WhitePaper

The Laboratory Executive's Guide to Maximizing Revenue & Valuation:

Effective Revenue Cycle and Compliance Management are Critical Success Factors

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Introduction:

Revenue Cycle Management In The Lab

"Despite its complex nature, maximizing laboratory reimbursement remains, for many labs, the best mechanism for increasing cash and maximizing revenue."

The laboratory business continues to face consolidation and margin pressure. There are now far fewer independent labs than just a decade ago. In addition, new or changing regulatory and compliance requirements place increasing challenges on labs. The Protecting Access to Medicare Act (PAMA) clinical laboratory fee schedule is just the latest example of continued compression of laboratory reimbursement. This has a direct impact both on lab revenue and valuation.

Valuation isn't just important if a lab is looking to be acquired. It is now more important than ever to find the best ways to increase revenue and operating margin. Understanding and maximizing your valuation is a smart business practice for all laboratories.

Despite its complex nature, maximizing laboratory reimbursement remains, for many labs, the best mechanism for increasing cash and maximizing revenue, especially in the near-term. Even so, many labs fail to recognize just how significant is the untapped potential of their revenue cycle management (RCM). It is one of the fastest routes to financial improvement and successful navigation of the financial and regulatory challenges of today's market. However, maximizing reimbursement requires laboratory leaders to have a unified understanding of what comprehensive RCM can effectively deliver.

Revenue cycle management is a term that many vendors use, but its meaning can vary substantially, and for some companies it can even mean as little as submitting a claim. However, true RCM is not just about billing. It is about *managing the entire revenue cycle*, with a solid financial foundation. It also means conducting a constant and consistent analysis of the front-end to back-end revenue processes through specific tools and workflows. Since the desired outcome is to leave no earned revenue on the table, RCM comes down to maximizing the efficiency and adaptability of all of the components of the revenue cycle process to net the greatest return.

> *"How well a lab manages these processes, workflows and tools will determine its ability to capture all potential revenue and increase its profitability."*

Up to 40% of laboratory claims are known to have missing or inaccurate information, which lead to delays, denials and often times, write-offs. CMS statistics indicate that only about half of denied claims are ever returned for processing. It is precisely these exception claims, as well as inaccurate net verses gross revenue recognition, that negatively impacts labs' revenue and cause labs to lose up to half of their profits.

In the laboratory business, compliance is also a critical component of comprehensive RCM. It is an area where labs may not be aware of their gaps until it is too late, at which time the costs can be colossal. Diligent revenue cycle management will address these compliance issues that can cost a lab in heavy fines and legal fees, as well as take them out of contention for acquisition, if that is a goal.

How well a lab manages these processes, workflows and tools will determine its ability to capture all potential revenue and increase its profitability and ultimately its valuation.
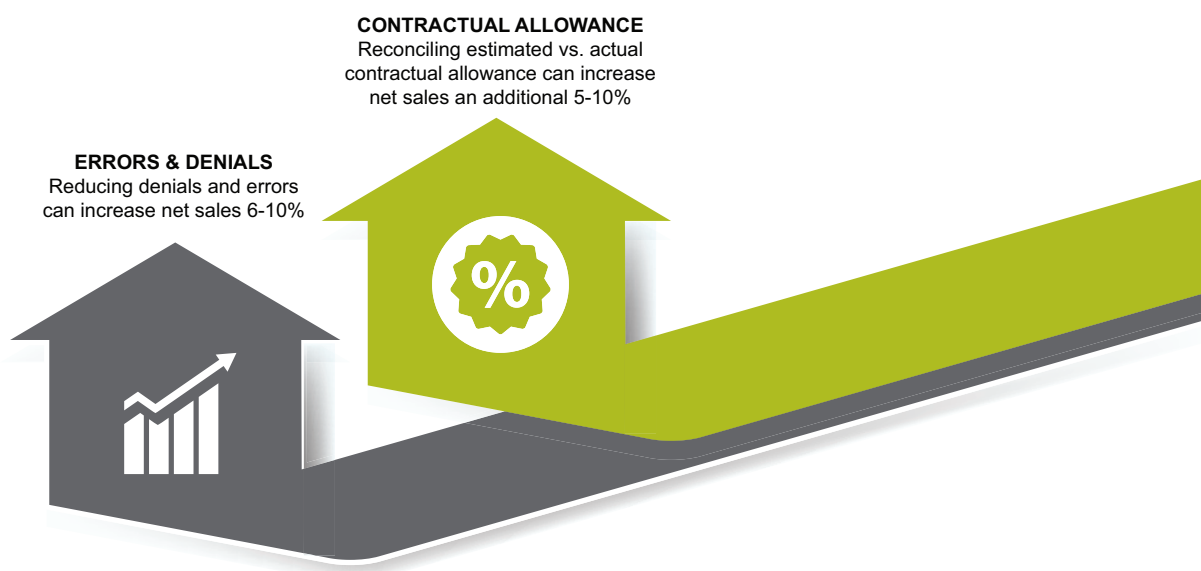
Chapter 1:

Key Metrics Of Lab Profitability

The first priority in increasing lab profitability is maximizing revenues. And that starts with determining net sales.

Net Sales

Net sales represent the amount of gross sales generated by a company minus any deductions for returns, contractual allowances, damaged or missing goods and any allowed discounts. The sales number reported on a company's financial statements is a net sales number, reflecting these deductions. Therefore, net sales give a more accurate picture of the actual sales generated by the company, or the cash that it expects to receive.

A comprehensive RCM system can reduce claim denials and processing errors to deliver an additional 6 – 10% in net sales.

NET SALES IMPROVEMENTS

CONTRACTUAL ALLOWANCE
Reconciling estimated vs. actual contractual allowance can increase net sales an additional 5-10%

ERRORS & DENIALS
Reducing denials and errors can increase net sales 6-10%

"When there is a lack of visibility... clerical staff often resort to accepting partial payments as payments in full; this artificially inflates contractual allowance adjustments..."

Contractual Allowances

Contractual allowance is the difference between the rates billed to a third-party payor and the amount the payor actually will pay, according to its contract. These contractual allowances can be as much as 60% of the billed rate, and count as a reduction in net sales. When there is a lack of visibility and inadequate tools for segregating and following up on balance owed, clerical staff often resort to accepting partial payments as payments in full; this artificially inflates contractual allowance adjustments and has a direct impact on cash collected. Moreover, it erroneously gives the laboratory the belief it collected all monies owed, when there may actually be more dollars to pursue. A comprehensive RCM system reconciles estimated and actual contractual allowance, and ensures dollars are not incorrectly identified as contractual allowance in the first place. This enables the laboratory to pursue the total reimbursement to which it is entitled under the terms of its contract with the payor, and as a result can increase net sales by an additional 5 – 10%.

EBITDA

EBITDA is essentially net income with interest, taxes, depreciation, and amortization added back to it. EBITDA can be used to analyze and compare profitability between companies and industries because it eliminates non-operating expenses and non-cash charges like depreciation and amortization.

EBITDA is a non-GAAP measure that came into common use as an indicator of a company's ability to service debt. EBITDA is now commonly quoted by many companies, especially in the technology and healthcare sectors. This measure is of interest to a company's creditors, since EBITDA is essentially the income that a company has free for interest payments. EBITDA does however leave out the cash required to fund working capital and the replacement of old equipment.

In addition to maximizing net sales, reducing operating costs will also improve EBITDA. Laboratories experience expense synergies in the IT and billing departments with a proper RCM system. Reduction in bad debt expense achieved with a proper RCM system also improves EBITDA.

Despite the strict revenue recognition guidelines of the Sarbanes-Oxley Act (SOX), and the latest revenue recognition rules in the Financial Accounting Standards Board (FASB) Accounting Standards Codification® (ASC) 606, many labs still struggle with precise accounting of net revenue. In fact, many labs have trouble understanding their true top line revenue and as a result their ultimate profitability due in large part to inaccurate accounting of contractual allowances.

FASB ASC 606 makes fundamental changes in the way all contracts must be analyzed and reported each quarter. Every lab company and organization that follows GAAP in its financial rules, or is audited by an outside CPA firm, must comply. Labs need to accurately determine contractual allowances, price concession percentages, and bad debt percentages for FASB compliance. For example, they will need analytics based upon adjudicated claims and also analytics based upon remaining aging balance.

Fortunately, the revenue cycle management process can help adhere to these requirements. Cash flow will also improve through access to real time accounts receivable information and a proactive collection process. That said, as billing, collections, and compliance continue to grow in complexity, it is critical to have a comprehensive RCM system and an expert partner to stay ahead of the changes.

