

Be software savvy: Buy wisely to bill accurately

Hal Weiner

Clean claims are the name of the game for laboratory billing departments, and it's up to billing software vendors to make them shine.

With payers denying an average of 10 percent to 15 percent of all claims, it is more important than ever for laboratories to produce error-free bills. Laboratories can work toward this goal by first determining how many denials they receive, for what types of services, and from whom. They should verify that their billing system offers tools to produce reports that identify denial rates by payer and to help track those denials to their source, whether it be registration, coding, the billing office, or the payer.

The most cost-effective way to reduce denials is to use claims-scrubbing software tools that automatical-

ly perform edits using rule sets, such as the correct coding initiative, local medical review policy, payer-specific tools, and eligibility edits. Determine who must update these rules—is it the user or the vendor? Or does the vendor support such third-party vendors as Info-X? If your billing system vendor does not offer this capability, make sure that your system interfaces to any of the many claims-processing intermediary services available. Using the new Health Insurance Portability and Accountability Act, or HIPAA, standard transaction sets should reduce interface costs.

To be successful, laboratories obviously must also focus on the profitability of their operations. Billing/accounts receivable software should provide management reports to track collection ratios, profitability by client/payer and by courier route,

and other laboratory-defined parameters. It is also imperative that such software be able to perform database queries, such as what clients are sending your laboratory only Medicare patients while sending other patients to a competitor, or which facilities are sending your lab only low-margin tests. Furthermore, such software should allow users to create trend analyses to compare client activity to prior periods in order to spot problem areas early and manage the lab's revenue cycle, as well as allow users to extract data to import to decision support, cost accounting, and other third-party products.

Consider your level of need for the aforementioned functionality, as well as software vendors' financial stability, when shopping for a billing/accounts receivable system. Ask for a list of references before mak-

ing a purchase. After you have that list, and only then, ask the vendor for a complete list of customers and contact several of them. Be wary of vendors that provide only a partial client list. It is also important to request return-on-investment analyses to compare products.

Featured on pages 21–27 are 14 billing/accounts receivable systems. The data presented are based entirely on vendors' responses to a questionnaire. We urge readers to verify the information provided before purchasing a system. □

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Billing/accounts receivable systems

