

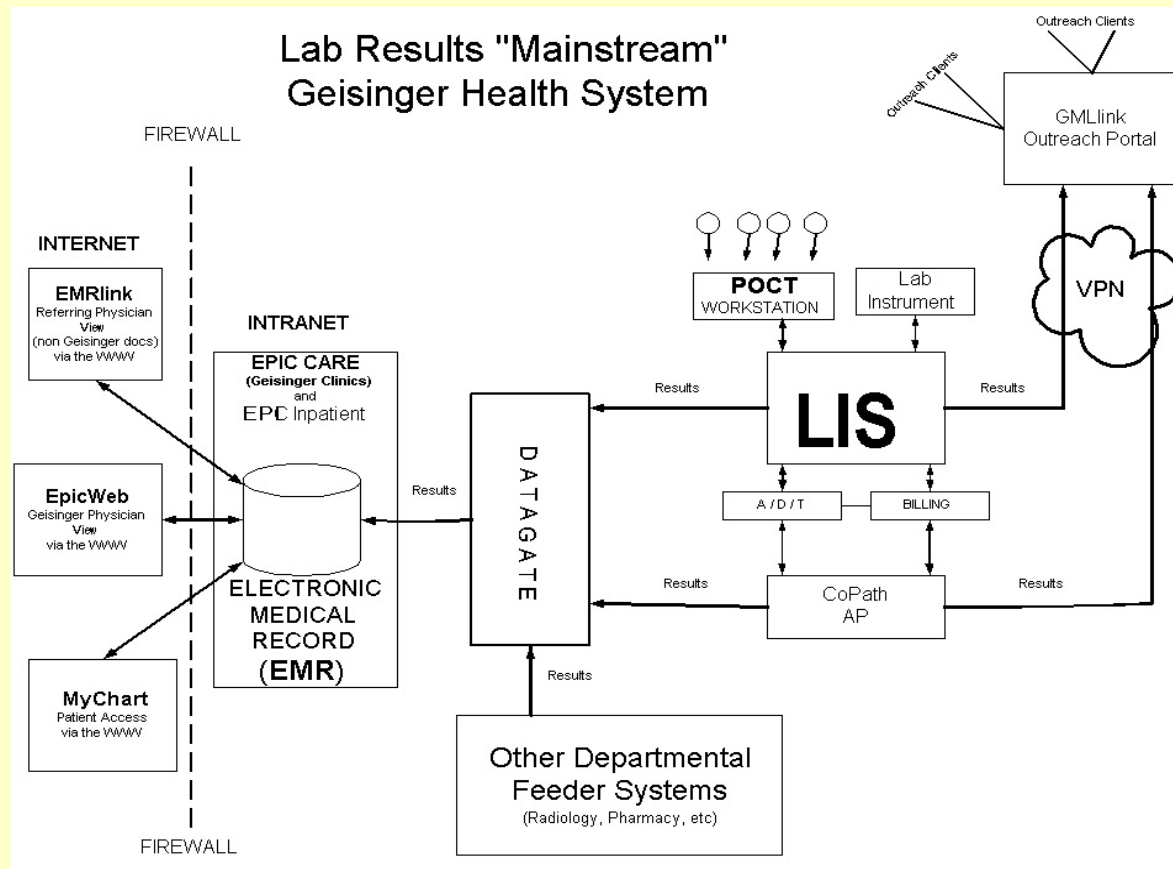
The Financial Side of POCT Connectivity: Capturing Charges to Help Justify Staffing

Jay B. Jones, Ph.D. DABCC

Geisinger Health System

Danville, PA

POCT Connectivity is now a “Mission Critical” System



Two Sides of Connectivity in the Lab Enterprise

Clinical

- Clinical Results Reporting
- Clinical Data Charting
- EMR repository

Financial

- Financial Claims Processing
- Financial Budget Tracking
- DSS repository

Sound Financial Foundation for POCT

- You need POCT connectivity to “get a handle” on costs, charges and revenue
- Should be cost and reimbursement accountable, like any other lab area (i.e., have a monthly “BVA”)
- Model reimbursement with payor mix to determine how much POCT is charged -> billed -> collected
- POCT (including connectivity & personnel) should pay for itself in charges & revenue

Charging for POCT

- Not the same as billing
- Capture a charge (statistic); Claim a bill (revenue)
- POCT financial information needs to flow through mainstream “billing” info systems (IP and OP)
- Some POCT charges are reimbursed directly by fee for service (FFS) payors via billing (claims processing)
- Most POCT charges are reimbursed indirectly by Medicare and other capitated payors via audited cost reports

POCT Charges in the “Market Basket of Services”



- Medicare DRGs cost accounted by individual charges
- ICU days
- Respiratory therapy procedures
- IV pharmacy charges
- Central Lab charges
- POCT charges

POCT Charges in the “Market Basket of Services”