Traditional billing systems are no longer adequate to manage the complexities of today's laboratory business. Labs need comprehensive RCM systems that are built on a solid financial foundation with intelligent automation, referential integrity, and possessing the financial sophistication to provide general ledger ready, compliant financial reporting. This requires greater drilldown detail, monitoring capabilities, and adaptability to ever-changing requirements.
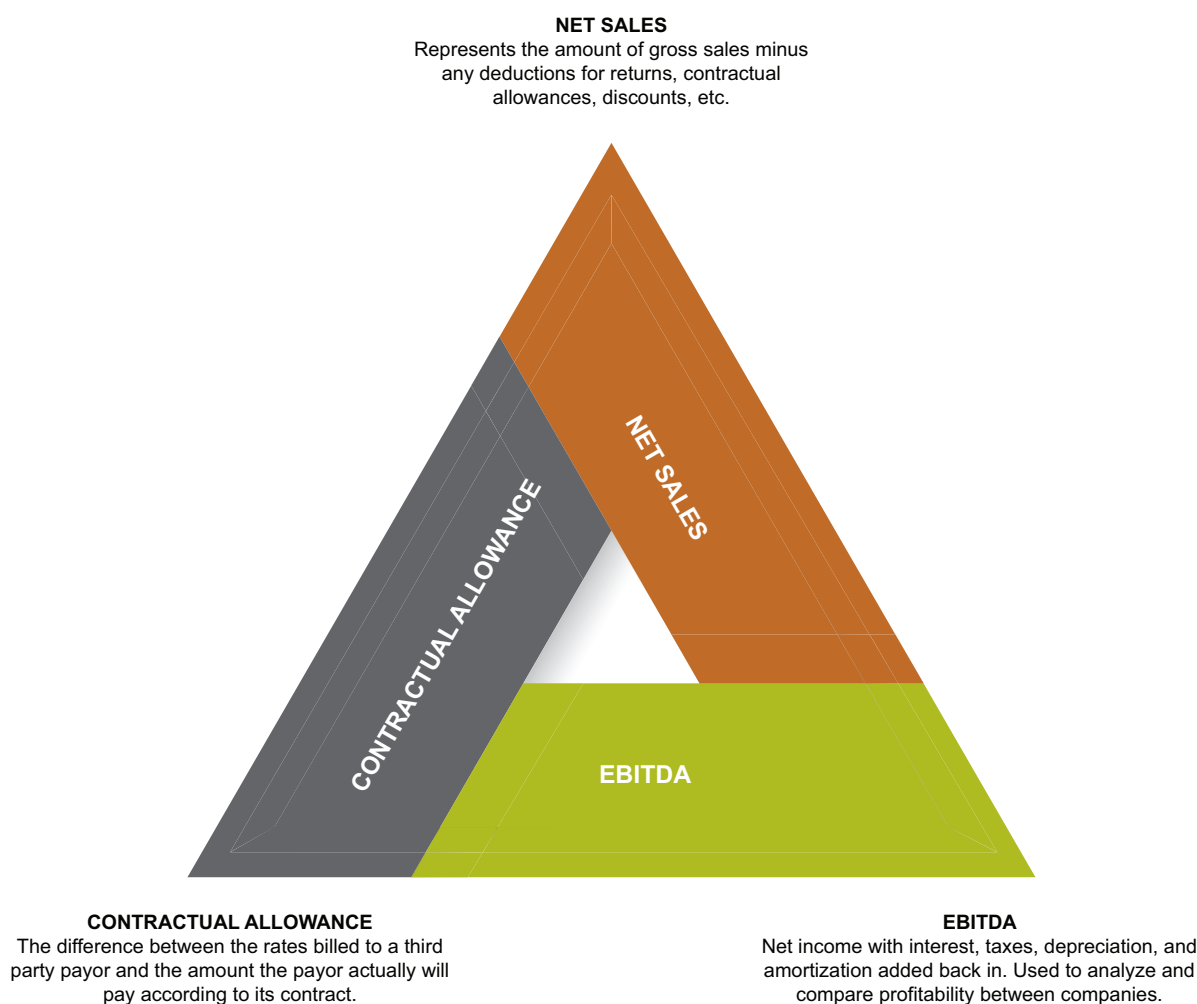
Laboratory leaders not only need to have a firm handle on revenue, but also need the tools to be able to identify when the lab is being chronically under-reimbursed. Having this understanding — and the data to back it up — supports the pursuit of additional collections, as well as for payor contract renegotiation.