Part 1 of 5	Antek HealthWare Alan Peltzer 228 Business Center Drive Reisterstown, MD 21136 410-517-0330 www.daqbilling.com	Cerner Corp. Angela Betts 2800 Rockcreek Parkway Kansas City, MO 64117 816-201-2771 www.cerner.com	Computer Service and Support James T. O'Neill 2106 New Rd., Bldg. E-6 Linwood, NJ 08221 609-653-6444/800-336-4277 www.csslis.com
Name of system	Daqbilling	Cerner Millennium ProFit	AR-2000 version 8.0
First/most recent B/AR* system installation	2001/2005	2000/2005	1980/2004
No. of contracts signed between Feb. 1, 2004–Feb. 1, 2005	38	14	12
Last major product release	Nov. 2004	Oct. 2004	Nov. 2004
No. of contracts for sites operating B/AR system	250	27	66
No. of sites where system is operational (HL/IL/PP/PO/OL)**	250 (0/20/9/209/12†)	32 (2/4/0/6/20†)	66 (0/60/6/0/0)
No. of inpatient invoices handled by installed sites annually	100–11,000 (ave., 580)	—	25k–1.5m (ave., 750k)
No. of outpatient requisitions handled by installed sites annually	—	—	25k–1.5m (ave., 750k)
Largest No. of hospitals/pathologists serviced by one B/AR system	—/12	—	—/20
Percentage of installations that are stand-alone B/AR systems	80%	0	15%
Staff to develop/install/support/other*** • In entire company • In B/AR systems division	9/16/12/22 3/4/4/4	800+/1,900+/800+/1,300+ 40+/10+/10+/10+	6/4/4/5 —
No. of user workstations in sites operating system (min.–max.)	1–25	—	3–50
Ave. No. of user workstations in sites operating system	4	—	10
• Computer platform or service type • PC platform • Innovative peripherals • Operating system(s) • Databases and tools used	ASP Windows 98 or higher imaging and scanning capabilities Windows 98 or higher Oracle	Compaq, IBM RS/6000 Intel Pentium — Open VMS, AIX Unix Oracle	IBM RISC/6000 XP — AIX 5.2 LabBase
HIS interfaces	none	—	McKesson, Medic, SCC, PCN, Advanced, CCA, Misys
LIS interfaces	LabDaq	—	CCA, Misys, McKesson, SCC
Features (listed as a percentage of live installations or based on availability)			
• Patient demographic data transferred via interface from LIS to billing system	15%	installed	100%
• 1500 claim form generation	100%	100%	100%
• UB-92 claim form generation	5%	100%	—
• Client invoices	100%	100%	100%
• Patient invoices	100%	100%	100%
• Reprints of above on demand	100%	100%	100%
• Key indicator tracking	100%	100%	100%
• Test profile vs. component billing	—	100%	100%
• Medical-necessity screening for Medicare	available in June 2005	available but not installed	100%
• Professional component billing	100%	100%	20%
• Auto delete of nonbillable procedures	—	not available	100%
• Technical component only	—	100%	10%
• Retain demographic data, repeating patients	100%	100%	100%
• Accounts and patient payment posting	100%	100%	100%
• Accounts receivable system	100%	100%	100%
• Management/marketing reports	100%	100% for management (marketing not avail.)	100%
• Automatic balance billing to patients	100%	100%	60%
• Capitation billing plus billable tests	100%	not available	10%
• Utilization reports for managed care	100%	available but not installed	15%
• Services per diem/per discharge	—	not available	15%
• Global charges for lab tests	—	100%	100%
• Unlimited user-defined fee schedules	100%	100%	—
• Track financial classes	—	100%	100%
• Allow open-item accounting	—	100%	100%
• User report writer	available in July 2005	100%	60%
• Collection agency system	not available	100%	25%
• User-configurable dunning	100%	100%	100%
• Client services/call tracking module	100%	not available	100%
• Rules-based processing	100%	100%	100%
• Multi-lab/multi-company processing	100%	installed	100%
• Support all HIPAA transaction sets	100%	100%	100%
B/AR system supports electronic data interchange with third-party payers and claims clearinghouses?	yes	yes	yes
• Functions offered	claim submission, ERA eligibility verification, rebills	claims, payments, eligibility, referral/authorization	Claims ANSI 4010 837, payment remittance, eligibility verification on selective carriers
• Third-party payers and claims clearinghouses with which system is interfaced	ProxyMed, McKesson	will interface with any clearinghouse and payer per client requirements	ProxyMed
Type of claim data generation	UB-92, 1500	UB-92, 1500	1500
Third-party rules and coding updates supported by system	Code Correct	Medical Necessity, Info-X, CPT-4, ICD-9	Ingenix
Complete ASP solution for B/AR system?	yes	yes	no
Method of charging for ASP service	fixed fee or transaction based (client's choice)	fixed fee	—
Client software required	requires software be installed on client PC	requires software be installed on client PC	—
ASP information conduit	operates over Internet	operates over Internet or requires use of a VPN or other dedicated connection	—
Client contracts supported from data center not operated by client	250	120	—
How data center is operated	by vendor	by vendor	—
Indexed field in each test definition for LOINC code?	no	no	yes
Provide LOINC dictionary for each new installation?	no	no	no
Journaling?/source code?	yes/escrow	yes/escrow	yes/yes
Cost (hardware/software/installation & training/monthly maintenance)			
• Smallest stand-alone B/AR system	\$.6k/—/\$.8k/\$.1k	—	\$5k/\$10k/\$5k/\$.25k
• Largest stand-alone B/AR system	\$4k/—/\$3.5k/\$3k	—	\$20k/\$50k/\$10k/\$1.5k
• Smallest B/AR configuration for integrated lab system	\$.5k/—/—/\$.1k	—	\$5k/\$10k/\$5k/\$.25k
• Largest B/AR configuration for integrated lab system	\$.5k/—/—/\$1.5k	—	\$20k/\$50k/\$10k/\$1.5k
Distinguishing features (supplied by vendor)	• ASP, imaging capabilities, low cost, very intuitive	• improves cash flow and reduces claims denials • simplifies billing statements and improves customer service • streamlines business operations and reduces labor costs	• dedicated to servicing the billing needs of laboratories for over two decades • technical support personnel are cross-trained on all issues relating to the laboratory and billing
* B/AR=billing/accounts receivable ** HL=hospital labs, IL=independent labs, PP=pathology practices, PO=physician offices, OL=other locations *** other=sales, marketing, administration, other company functions	† billing services	† hospital-wide	

