February 2010 Vol. 7, No. 2

LABORATORY Compliance Insider®

Compliance never sleeps

Tips to avoid pitfalls, monitor priorities in your laboratory in 2010

Laboratory compliance this year can best be characterized as a "continuing saga," says **Judy Yost,** director of the division of laboratory services at CMS in Baltimore. "There is nothing bright, shiny, and new from a CLIA perspective," Yost says. Yet consider these important ongoing issues and be aware of new ones as the new year kicks into high gear.

Avoid PT referrals

One of the top issues of 2009, PT referrals, is still a government focus this year, says Yost.

Labs that violate these regulations may face the most serious sanctions, including:

- Loss of CLIA certificate for at least one year
- Loss of right to direct or own a lab for two years
- Publicized name on CMS' Annual Laboratory Registry on the CMS CLIA Web site

Go to CMS' Web site, *www.cms.hhs.gov,* and review its brochure on PT referrals, says Yost. Determine what issues might exist at your laboratory. If you have a question, ask for assistance, she says.

Follow healthcare reform closely

In addition to PT referrals, there is another potential compliance issue looming in 2010—healthcare reform, says **C. Anne Pontius, MBA, CMPE, MT(ASCP),** senior medical practice consultant at the State Volunteer Mutual Insurance Company in Brentwood, TN. From the way things look at the close of 2009, it seems likely that the laboratory industry will weather some cuts in revenue if the reform legislation passes, Pontius says.

> **"There is nothing bright, shiny, and new from a CLIA perspective."**
>
> *—Judy Yost*

"When cuts are made, it doesn't mean that the volume of work decreases," says Pontius. Instead, it means fewer resources are available to devote to quality and compliance. It also means that staff members might be tempted to cut corners because they're trying to do more with less.

Laboratory managers must stay on top of discussions and, once decisions are made, manage potential cuts as efficiently as possible, says Pontius.

"Lean" your processes. Organizations are increasingly using the Lean process to ferret out inefficiencies within their systems, she says.

Unlike the more complex Six Sigma process, which relies heavily on data-gathering and statistical analysis and can take months to a year, Lean is less intensive. It charts an existing function and looks for ways to trim out unnecessary steps, which can be a useful form of analysis for you and your creative team, Pontius says.

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Compliance never sleeps

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Bring a group together, map out your processes and procedures, and look for areas to trim extra steps, she adds.

When it comes to healthcare reform discussions, get involved at the grassroots level, says Pontius. Find out what your local government representative supports and determine whether it's going to help or hurt your laboratory.

"Make sure to voice your opinion," she says.

A great way to monitor all healthcare reform developments is to visit *www.healthleadersmedia.com*. Reporters in Washington monitor Congress daily and post breaking news by the minute.

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Laboratory Compliance Insider (ISSN: 1522-533X [print]; 1553-9717 [online]) is published monthly by HCPro, Inc., 200 Hoods Lane, Marblehead, MA, 01945. Subscription rate: $249/year; back issues are available at $25 each. • **Laboratory Compliance Insider,** P.O. Box 1168, Marblehead, MA, 01945 • Copyright © 2010 HCPro, Inc. All rights reserved. Printed in the USA. Except where specifically encouraged, no part of this publication may be reproduced, in any form or by any means, without prior written consent of HCPro, Inc., or the Copyright Clearance Center at 978/750-8400. Please notify us immediately if you have received an unauthorized copy. • For editorial comments or questions, call 781/639-1872 or fax 781/639-2982. For renewal or subscription information, call customer service at 800/650-6787, fax 800/639-8511, or e-mail: *customerservice@hcpro.com.* • Visit our Web site at *www.hcpro.com.* • Occasionally, we make our subscriber list available to selected companies/vendors. If you do not wish to be included on this mailing list, please write to the marketing department at the address above. • Opinions expressed are not necessarily those of **Laboratory Compliance Insider.** Mention of products and services does not constitute endorsement. Advice given is general, and readers should consult professional counsel for specific legal, ethical, or clinical questions. **Laboratory Compliance Insider** is not affiliated in any way with The Joint Commission, which owns The Joint Commission and JCAHO trademarks.

