



Case study

Comprehensive RCM services allow a lab to navigate challenges



Customer

Meridian Laboratory Physicians, Manasquan, New Jersey



Challenge

Improve claims, collections and contract terms to combat declining hospital volume and complex outreach billing requirements



Product

Revenue Cycle Management services



Results

- Established comprehensive revenue cycle services
- Initiated professional component billing for 15-20%
- Accommodated outreach billing and accounting needs
- Obtained market and referral assessments for optimal collections
- Supported ICD-10 transition

“Optum has done an excellent job for us. They’ve helped us increase our reimbursement during a time when many labs are seeing their revenues decline.”

Anis Rangwala, MD
President, Meridian
Laboratory Physicians



The customer: Meridian Laboratory Physicians

Based in Manasquan, N.J., Meridian Laboratory Physicians provides pathology services for four Meridian Health System hospitals in east-central New Jersey. The group's 16 physicians annually perform more than 300,400 clinical procedures and more than 152,700 anatomical procedures.

The challenge: Improving coding and billing for clinical pathology

In 2003, Meridian turned to Optum to improve coding and billing. The practice had been working with a regional billing vendor that had neither the expertise nor capacity to meet essential revenue cycle management needs, including billing for the professional component of clinical pathology. Additional requirements included CPT coding oversight, audits of billed work, regulatory compliance and contract negotiations.

In recent years, Meridian has battled to make up for declining hospital volume, a changing payer mix and reductions in Medicare and commercial reimbursements.

The solution: Comprehensive revenue cycle management

Optum was able to successfully bill on the group's behalf for the professional component of clinical pathology. Optum addressed the complexities of professional billing. Those additional revenues helped Meridian initially increase collections by 15-20%. Optum also established electronic interfaces with Meridian's affiliated hospitals to expedite the transfer of demographic and clinical data and help submit clean and timely claims.

At the same time, Optum implemented comprehensive revenue cycle management procedures, including proactive denial management, coding audits and rigorous compliance practices. More recently, Optum has partnered with Meridian to support the group's continued expansion of its outreach business. Meridian provides services to a variety of external clinical organizations, including surgery centers and specialty clinics. Optum services range from tracking outside RVUs and referral physician trends to compliance with billing guidelines.



“Our client manager works aggressively and diligently to meet our needs.”

Dr. Anis Rangwala

The result: Maintaining financial stability

Optum continues to support Meridian's facility-based and outreach businesses by overseeing the complex billing and accounting requirements associated with providing third-party services. As part of this effort, Optum has created a range of productivity tools that help Meridian optimize efficiency across all operations. Optum also offers market assessments designed to help Meridian identify new business opportunities.

Optum also conducts ongoing analysis of the group's existing revenue sources, payer trends and patient demographics to help Meridian refine its referral mix and optimize revenue collection. These efforts have helped Meridian maintain financial stability during a period of market uncertainty and declines in traditional business opportunities.

Optum regularly renegotiates managed care agreements for Meridian and has consistently secured equitable rates, despite downward priced pressure exerted by payers. Optum also provides annual updates on changes in regulatory issues and CPT codes, and offered ongoing guidance and preparation during the shift to ICD-10.

"Optum has done an excellent job for us," reports Dr. Anis Rangwala, "They've helped us increase our reimbursement during a time when many labs are seeing their revenues decline. Our client manager works aggressively and diligently to meet our needs. I truly can't say enough about how beneficial this relationship has been for Meridian."

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