As regulations, such as FASB ASC 606, have made revenue recognition and reporting more complex, the practice can be challenging for many organizations. For example, when it comes to the difference between the retail and the negotiated third-party contractual agreement rate, few billing systems or their users are capable of continuously monitoring what is billed, what is paid, and its exact correlation to contractual allowance. This situation is exacerbated by changing Medicare and third-party payor rules, primary and secondary payment guidelines, regulations and fee schedules across hundreds of payors and thousands of Current Procedural Terminology (CPT) codes.

Despite the plethora of third party payors, the world of compliance essentially revolves around Medicare rules and guidelines defined by the Centers for Medicare and Medicaid Services (CMS) and the Office of the Inspector General (OIG). Underbilling or overbilling due to claims errors raises flags with federal agencies that see these regulatory guideline violations as potential fraud.

This is just one of the reasons that labs must have a comprehensive RCM system based on financial integrity to avoid both compliance issues and claim rejection. Failing to do so will not only reduce potential captured revenue, but puts a lab in the position of incurring staggering fines for inaccurate revenue reporting. Appropriate RCM includes underlying transactional detail and audit trail data for the establishment of policies and procedures that can be effectively tested and documented for SOX compliance as well as provide steps for corrective action if needed.

KEY METRICS OF PROFITABILITY

NET SALES
Represents the amount of gross sales minus any deductions for returns, contractual allowances, discounts, etc.

NET SALES

CONTRACTUAL ALLOWANCE

EBITDA

CONTRACTUAL ALLOWANCE
The difference between the rates billed to a third party payor and the amount the payor actually will pay according to its contract.

EBITDA
Net income with interest, taxes, depreciation, and amortization added back in. Used to analyze and compare profitability between companies.

Chapter 2:

RCM Challenges In The Lab

Workflow and Manual Processes

Managing account receivables is about accuracy and timeliness, with both dependent on workflow. With labs representing just 2% of healthcare spending but 30% of all claims filed, they see some of the smallest margins in healthcare. This means that manual processes and inefficient labor usage can further erode an already thin margin.

Since up to 40% of laboratory claims are known to have missing or inaccurate information, tracking these claims that are problematic and correcting them in real time introduces further potential for error. This is due to lack of visibility and categorization of problem claims as well as reliance on manual processes for follow-up.

Compliance and Fee Schedules

Many labs do not fully realize the scope of their noncompliant activities. In the eyes of the OIG, a mistake by the billing staff is not distinguished from fraud. The way that the OIG classifies fraud and abuse no longer requires proving intent. There are serious penalties for healthcare fraud that can attach treble damages to the already hefty fine of $10,000 per claim. The relatively low dollar amount of the average laboratory testing claim of, say, $50.00 could result in potential damages in the amount of $30,000 for a single procedure code.

PAMA reporting, and the compliance around it, is another challenge for many labs. There are strict penalties for non-reporting. CMS has the authority under the Act to impose penalties of up to $10,000
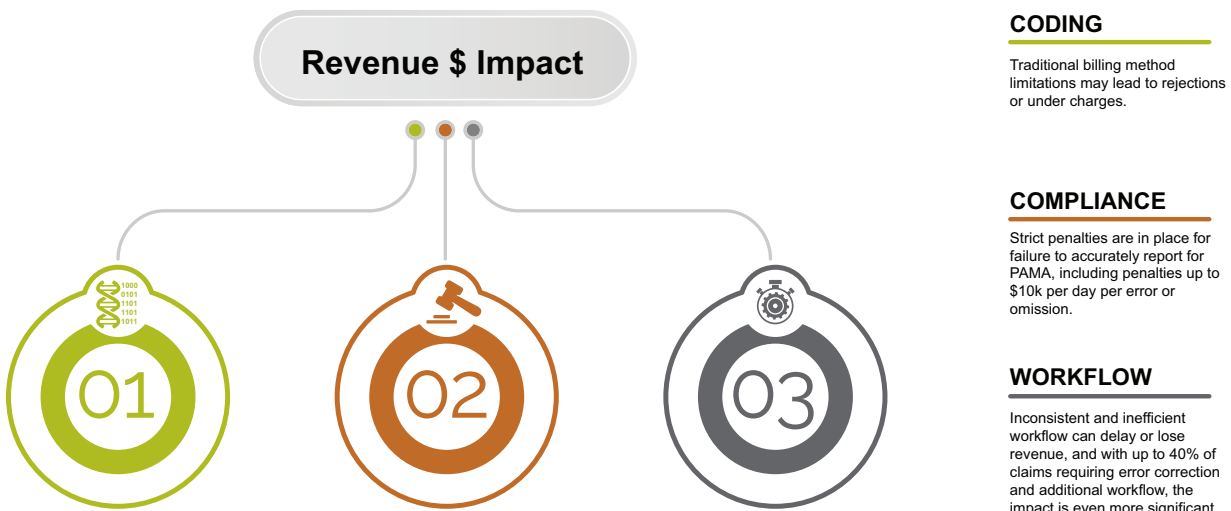
per day, adjusted for inflation, for each failure to report or each misrepresentation or omission in reporting applicable information.