Monitor CLSI evaluation protocol document for quality control

The Clinical and Laboratory Standards Institute (CLSI) is expected to release its evaluation protocol document for quality control this year. This new quality control document is designed to provide a customized approach that laboratories can use in their lab testing based on the following:

- Patient population
- Volume
- Type of testing
- Methods used

The CLSI document is voluntary.

"People ought to be aware that this is coming and start to think about how they might want to use those documents in their own organization," says Yost.

For those who do use the CLSI document, there will be guidance.

Track changes

The CMS committee focusing on proficiency testing won't meet until March, so until that group determines its recommendation, there will be no imminent changes, says Yost.

It is, however, something that may be an issue later in the year, she says. HHS will also be looking closely at laboratories not currently regulated by CLIA to ensure that they meet acceptable standards, says Yost.

Although there are many uncertainties regarding what this year will bring, one thing is clear: A focus on compliance and quality testing is a critical component of any laboratory.

"Overall, laboratories should just keep doing a good job like they have been," says Yost. "We continue to see improved performance and compliance.

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Ten tips to assess current workforce and groom employees

Plan for retirements, spot up-and-coming talent, and challenge them to become leaders

In the next two years, Fairview Health Services in Minneapolis could lose 12% of its laboratory staff members to retirements. In five years, that number jumps to 25%, and in 2019, a whopping 41% of staff members will retire, says **Priscilla Cherry,** president of laboratory services at the organization.

But Fairview Health isn't alone. A wave of retirements looms across laboratory services, and indeed, the entire healthcare industry.

Consider that the average laboratory tech is about 50 years old, says **Jeff Smith,** senior consultant and regional manager at Titan Group, LLC, in Roanoke, VA, an HR consulting firm. The average lab manager is between the ages of 54 and 55.

Combine that aging workforce with a reduced number of graduates heading into the laboratory industry, and laboratories will face a real challenge in the next few years, says Smith.

Prepare your organization for potential retirements by:

- Assessing your workforce
- Encouraging younger workers to pursue a leadership position
- Training staff members for the future

This process, called "succession planning," identifies and prepares suitable employees through mentoring, coaching, training, and job rotation to replace key players within an organization," Smith says.

The first step in the process is to identify exactly what challenges your organization will face in the next few years. Smith suggests asking yourself the following questions:

- Do you seem to be losing many people? Are they the good performers?
- Do you know when valued staff members might retire?
- Have you identified the significant positions in your organization?
- Do you know what type of leader you will need in the future?
- Do you have someone focused on vital staff members' development?
- Do you have enough talent to capture future business possibilities?
- How do you address gaps in talent and knowledge to increase service levels and production at the same time?

Get a sense of your staff members' ages and estimate when they'll be able to retire. For example, you might consider using the "rule of 80," says Smith. When the number of years the individual has worked for the organization and their age add up to 80, it's likely that they'll be thinking about retiring soon.

Identify the critical positions in your organization that you need to fill to maintain your business goals, says Smith. Assess your current workforce against those skills and positions.

After you figure out what type of issues you face, create a plan to fill those positions by grooming existing workers so they are ready to take on new roles, says Smith.

The following are some tips to help your organization get ready:

1. **Form a partnership with HR.** Any effort in staff recruitment and retention requires leadership from the laboratory manager with support from HR. Laboratory managers understand their department's specific needs, and HR can help provide a broader perspective and encourage growth within the department, says Smith. Often, a manager might think to keep a particular individual within a specialty area within the lab when, in actuality, the individual's skills would allow him or her to move into another area as well.