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Survey editor: Raymond Aller, MD

Billing/accounts receivable systems

Part 2 of 5	Cortex Medical Management Systems Stan Gordon sgordon@cortexmed.com 2001 Western Ave., Ste. 410 Seattle, WA 98121 206-812-6981 www.cortexmed.com	GE Healthcare Information Technologies Cathy Harris cathleen.harris@med.ge.com 3100 Steeles Ave. East, Ste. 600 Markham, Ontario, L3R 8T3 Canada 905-305-0041 www.gehealthcare.com	Hex Laboratory Systems Susan Bollinger sbollinger@hexlab.com 1042B El Camino Real, Ste. 308 Encinitas, CA 92024 800-729-2085 www.hexlab.com
<i>See accompanying article on page 20</i>			
Name of system	Medical Billing System	Centricity Ultra AR	Lab/Hex Billing & Cash Management
First/most recent B/AR* system installation	1986/2005	1993/2004	1983/2004
No. of contracts signed between Feb. 1, 2004–Feb. 1, 2005	4	1	4
Last major product release	Jan. 2005	2003	Dec. 2004
No. of contracts for sites operating B/AR system	—	27	31
No. of sites where system is operational (HL/IL/PP/PO/OL)**	20 (1/2/15/0/2†)	209 (35/154/0/0/20†)	31 (0/26/2/0/3†)
No. of inpatient invoices handled by installed sites annually	0	10k–100k (ave., 25k)	—
No. of outpatient requisitions handled by installed sites annually	—	25k–12m (ave., 2m)	10k–750k (ave., 200k)
Largest No. of hospitals/pathologists serviced by one B/AR system	1/15	20/25	n/a/20
Percentage of installations that are stand-alone B/AR systems	33%	4%	5%
Staff to develop/install/support/other*** • In entire company • In B/AR systems division	3/2/4/4 2/1/1/4	45/42/12/12 4/2/1/0	5/5/5/3 5/5/5/3††
No. of user workstations in sites operating system (min.–max.)	3–26	100–1,000+	3–45
Ave. No. of user workstations in sites operating system	5	260	10
• Computer platform or service type • PC platform • Innovative peripherals	any hardware that supports current Windows any hardware that supports current Windows —	Unix servers, IBM RS/6000, HP 9000, Sun Solaris Windows NT, 2000, XP voice input, image capture, optical storage, bar-code input, retrieval interfaces	Intel server/open platform Windows voice recognition, image capture, e-billing and remittance, HIPAA-compliant
• Operating system(s) • Databases and tools used	Windows current version MS SQL server	Unix Unify DataServer database, Unify developer tool kit	Red Hat Linux Tbred IDOL IV, 4GL, SQL
HIS interfaces	Cerner, McKesson	Siemens, McKesson, Epic, IDX, Meditech,	Siemens, CPSI, McKesson, Misys, Cerner,
LIS interfaces	Tamtron, Cerner	CompuCare Centricity Ultra, Rubicon	Exporior, Millbrook, PMSI, others Lab/Hex, AP Easy, CPSI, Cerner
Features (listed as a percentage of live installations or based on availability)			
• Patient demographic data transferred via interface from LIS to billing system	100%	100%	100%
• 1500 claim form generation	100%	33%	100%
• UB-92 claim form generation	0	33%	100%
• Client invoices	100%	100%	100%
• Patient invoices	100%	100%	100%
• Reprints of above on demand	100%	100%	100%
• Key indicator tracking	100%	100%	100%
• Test profile vs. component billing	10%	100%	100%
• Medical-necessity screening for Medicare	not available	33%	90%
• Professional component billing	100%	33%	100%
• Auto delete of nonbillable procedures	10%	100%	100%
• Technical component only	100%	—	100%
• Retain demographic data, repeating patients	100%	100%	100%
