

October, 2022

LAByrinth

Industry, Billing, and Operational News for Clinical, Toxicology, Pathology, Genetics, Molecular, and Esoteric Laboratories

From ADS RCM...a leading provider of outsourced revenue cycle management,
billing, financial, operational, and workflow services

This Month's Message from Jim:

Based on so many conversations I've had recently with laboratory owners and administrators, **staffing continues to be a real problem**. In order to attract technicians, many are in direct contact with **colleges and universities** in an effort to identify potential candidates directly from there.

The staffing landscape on the **financial, operations, and workflow** sides is no better.

While an RCM company can't help with medical technologists and medical laboratory technicians, they can (or should be able to) help bolster staffing on the other side of things. For example, MedicsRCM (from ADS RCM) with our **outsourced workforce** of over 300 team members **works behind the scenes** for laboratories on a **multitude of tasks and routines** helping to **compress and consolidate** in-laboratory staffing.

Maximizing **claims' revenue, coding, eligibility** verifications, **EOB reconciliations**, real-time **claim tracking**, appeals, **denial management** and even better – **denial prevention** – are all functions that are absorbed by our **team**. The same is true for compiling, presenting, and reviewing **analytics, statistics, reports, KPIs, and dashboards** with clients.

Please be in touch to talk more about how we can boost your in-house effort **without** all of the added **expense and headaches involved in having an in-house staff**. Increasing laboratory revenue by up to 20% while helping with staffing creates almost **impossible-to-believe results**.

I'll be at our booth – **1003 – at AMP 2022** in Phoenix. If you're attending, please stop by! Or contact me directly to talk more about how we can help your laboratory achieve **superior financial results as efficiently as possible**.

Remember Monkeypox?

Years from now, "monkeypox" might well be the answer to a trivia question. That's good news because nothing terribly monumental happened from monkeypox.

Peaking in early August, cases in the US have declined by 85% as of this writing. Again, that's good.

In actuality, cases in the US were confined to a very small demographic and that of 72,000 cases reported globally, there were only 28 confirmed deaths. Vaccines definitely helped as did how people in that small demographic changing certain social behaviors.

Basically, the report stated the virus simply "burned out." The entire article *can be read by clicking here*.



Jim O'Neill

Sales Manager, Laboratory Services

Security = Security

According to HHS, **five laboratories have been victimized by cyberattacks** since the beginning of 2022. You might be thinking “only five” but two of them **affected more than 300,000 patients each**. [Click here to see all of the entities](#) including non-laboratory healthcare settings that were breached. It’s quite a list.

Back to the five laboratories. All five involved **network intrusions** meaning almost assuredly, those laboratories’ were deficient in some way on protecting themselves. Their in-house local or hosted systems were either not properly protected with malware and anti-intrusion software or perhaps were using outdated operating systems, or their outsourced RCM company was at fault for the same things.

If it turns out there were such deficiencies, the laboratories could be heavily fined for violating **HIPAA requirements**. Cybersecurity audits are highly recommended to ensure your laboratory is as protected as possible.

The bottom line is, you should definitely be concerned about intrusions and compromising patient data. Of course, **your own sensitive laboratory data** can also be at risk when intrusions happen.

ADS RCM and ADS maintain the highest standards of security protocols on our servers which are housed by Equinix, a global leader in remote hosting. We’ve never experienced an intrusion.

[Click here for a quick video](#) on our security protocols, and [here for information on Equinix](#).

In Laboratory-Speak, LDT does not necessarily mean “Let’s do this”



Laboratory-developed tests (LDTs) may not be in the “let’s do this” category.

As a reminder Congress passed a short-term resolution on Sept. 30 to keep the federal government funded. In the process, a proposed bill to increase **overseeing of LDTs has been put off for the time being**.

Reminder again that the Verifying Accurate Leading-edge IVCT Development Act of 2022 (VALID Act) **wants to put the FDA in charge of approving LDTs** which is currently regulated under the Clinical Laboratory Improvement Amendments Act of 1988 (CLIA). Different incarnations of the VALID Act have been bandied about since 2021. It appeared to be a solidly on a road to pass.