Coding Challenges

There are thousands of combinations of codes and scenarios whereby some can be billed and some cannot. These codes, the associated fee schedules from CMS, and the contractual fees from hundreds of third party payors make for a complicated process that requires accurately managing a myriad of details and regular re-evaluation and updates.

Traditional billing systems allow some flexibility in setting up individual testing codes and the associated fees. Unfortunately, the limitations, such as a lack of intelligent automation, of many of these systems correlates these individual and combination codes to a billing amount that meets generalized rather than specific payor rules.

RCM CHALLENGES IN THE LAB

CODING

Traditional billing method limitations may lead to rejections or under charges.

COMPLIANCE

Strict penalties are in place for failure to accurately report for PAMA, including penalties up to $10k per day per error or omission.

WORKFLOW

Inconsistent and inefficient workflow can delay or lose revenue, and with up to 40% of claims requiring error correction and additional workflow, the impact is even more significant.

The result can be rejected claims by some payors and an under charge to others that leaves reimbursement dollars (i.e., revenue and profit) on the table.

The alternative to using these systems, is to manually set each testing code reimbursement rate (and the different or multiple code combinations that often arise with more complex assays) for each of the hundreds of payors. This introduces the high likelihood of error into the coding and billing processes that could lead to what appears to be fraudulent claims, or, leaves behind reimbursement dollars.

Many labs still rely on traditional billing systems and software vendors to handle these updates. Unfortunately, many vendors cannot guarantee sufficient provisions for support, rapid implementation, testing and troubleshooting. All of these factors pose significant risk to a lab's claim error rate, compliance, as well as top line revenue.

As a result, billing clerks are making different, non-standard decisions throughout the day as they look at various digital data or pieces of paper on a routine billing system or system report. The preponderance of paper in the form of explanation of benefits (EOB), front-end rejection reports, et al. not only slows the workflow but introduces errors and compliance problems.

Chapter 3:

Positively Impacting Lab Revenue Through RCM

> *"The OIG states that "software developed for a single individual or a [provider] probably poses the greatest risk of financial harm to the Medicare program" and "proprietary software, and not commercial software, poses the greatest risk of being intentionally designed to produce improper or inaccurate claims."[1]*

In the lab business, processes and workflows are shaped, to a large degree, by information technology (IT) infrastructure and tools. When IT is slow to adapt or evolve, or simply cannot do what is required to meet a business need, the result is often manual workarounds, which of course introduce the likelihood of human error.

Incorporating a comprehensive RCM process begins with an assessment of the technology infrastructure, including the process tools, the process itself, and the workflows that automate the process and replace the manual parts of the processes or workarounds. This assessment reveals gaps in the IT infrastructure that can then be addressed — chiefly through intelligent software automation tools that provide rules-based workflow, decision support, and financially sophisticated information databases.

Technology Infrastructure

Many labs still use proprietary billing systems that, according to the OIG, are highly susceptible to fraud issues. In the OIG Report "Medical Billing Software and Processes Used To Prepare Claims," the OIG states that "software developed for a single individual or a [provider] probably poses the greatest risk of financial harm to the Medicare program" and "proprietary software, and not commercial software, poses the greatest risk of being intentionally designed to produce improper or inaccurate claims."[1]

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1   https://oig.hhs.gov/oei/reports/oei-05-99-00100.pdf

"The complexities of RCM can require many updates per month just to stay current with payor rules, coding, and compliance needs."