• Accounts and patient payment posting	100%	100%	100%
• Accounts receivable system	100%	50%	100%
• Management/marketing reports	100%	100%	100%
• Automatic balance billing to patients	100%	100%	100%
• Capitation billing plus billable tests	100%	33%	100%
• Utilization reports for managed care	100%	100%	100%
• Services per diem/per discharge	100%	100%	available but not installed
• Global charges for lab tests	100%	100%	100%
• Unlimited user-defined fee schedules	100%	100%	100%
• Track financial classes	100%	100%	100%
• Allow open-item accounting	100%	100%	100%
• User report writer	100%	100%	available but not installed
• Collection agency system	10%	80%	100%
• User-configurable dunning	100%	100%	100%
• Client services/call tracking module	not available	5%	available but not installed
• Rules-based processing	installed	100%	100%
• Multi-lab/multi-company processing	20%	50%	100%
• Support all HIPAA transaction sets	available in Dec. 2005	100%	100%
B/AR system supports electronic data interchange with third-party payers and claims clearinghouses?	yes	yes	yes
• Functions offered	claims, statements, payments, rebill	claims, rebill, payments	claims, payments, rebill, statements, invoices
• Third-party payers and claims clearinghouses with which system is interfaced	McKesson, ZirMed, THIN, Medicare, ProxyMed	ProxyMed	ProxyMed
Type of claim data generation	1500, ANSI 837, NSF	UB-92, 1500	UB-82, UB-92, 1500, ANSI 4010
Third-party rules and coding updates supported by system	none	LMRP, ICD-9, CPT	MCF compliance, Info-X, ADP, Ingenix, others
Complete ASP solution for B/AR system?	no	no	no
Method of charging for ASP service	—	—	—
Client software required	—	—	—
ASP information conduit	—	—	—
Client contracts supported from data center not operated by client	—	—	—
How data center is operated	—	—	—
Indexed field in each test definition for LOINC code?	no	yes	yes
Provide LOINC dictionary for each new installation?	no	no	no
Journaling?/source code?	yes/escrow	yes/escrow	yes/escrow
Cost (hardware/software/installation & training/monthly maintenance)	—/\$35k/—/\$1k	\$25k/\$50k/\$50k/\$.75k	\$5k/\$9.5k/\$5k/\$.2k
• Smallest stand-alone B/AR system	—/\$500k/—/\$7k	\$1m+/\$1m+/\$1m+/18% of software cost per yr.	\$25k/\$65k/\$25k/\$1.25k
• Largest stand-alone B/AR system	—/\$500k/—/\$7k	\$1m+/\$1m+/\$1m+/18% of software cost	\$0/\$5k/\$2.5k/\$.1k
• Smallest B/AR configuration for integrated lab system	—/\$35k/—/\$1k	\$10k/\$35k/\$5k/\$.5k	\$10k/\$35k/\$5k/\$.5k
• Largest B/AR configuration for integrated lab system	—/\$500k/—/\$7k		
Distinguishing features (supplied by vendor)	• integrated with The Gold Standard anatomic pathology module • billing service for pathology available • detailed data kept on file forever for reporting	• designed for multi-laboratory, IDNs • fully integrated into LIS, single database • proven in high-volume laboratories	• fully integrated or standalone • HIPAA-compliant e-bill and e-remit • experience in lab billing : pathology, nursing homes, client and patient
* B/AR=billing/accounts receivable			
** HL=hospital labs, IL=independent labs, PP=pathology practices, PO=physician offices, OL=other locations			
***other=sales, marketing, administration, other company functions			
	† billing services	† veterinary	† veterinary; health department †† not a separate division

