

Stamford Pathology Group, PC Becomes First in State to Bill for Professional Services

At a Glance

Organization

Stamford Pathology Group, PC
Stamford, Conn.

- 4 physicians
- 250,000 procedures annually
- Affiliated with the Stamford Hospital Health System

Solution Spotlight

- McKesson Revenue Management Solutions
 - Coding
 - Billing
 - Revenue management
- McKesson Consulting Services
 - Practice formation

Critical Issues

- Billing for professional services, including the professional component of clinical pathology
- Practice formation
- Managed care and hospital contract assistance

Results

- 20% revenue increase over McKesson's initial projections
- First pathology practice in Connecticut to bill for professional component of clinical pathology services
- Strong denial management process
- Strong practice with continuous expansion

Stamford Pathology Group, PC is a four-physician group affiliated with the 305-bed Stamford Hospital, a community teaching hospital associated with the Columbia University College of Physicians & Surgeons. The practice logs approximately 200,000 clinical procedures and about 50,000 anatomical procedures per year.

The Stamford Pathology Group was reorganized and launched with help from McKesson. Once operational in 2006, the group became the first in Connecticut to bill for the professional component of clinical pathology services. Since then, other pathology groups in the state have followed Stamford Pathology's lead.

Challenges

In its search for a new president, Stamford Hospital recruited Robert Babkowski, M.D., FCAP, to establish an independent pathology practice to meet the hospital's growing laboratory requirements. Dr. Babkowski needed help building a new organization. He also wanted a trusted partner that could manage the group's billing operations.

In the billing arena, Dr. Babkowski was particularly interested in finding an organization with billing expertise for the

professional component of clinical pathology services. Although pathologists are entitled to reimbursement for supervisory services, years of uncertainty and misinformation around the subject have led many to believe that professional reimbursement is neither legitimate nor legal. However, Dr. Babkowski was aware of McKesson's longtime leadership in this area. He was also confident that McKesson could provide the critical assistance needed to launch the practice.

Answers

McKesson's consulting team worked with Dr. Babkowski to develop all the key operational elements of the practice, including corporate structure, compensation and benefits plans. Simultaneously, experts from McKesson's revenue management solutions team established an electronic interface with the hospital, developed a compliance plan and laid the groundwork for professional component billing by working closely with the hospital and area payors. Within five months of partnering with McKesson, the practice was operational.

Results

According to Dr. Babkowski, Stamford Pathology Group exceeded the initial revenue projections made by McKesson by 20% in the first 12 months of

Case Study

"McKesson understood from the beginning that payment for the professional component of clinical pathology too often is left on the table by pathology practices and that physicians have every right to get paid for the work they do."

Robert Babkowski, M.D.
*Laboratory Medical Director
and Chair of Pathology
Stamford Hospital
President
Stamford Pathology Group, PC*

operations. Significantly, collections for the professional component of clinical pathology services are strong and continue to grow.

"McKesson understood from the beginning that payment for the professional component of clinical pathology too often is left on the table by pathology practices and that physicians have every right to get paid for the work they do," says Dr. Babkowski. "Between the new professional component payments and the excellent management of our overall billing process, we were able to exceed McKesson's own total revenue projections for the practice by 20% in the first year."

"Beyond providing assistance with billing for professional services," explains Dr. Babkowski, "McKesson has helped strengthen our compliance and optimize reimbursement by consistently educating us on appropriate documentation and coding."

The group also benefits from McKesson's management reports. "What I really appreciate is that the reports can be tailored to what I need," relays Dr. Babkowski. "We now have established performance benchmarks that I can monitor through executive summaries prepared for me by my trusted account manager. ... They're very helpful for us in terms of our understanding practice performance on a day-to-day basis."

"McKesson made this start-up possible," adds Dr. Babkowski. "And since we became operational, they've done an outstanding job managing our billing process. I'm extremely impressed with the wide range of services they provide."

McKesson Provider Technologies

5995 Windward Parkway
Alpharetta, GA 30005

[http://www.mckesson.com/
pathologyservices](http://www.mckesson.com/pathologyservices)
1.800.903.7824

Copyright © 2009 McKesson Corporation and/or one of its subsidiaries. All rights reserved. All product or company names mentioned may be trademarks, service marks or registered trademarks of their respective companies. PRT388-06/09