

What Two Factors Are Critical to Maximizing Revenue?

Mark S. Daniels, ASQ Certified Quality Auditor

Ken Brodeur, PhD

Your practice's revenue management is vulnerable to systems that may not incorporate the best combination of **knowledge and experience** of the continuous improvement techniques that produce breakthrough financial outcomes.

Increased levels of knowledge and experience improve your ability to spot trouble and confidently predict the outcome of change. Just as a correctly read slide is critical to the patient's health, accurate and timely information is essential to the financial health of your practice.

What if histotechs were allowed to read slides? Even a highly competent tech is not qualified by knowledge and experience to read slides. A pathologist *is qualified* by virtue of years of education, knowledge and experience to best serve the patient.

Your revenue cannot be optimized based on pathology experience alone. American automobile manufacturers have been making cars since the 1920's, but in the 1980's the Japanese had greater knowledge and experience in utilizing quality tools and quality process management. Even today they dominate the automobile market because of superior quality. American manufacturers are only catching up by belatedly adopting quality process management.

The foundation of quality is a combination of the right knowledge and experience. By improving quality you will improve your revenue. Regardless of how good your organizational and revenue processes are, a lack of knowledge and application of quality process management can cost your practice significant revenue. Just as an accountant can determine if your accounting methods and records are optimal and correct, a quality audit of your practice's revenue management will determine if your billing process is optimal. You will have the assurance that your revenue management process is as good as it can be, and that means extra dollars to you.

Focusing on common processes of concern such as charge capture, accession tracking, CPT tracking, interfaces and explanations of benefit can give you data, but unless you look at the system as a whole with knowledge and understanding of variation, quality tools, and quality process management, your revenue cannot be optimized. From a quality perspective, making changes to your processes without sufficient knowledge is potentially reckless.

Uninformed changes to a process can offer modest results at best and frequently can actually degrade the system as a whole. Performing an audit that tracks the case from the pathology report to the explanation of benefit is useful – but only as a first step. Auditing for missed charges by itself does not insure that the process will improve. In fact, frequently there are many aspects of a process that are as important as the data. Have you collected the right data? Is the report format used to collect the data useful in identifying negative factors? Will the implementation of corrective actions avoid some mistakes but result in unanticipated effects or even actually reduce your revenue?

Simply possessing experience in billing, conventional auditing, and follow-up *does not ensure* that audit-related corrective actions and practice management services will be of maximum benefit. Two cars may look alike...until you pop the hood. One might have a four cylinder Ford engine and the other a Rolls Royce engine! A lack of quality expertise will diminish the benefit of any audit or management service. Experience with pathology coding, quality auditing, and tools such as flow charts and Pareto diagrams will result in optimizing your income.

Whatever service you use to audit and manage your revenue, whether in-house or external, the greater the expert knowledge and experience in the implementation and ongoing use of continuous improvement and quality science tools, the greater the likelihood of optimizing your revenue. Here are some questions to ask when considering an audit:

- Does the service have highly qualified pathology coding expertise on staff?
- Is the auditor formally trained in quality auditing tools and techniques?
- How much actual experience does the service have with quality auditing of pathology practices?
- Does the service use a highly disciplined approach to improve the *whole* system and not just make changes to processes in isolation?

Addressing questions such as these to determine the knowledge and experience qualifications of your audit team will guide you to the best decisions in the management of your practice and its financial health.

Mark Daniels is President of Audit Quality Inc. You can contact Mark with questions at mdaniels@auditquality.com or at 619-253-6358. Audit Quality's website, www.auditquality.com, contains more information about our services and the benefits of quality auditing for pathology practices.