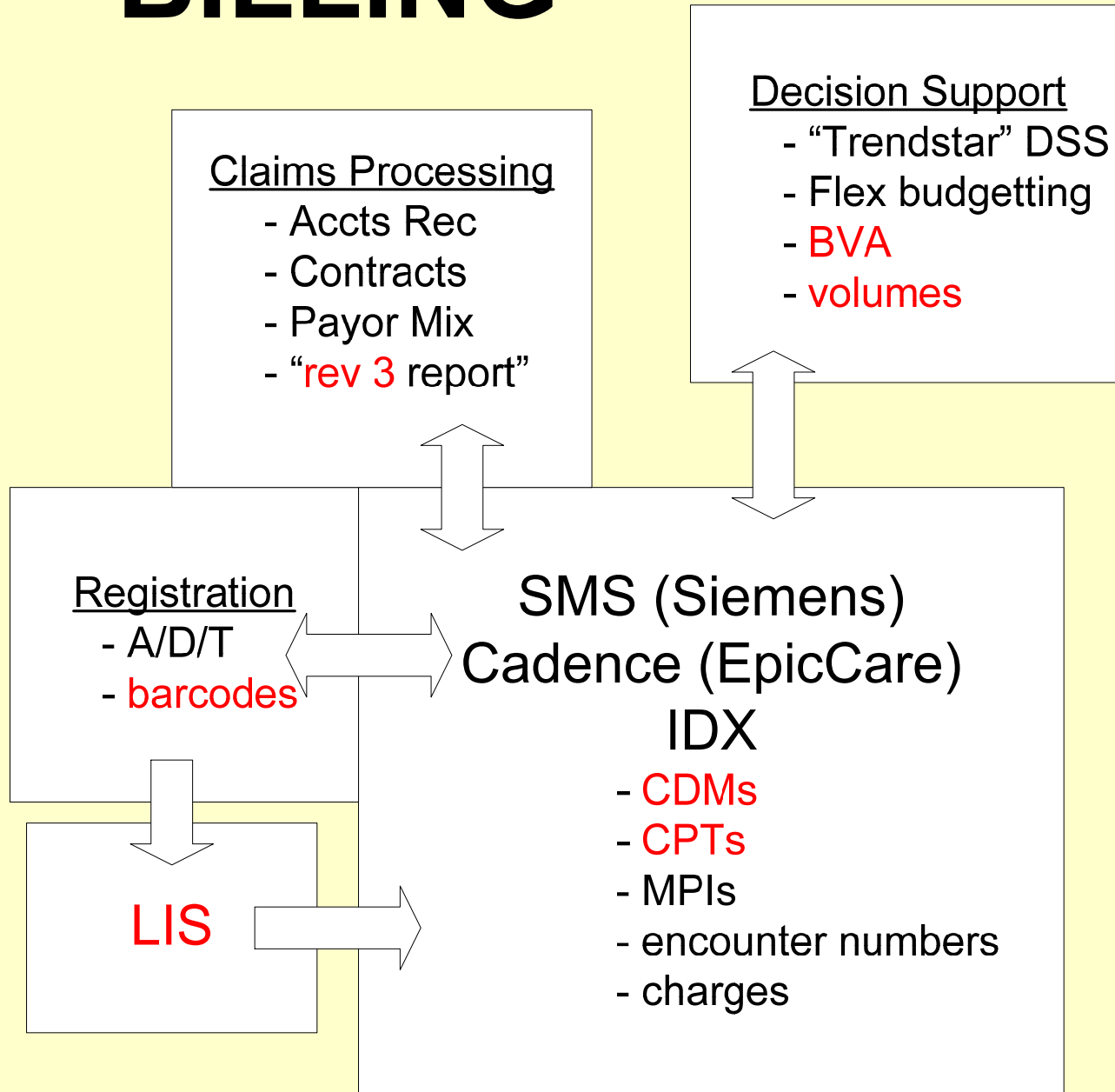


- Included in Medicare Cost Report
- Helps justify individual Medicare DRG payments in enterprise
- Impacts justification of “Room Rate”
- Impacts negotiations with other capitated payors
- If I were a CFO, I would want this charge information as badly as Docs want test results (e.g., HIPAA?)