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Billing/accounts receivable systems

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Billing/accounts receivable systems

Part 4 of 5	Multidata Computer Systems Michael Slater mrslater@mul.com 330 Seventh Ave. New York, NY 10001 212-967-6700 www.mul.com	NetLims, NJ, LLC Brian Davis 96 Engle St. Englewood, NJ 07631 201-894-5300 www.netlims.com	SCC Soft Computer Ellie Vahman ellie@softcomputer.com 34350 U.S. Highway 19N Palm Harbor, FL 34684 727-789-0100 www.softcomputer.com
<i>See accompanying article on page 20</i>			
Name of system	MultiTech A/R	AutoBilling	Soft A/R
First/most recent B/AR* system installation	1984/2003	2003/2003	1993/2005
No. of contracts signed between Feb. 1, 2004–Feb. 1, 2005	0	0	4
Last major product release	Oct. 2004	Jan. 2005	Nov. 2004
No. of contracts for sites operating B/AR system	36	2	40
No. of sites where system is operational (HL/IL/PP/PO/OL)**	36 (2/34/0/0/0)	2 (0/2†/0/0/0)	59 (47/11/0/1/0)
No. of inpatient invoices handled by installed sites annually	—	—	n/a
No. of outpatient requisitions handled by installed sites annually	15k–4m (ave., 300k)	146k–730k (ave., 438k)	1m–6.5m (ave., 4.3m)
Largest No. of hospitals/pathologists serviced by one B/AR system	1/n/a	0/20	3/7
Percentage of installations that are stand-alone B/AR systems	20%	0	0
Staff to develop/install/support/other*** • In entire company • In B/AR systems division	4/2/3/2 2/1/1.5/1	56/22/18/12 14/6/3/0	573/80/169/139 45/6/13/11
No. of user workstations in sites operating system (min.–max.)	4–100+	5–50	5–80
Ave. No. of user workstations in sites operating system	15–20	27	20
• Computer platform or service type	Intel x86 compatible, HP Alpha, most Unix/Linux Intel x86 compatible optional image input/output, management	open platform Windows — Windows, Unix on servers any RDBMS	IBM pSeries (RS/6000), HP 9000 series Windows XP, 2000, NT, 98 imaging document control IBM AIX, HP-UX Oracle
• PC platform	Windows XP, 2000, 2003, HP VMS, Unix, Linux		
• Innovative peripherals	Caché (M)		
• Operating system(s)			
• Databases and tools used			
HIS interfaces	Siemens, CSM	IDX	Siemens Unity and MedSeries 4, Meditech, McKesson, Eclipsys, others
LIS interfaces	Cerner, Psyche, Siemens, SCC, CCA	AutoLims	SCC SoftLab, Tamtron, Wyndgate, Misys, Cerner, Meditech
Features (listed as a percentage of live installations or based on availability) • Patient demographic data transferred via interface from LIS to billing system	75%	100%	100%
• 1500 claim form generation	100%	100%	50%
• UB-92 claim form generation	10%	available but not installed	2%
• Client invoices	100%	100%	78%
• Patient invoices	100%	100%	50%
• Reprints of above on demand	100%	100%	50%
• Key indicator tracking	100%	100%	—
• Test profile vs. component billing	100%	100%	100%
• Medical-necessity screening for Medicare	100%	100%	100%
• Professional component billing	40%	100%	100%
• Auto delete of nonbillable procedures	100%	100%	100%
• Technical component only	20%	100%	68%
• Retain demographic data, repeating patients	100%	100%	100%
• Accounts and patient payment posting	100%	100%	80%
• Accounts receivable system	100%	100%	50%
• Management/marketing reports	100%	100%	100%
• Automatic balance billing to patients	100%	100%	50%
• Capitation billing plus billable tests	100%	100%	50%
• Utilization reports for managed care	100%	100%	not available