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Plan for retirements

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2. **Develop a culture of leadership development.** Talk to staff members about their career goals and start building leadership plans for them. Provide opportunities for growth and have conversations about their personal life and which goals might fit into their career path.
3. **Encourage younger workers to take on new roles.** It may take some convincing to encourage younger generations to take on management positions, says Smith. They sometimes see management jobs as a lot more stress and longer hours for relatively little reward. But you may meet with more success if you use leadership training as a way to expand the horizons of these workers. As a group, Generation X and Millennials take on new responsibilities, tend to seek out a broader experience, and don't want to work in narrowly defined positions, says Cherry.
4. **Support your staff members.** Let staff members know that you support them if they choose to leave the organization for an opportunity that will help them grow. That increases the chances that they will return to your organization one day with their newly acquired experience, says Cherry.
5. **Recognize that not everyone will be management material.** Sometimes staff members see that you've targeted another individual for training and request similar opportunities. You need to make difficult decisions about how much training ability you have and how to meet everyone's needs. "Sometimes you have to be prepared for hard conversations," says Cherry.
6. **Overcome barriers.** Two of the biggest barriers to leadership training are a lack of money and time. If your organization faces these problems, it's time to get creative, says Cherry. Leadership training doesn't only come via an expensive, formal training program; it can be a few minutes or an hour here and there that a manager spends with employees that involves showing them how to work on a budget or make a presentation to senior management, says Smith.
7. **Delegate.** Take some of the tasks that you ordinarily complete and give them to other staff members. Mentor them through the process. Sit down at the bench and have a two-minute conversation or give a staff member two hours on Friday afternoons to work on a project. Delegating your work not only gives someone else the opportunity to learn but can also help with your own workload, says Smith. You'll often find that younger generations won't mind spending a little extra time in the laboratory working on tasks that they see as important and that will further their career or help improve the lab.
8. **Plan for difficult-to-replace positions.** Have a plan for stand-alone, critical jobs. Every laboratory has a position that will not be able to be filled internally yet is critical to the operation of the facility. Try to encourage individuals in such positions to give you as much notice as possible if they plan to leave the organization so you have sufficient time to replace them, says Smith.
9. **Recognize that succession planning must be ongoing.** This is not a one-time exercise. Review your workforce planning on a quarterly basis. Try to pick slower times in the year, when you're not being bombarded with holidays or vacations, to perform this task, says Smith.
10. **Prepare now.** If you wait and don't take this issue seriously, you may face major problems down the line. Now is the time to take action. ■

Questions? Comments? Ideas?

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Sample form

Below is a tool to help you determine the potential of your employees for leadership positions.

POTENTIAL	Less Than Full Performance	Full Performance	Exceptional Performance
High Potential (Turn)	6. Recently promoted (i.e., within last 6 months) former 1,2, or 3 box performer. **Development Strategy:** Must be coached to reach full performance as soon as possible. Provide specific coaching on expectations and role definition. Monitor progress closely.	**3.** Meets the performance standards for the current position, and demonstrates the capacity to make a turn to the next level in the future. **Development Strategy:** Should begin identifying next role and planning for a role change. Focus on adding skills for next level and improving any needed skills in the current.	**1. Future Focus** Has mastered most if not all aspects of the current role and is now ready to make a turn to the next level. **Development Strategy:** An appropriate new assignment should be found for this individual soon.
Medium Potential (Growth)	**8.** An individual who is fully performing or exceptional in some dimensions, but shows serious deficiencies in others. These gaps by result from not having sufficiently mastered the requirements of the new position, or, more seriously, may be a long standing condition. **Development Strategy:** Examine priorities and time commitments. Focus on improving performance in current job to full performance.	**5.** Meets the performance standards for the current role and could assume a broader assignment within the current level. The key question is: "What is the performance trend?" **Development Strategy:** Should be challenged but focus should be on performance improvement.	**2.** Has mastered most if not all aspects of current role and is ready now for a broader assignment within the current level. **Development Strategy:** Development should focus on adding skills required at the next level
Low Potential (Mastery)	**9. Corrective Focus** Performance falls short of the standards for the position. **Development Strategy:** Consult with HR. Must help to enable full performance if willing and able. Otherwise, may be reassigned or leave the company.	**7.** Meets the performance standards for the current role and is probably capable of performing effectively in another role of similar scope. **Development Strategy:** Focus should be on full performance in role, adding breadth of skills at the same level.	**4.** Has mastered most if not all aspects of the current role and is capable of performing effectively in different roles of similar scope. Seasoned pro who is of great value to the organization and can be considered help in training others, or in start-ups and turnaround situations where expertise is required. **Development Strategy:** Add breadth of skills at current level with a focus on building capability to transfer knowledge/expertise.

