outreach IT Hardware and Software.
- Allocate Other Costs such as Labor and Supplies by the ratio of Outreach tests to Total tests.
  
  » $350,000/1,700,000 = 19.7\%$ of variable expenses are allocated to the outreach cost center
Tips for Success

• Give your program a name
• Gives the program an “identity”
• We chose “HealthLink Lab”
• Makes more interesting marketing pieces
Tips for Success

- Focus on Customer Service

- Outreach is a relationship building business
- We created a separate Customer Service Department (call center) for Outreach Clients
- Wanted to separate IP calls from OP calls. Very different needs and content of those calls
NGMC’s Path to Success

- Dedicated Sales and Service Staff
  - 1 FTE Sales – makes regular sales and service calls. Leverage the local advantage of getting there first!
  - 1 FTE lab IT – Fixing issues and training new physician office staff on the software.
Tips for Success

- Create an easy to use Web Site with online catalogue
- Make sure that you keep it current
- Personalize it with pictures of your staff
- Some clients won’t consider your lab unless you have an online presence.
NGMC’s Path to Success

• We made the investment in IT technology early

• Installed computerized, easy to use “Physician Connectivity” system for order entry and result reporting.
• Provided computerized requisitions that can be easily read
• Provided for more accurate insurance information
• Interfaced to as many office EMRs as we possibly could
NGMC’s Path to Success
Connecting with Revenue Cycle

• It is critical to be on a first name basis with revenue cycle staff, VP, directors, managers and billers. Lab is high volume, low dollar.
• Try to get appointed to the revenue cycle committee and attend all meetings
• Understand your Managed Care contracts and reimbursement rates
• The more you understand about how your bills are processed, the more you can help when there are problems
• Monitor all Outreach Accounts for payment and don’t be afraid to “pull the plug” for nonpayment.
NGMC’s Path to Success

- We invested in automation and high throughput instruments
- Allowed us to service a large hospital with busy ED and still process the Outreach volume
- Auto-verify as much testing as makes sense
- Use lean processes to reduce non-value added processes
- Better to add automation instead if FTEs
What we are worried about now

- Decreased Reimbursement i.e. 88305 & Molecular Dx testing
- The Beginnings of the Rationing of Care. i.e. prepayment reviews, BNP
- Conversion to ICD10. 50% drop in coding productivity and retaining of office staff.
- Talk about elimination of the fee schedule and going
- Healthcare Reform and ACOs
- Managed Care Contracts that Carve out Hospital Based Labs.
- Health Information Exchanges.
Creating and Managing an Outreach Program Is Hard Work

• But worth it! now and in the future
• Expand your lab’s menu and profitability
• Expand your professional future.
• Make yourself and your hospital successful.
Questions?

Comments?