• Services per diem/per discharge	not available	100%	not available
• Global charges for lab tests	80%	100%	100%
• Unlimited user-defined fee schedules	100%	100%	100%
• Track financial classes	100%	100%	50%
• Allow open-item accounting	100%	100%	100%
• User report writer	25%	100%	100%
• Collection agency system	100%	100%	2%
• User-configurable dunning	100%	100%	50%
• Client services/call tracking module	100%	100%	not available
• Rules-based processing	100%	100%	100%
• Multi-lab/multi-company processing	25%	available but not installed	2%
• Support all HIPAA transaction sets	100%	100%	installed
B/AR system supports electronic data interchange with third-party payers and claims clearinghouses?	yes	yes	yes
• Functions offered	claims, payments, eligibility	claims, payments, rebill	claims, payments, secondary claims
• Third-party payers and claims clearinghouses with which system is interfaced	WebMD, Envoy	WebMD, NEIC, ExpressBill	Medicare, NEIC, BCBS, Quadax, ProxyMed, MVP, First Coast
Type of claim data generation	UB-92, 1500	1500, HIPAA, NSF	UB-92, 1500, 837 professional and institutional
Third-party rules and coding updates supported by system	—	Info-X medical necessity codes, insurance company fee schedule, city/state/zip code upload	Quadax
Complete ASP solution for B/AR system?	no	no	no
Method of charging for ASP service	—	—	—
Client software required	—	—	—
ASP information conduit	—	—	—
Client contracts supported from data center not operated by client	—	—	—
How data center is operated	—	—	—
Indexed field in each test definition for LOINC code?	yes	yes	yes
Provide LOINC dictionary for each new installation?	optional	no	no
Journaling?/source code?	optional/escrow	no/escrow	yes/escrow
Cost (hardware/software/installation & training/monthly maintenance)			
• Smallest stand-alone B/AR system	\$10k/\$50k/incl./\$.75k	\$20k/\$30k/\$30k/\$1.5k	\$40k/\$30k/\$50k/—
• Largest stand-alone B/AR system	\$100k/\$200k/incl./\$3k	—	\$100k/\$275k/\$150k/—
• Smallest B/AR configuration for integrated lab system	\$5k/\$25k/incl./\$.5k	\$20k/\$30k/\$20k/\$1.5k	\$15k/\$33k/\$40k/—
• Largest B/AR configuration for integrated lab system	\$50k/\$200k/incl./\$3k	—	\$100k/\$275k/\$150k/—
Distinguishing features (supplied by vendor)	• designed for commercial labs; can be customized for special needs • optional imaging module for requisitions and other related documents • extensive capabilities to manage incomplete/missing billing information	• flexible service logic—mapping test to services allows accurate billing while keeping a clean catalog • exception and denial tools allow easy tracing and handling • automatic solutions—travel charges algorithm, conflicting panel algorithm, more † Nos. reflect U.S. customers; company has large customer base in Israel	• unlimited multi-tiered pricing, carve-outs, billing edits • HIS, commercial lab, SNF, ESRD, centralized billing for multi-site • modular product offering to meet individual site requirements
* B/AR=billing/accounts receivable ** HL=hospital labs, IL=independent labs, PP=pathology practices, PO=physician offices, OL=other locations ***other=sales, marketing, administration, other company functions			

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Billing/accounts receivable systems

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