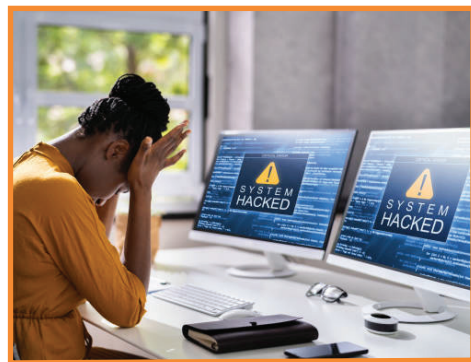
The congressional spending resolution expires on December 16. , Yet, it’s not known if the VALID Act will be part of any subsequent add-ons to future funding activity. Expect the Act and other policy proposals to attract renewed attention as Congressional representatives attempt to move forward with further legislation later this year.

So, the only thing to do is wait and see how things will play out. Or, you could be in touch with your legislators to express your opinion.

Q: How can a Laboratory’s Profitability be down when Spending on its Tests is up?

A: When it’s for Genetic Testing

According to CMS and then as reported by Laboratory Economics (LE), Medicare Part B allowed payments for genetic test codes **increased by 37%** to over \$2 billion in 2021. Yet, **genetic laboratories’ profitability doesn’t**



equate. LE reports the high cost of sales and marketing in the genetic laboratory vertical is a factor.

MedicsRCM makes **two sales and marketing tools available to clients** which can help genetic, and really all laboratories, work more efficiently with their sales and marketing, and both are built-in features as part of our service:

- ✓ **CRM capability** for tracking sales and marketing campaigns can be accessed (we can also interface with virtually any other CRM if preferred)
- ✓ a **sales portal** enabling your sales team to track their activity without having to prevail upon your administrative and/or sales management personnel for their data

(These same features are also available with MedicsPremier if an in-laboratory system is preferred.)

PHE Extension Maintains COVID Testing Rates through January 2023.

The Department of Health and Human Services (HHS) *has extended the public health emergency (PHE) to January 11, 2023*. It's the 11th time the PHE was renewed since it began in January 2020.

CMS first acted in April 2020 by increasing the Medicare payment for high-throughput COVID-19 diagnostic tests (**U0003 and U0004**) from \$51.31 to \$100 per test. Then effective January 1, 2021, CMS lowered the rate for these two codes to \$75 but created an add-on payment code (U0005) for \$25 if test results were provided within an average of two days or less.



CMS notes that Medicare rates for the high-throughput COVID-19 diagnostic tests will be lowered back to \$51.31 in mid-January, assuming the PHE is lifted. In addition, when the PHE is over, payment for specimen collection for COVID-19 testing will **no longer be separately paid**.

During the PHE, CMS has been paying **specimen collection fees** (G2023: \$23.46) for COVID-19 testing provided to homebound Medicare recipients. Likewise, CMS has been paying laboratories a COVID-19 specimen collection fee (G2024: \$25.46) for nursing home patients.

This Month's Laboratory Fraud Article

On August 5, *a federal grand jury in Nashville TN* returned a 40-count indictment charging eight people in a Medicare/Medicaid fraud conspiracy totaling over \$150 million in billed charges. It all revolved around genetic testing.

The mechanics of the alleged scheme: the laboratory used third party marketing firms to conduct door-to-door visits at peoples' residences, at senior citizen events, and by visiting nursing homes promising Medicare patients free testing for cancer done simply through saliva tests.

Telemedicine doctors supposedly approved test orders even for patients with whom they never had contact, and there were many of those. Specimens were then shipped to the laboratory owned by the principal



architect of the scheme for expensive genetic testing. And often again, these duped patients never received their test results.

From 2016 to 2021, the laboratory owner and his cohorts billed Medicare and Medicaid over \$150 million in these tests. His three labs received over \$16 million in reimbursements.

The HHS, OIG, and FBI are the investigating agencies. The laboratory owner faces 10 years in prison for health-care fraud/anti-kickback and 10 years for money laundering.

Don't be involved, even unwittingly: laboratories should always verify orders are properly completed and signed prior to performing tests in order to comply with state and federal laws. Be cautious if third party marketing companies are involved. Assume the government will put relationships under a microscope when they (marketing companies and funding) are in the mix.

AMP 2022, Phoenix; Booth 1003

If you're attending the **AMP conference**, please stop by to visit Jim O'Neill and Shane Cogossi at **booth 1003** for more about our MedicsRCM outsourced services for laboratories, and about the MedicsPremier platform if in-laboratory automation is preferred.



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