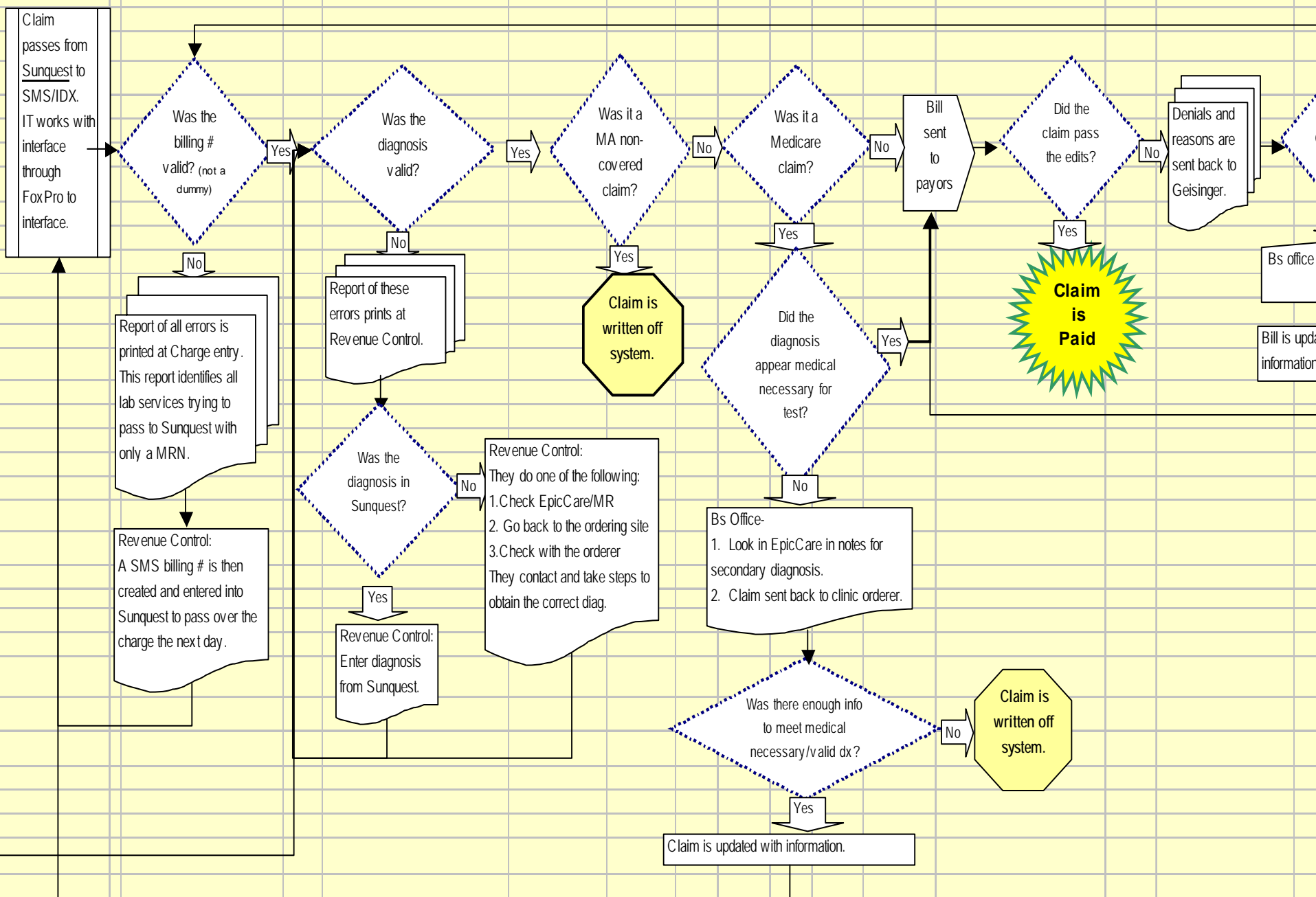
POCT Costs & Charges tracked monthly and year to date:

- **Budget versus Actual (“BVA”)** - 6 page monthly report with all itemized salary, benefit, supply, depreciation costs compared to (flex) budget
- **Revenue & Usage Report (e.g. “Rev 3”)** – 2 page monthly report with IP/OP test service codes, charges captured, and gross revenue

“BILLING”

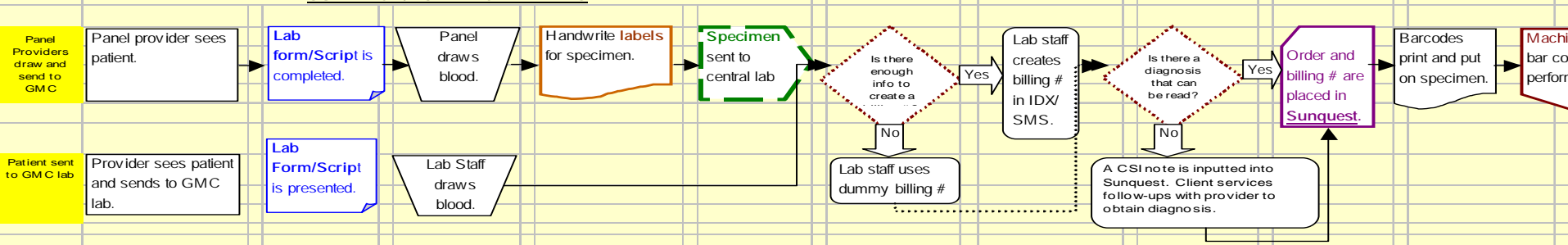


BILLING PROCESS





OUTREACH/NON-EPIC DRAWING



Basic Strategies for Justifying POCT Personnel

- Build a sound financial foundation for a POCT department as one of many Lab departments (roll costs & revenue into a single cost center)
- Leverage increases of POCT volume (e.g. captured gross charges) into adequate POCT support personnel
- Build alliances with other departments to support their clinical applications (e.g. pharmacy/OP coagulation clinics, perfusion/Intraoperative POCT)