Soure: Jeff Smith, senior consultant and regional manager, Titan Group, LLC, Roanoke, VA.

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Coding update

Determine new codes, updates to existing ones, and find deleted codes in order to avoid billing denials

Review billing and coding changes for this year and help boost your bottom line and cut denials, says **Shelley C. Safian, MAOM/HSM, CCS-P, CPC-H, CPC-I, CHA,** president of Safian Communications Services, Inc., in Orlando, FL.

This year brings new codes, new guidance, and some deleted codes.

Safian says labs should take note of the numerous smaller changes to codes.

Review these deleted codes

Make the first item on your coding checklist deleted codes. "That is the No. 1 thing you have to pay attention to," says Safian.

Many laboratories use preprinted forms that list all the codes so that staff members only have to check a box and submit it to billing. If these forms aren't updated annually with changes, they will include codes that have been removed. When your lab bills for a deleted code, it will automatically get a denial.

"I can't tell you how many consultations I've done where I've evaluated a preprinted form and it has CPT codes that were deleted three or four years ago," says Safian.

Too often, she says those costs are then wrongly passed along to the patient, who ends up paying for the lab's error.

Update the form and remove deleted codes to dramatically reduce denied claims and time spent by staff members chasing those denials, Safian says.

This year, there are several deleted codes, which include the following:

- **86781**: Tredeponema pallidum confirmatory test; (e.g., FTA-abs).
- **82307**: 25 hydroxy vitamin D. Use code 82306 instead. This change also includes a reference to code 82652, dihydroxy vitamin D, 1, 25, which has been changed to 82652, vitamin D; 1, 25 dihydropsy, includes fraction(s) if performed.

Catch new CPT codes

Failure to update the form to include these new codes can mean no money for a newly eligible test, says Safian. New codes are sometimes added, breaking out a component of a previously existing code. If you don't update your list of codes, you could bill incorrectly and risk denials.

"The fact is, for the investment of a couple of hours and the cost of reprinting preprinted forms for the new year, I can almost guarantee that this will bring forth thousands of dollars in revenue," says Safian.

Some of the new codes this year are as follows:

- **83987:** A sister code for code 83986, for pH; exhaled breath condensate. In 2009, the code definition for 83986 was pH, body fluid, except blood, with a notation that says "for blood pH see 82800 or 82803." The notation still stands in 2010, but the new code description is pH; body fluid not otherwise specified.
- **84145:** Procalcitonin (PCT)
- **84431:** Again brand thromboxane metabolite (s), including throboxane if performed, urine.
- **86305:** Human epididymis protein 4 (HE4).
- **86352:** Cellular function assay involving stimulation (e.g., mitogen or antigen) and detection of biomarker (e.g., ATP).
- **86780:** Treponema pallidum.
- **86825:** Human leukocyte antigen (HLA) crossmatch, non-cytotoxic (e.g., using flow cytometry); first serum sample or dilution.
- **86826:** An add-on code that includes the definitions above up to that semicolon repeated is for each additional serum sample or sample dilution.

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- **87150:** Culture, typing; identification by nuleaic acid (DNA or RNA) probe, amplified probe technique per culture or isolet, each organism probed.
- **87153:** Culture, typing; identification by nucleaic acid sequencing method, each isolet, (e.g., sequencing of the 1, 6, S rRNA gene).
- **87493:** Is *clostridium difficile* toxin gene (s), amplified probe technique.
- **88387:** Macroscopic examination, dissection, and preparation of tissue for non-microscopic analytical studies (e.g., nucleic acid based molecular studies); each tissue preparation (e.g., a single lymph node).
- **88388:** An add-on code that includes everything in code 88387 above followed by a semicolon and the following: in conjunction with a touch imprint, intraoperaive consultation, or frozen section, each tissue preparation (e.g., a single lymph node).
- **88738:** Hemoglobin, quantative, transcutaneous.

Use care with unspecified or unlisted codes

Use the final new code, 89398, unlisted reproductive medicine laboratory procedure, with care, says Safian. Unlisted CPT codes should not be used unless absolutely necessary and only with proper documentation, she says.

If you are using one of these unlisted or nonspecified codes, include with the claim a report, documentation, or letter. If you don't include this type of documentation, the insurance company will likely ask for it anyway. Waiting for the company to request it will delay your claim by at least two to three weeks. It costs you labor to have a staff member look up the information and refile the claim.

Go through claims each year to find those that are unlisted or nonspecified and develop a standardized form to submit with each of them. This will reduce paperwork for staff members and make it more likely that these claims will be paid.

Spot new guidelines

Labs have been instructed to not report two or more panel codes that include two or more tests from the same patient collection if a group of the tests overlap. For example, if a physician orders a general health panel, code 80050, which includes a complete CBC, and the doctor also orders an obstetric panel, code 8055, which includes a variety of tests not included in the general panel, but also some of the same tests, this guidance indicates that the tests that do not overlap should simply be billed individually.

This is designed to prevent labs from being paid twice on the same test, Safian says. Lab managers might want to consider making a cheat sheet for staff members that includes a table guiding them on panels that have overlapping tests, she says. This shouldn't be a time-consuming process because there are only 10 panels.

Another new guideline affects codes 86592 and 86780. It states that physicians ordering a treponemal antibody test for syphilis cannot use the obstetric panel code, 86592, which includes a non-treponemal antibody test, says Safian.

You cannot substitute a treponemal test, which has a separate code, 86780, for the non-treponemal test and still bill for a panel, she says.

Instead, if the physician orders a treponemal test in addition to the other test on the panel, you must bill all those items separately.

In these instances, avoid the temptation to use modifier -52 for reduced services; it is not permitted for use with pathology panel tests, says Safian. If you are not performing all the tests in the panel, you must bill the tests individually.

Other new guidelines include:

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Coding update

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- On 84431, for concurrent urine creatinine determination, use 84431 (the new code) in conjunction with 82570
- For transcutaneous hemoglobin measurement, use code 88738

Note these CPT code changes as well:

- Code 82784, gammaglobulin, has been changed to (immunoglobulin); the rest of the code description stays the same: IgA, IgD, IgG, IgM, each.
- Codes 83516, 83518, 83519, and 83520 have all been changed so that they are qualitative or semi-quantitative.
- 83516 was immunoassay for analyte other than infectious agent antibody or infectious agent antigen, qualitative or semi-quantative; multiple step method. For the 2010 code description of 83516, the semicolon was moved from after the word semi-quantative to after the word antigen.
- 82865: Use up to three, and if there are more, use 82826 for each additional one.
- 87149: This code used to say culture, typing; identification by nucleic acid probe. It has been changed to say culture, typing; identification by nucleic acid (DNA or RNA) probe direct probe technique per culture or isolate, each organism probed.
- 88312 used to be an add-on code. It could only be used with a surgical pathology code, but is now considered a primary code.
- 88313 is also a former add-on code that is now considered a primary code.
- 88314 now includes an interpretation and reporting requirement.

Be vigilant

Understand the diagnosis codes and double-check to ensure that medical necessity requirements are met. Look for mistakes on claim forms, such as transposed numbers. For example, Safian had a coding student one day who realized in class that her physician's order for an x-ray on a stomach also listed an inaccurate code for schizophrenia, which had been written in error.

If you are like many managers and are too crunched for time to review coding and billing changes, delegate the task to someone else. Ideally, you might hire an intern from a local college. You'll get a student with much training—internships are typically at the end of a college's coursework—and the intern will get that hands-on training he or she needs. ■

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