For laboratories, like many other industries, IT software design is not (nor should it be) a core competency of their business, despite the often times Herculean efforts and vast resources that some organizations have devoted to developing proprietary solutions. The complexities of laboratory RCM processes can require many updates per month just to stay current with payor rules, coding, and compliance needs. This is an unsustainable burden for even the largest players on the laboratory landscape to handle independently.
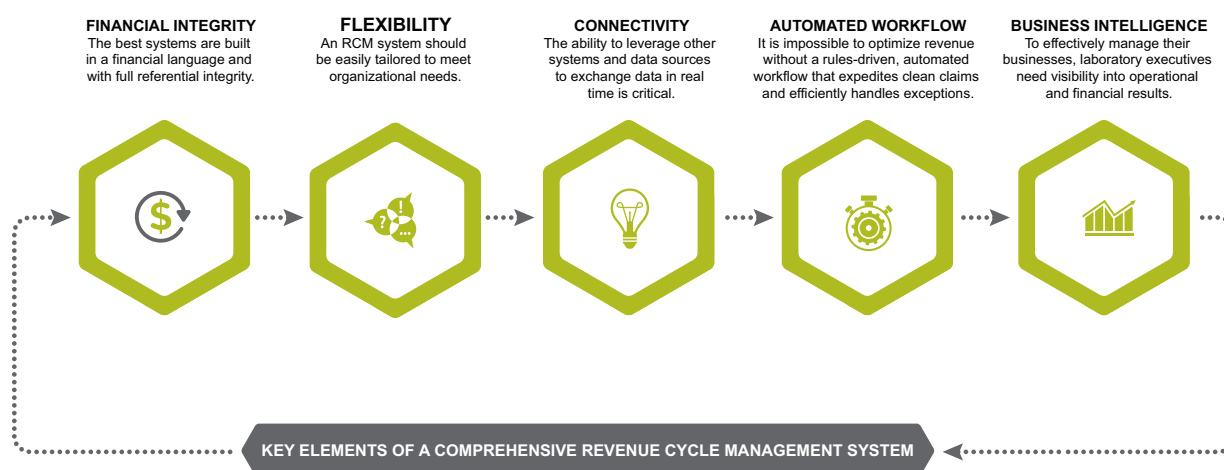
With the bulk of capital expenditures continuing to focus on diagnostic information technology, labs are not in the position to make equal investments in proprietary financial IT infrastructure, such as revenue cycle management. The result is that IT personnel are consumed with maintaining and updating diagnostic IT systems and scant personnel or capital resources can be dedicated to the financial systems side. This makes it difficult to stay current with technology and the ever-changing needs of billing and AR departments.

Best-in-Class Revenue Cycle Management

There are several important factors in selecting a comprehensive revenue cycle management system. The first is *financial integrity.* One of the things that separates a billing system from a complete revenue cycle management system is the financial foundation provided by an RCM solution. The best RCM systems are built in a financial language and with full referential integrity. This assures that every client account balances to the penny, every month, and delivers a complete financial accounting package that is both GAAP and SOX compliant and ready for the general ledger. Today's RCM systems should also be pre-configured to help labs deal with the newest FASB requirements for revenue recognition.

Next is *flexibility*. Laboratory leaders want an RCM system that can be easily tailored to meet their organizational needs. For example, a system that enables the lab to handle billing and RCM-related services, such as payor edits and regulatory modifications internally or through outsourcing.

Next is *connectivity*. Cloud-based RCM systems with robust web services, for example, enable laboratories to readily connect and communicate with other systems both upstream and downstream in the RCM process. The ability to leverage other systems and data sources with built-in HIPAA and internet security protocols to exchange data in real time is a critical component of delivering connected healthcare.

FINANCIAL INTEGRITY
The best systems are built in a financial language and with full referential integrity.

FLEXIBILITY
An RCM system should be easily tailored to meet organizational needs.

CONNECTIVITY
The ability to leverage other systems and data sources to exchange data in real time is critical.

AUTOMATED WORKFLOW
It is impossible to optimize revenue without a rules-driven, automated workflow that expedites clean claims and efficiently handles exceptions.

BUSINESS INTELLIGENCE
To effectively manage their businesses, laboratory executives need visibility into operational and financial results.

KEY ELEMENTS OF A COMPREHENSIVE REVENUE CYCLE MANAGEMENT SYSTEM

Then we have *automated workflow*. The best RCM systems should be designed to manage by exception, with a rules-driven, automated workflow that expedites clean claims through the system and that is configured to handle each and every exception to optimize the effectiveness of the RCM process. These highly configurable,

sophisticated workflows help laboratories get clean, reimbursable, trackable claims to payors as quickly and efficiently as possible.

Optimum Automated Workflow
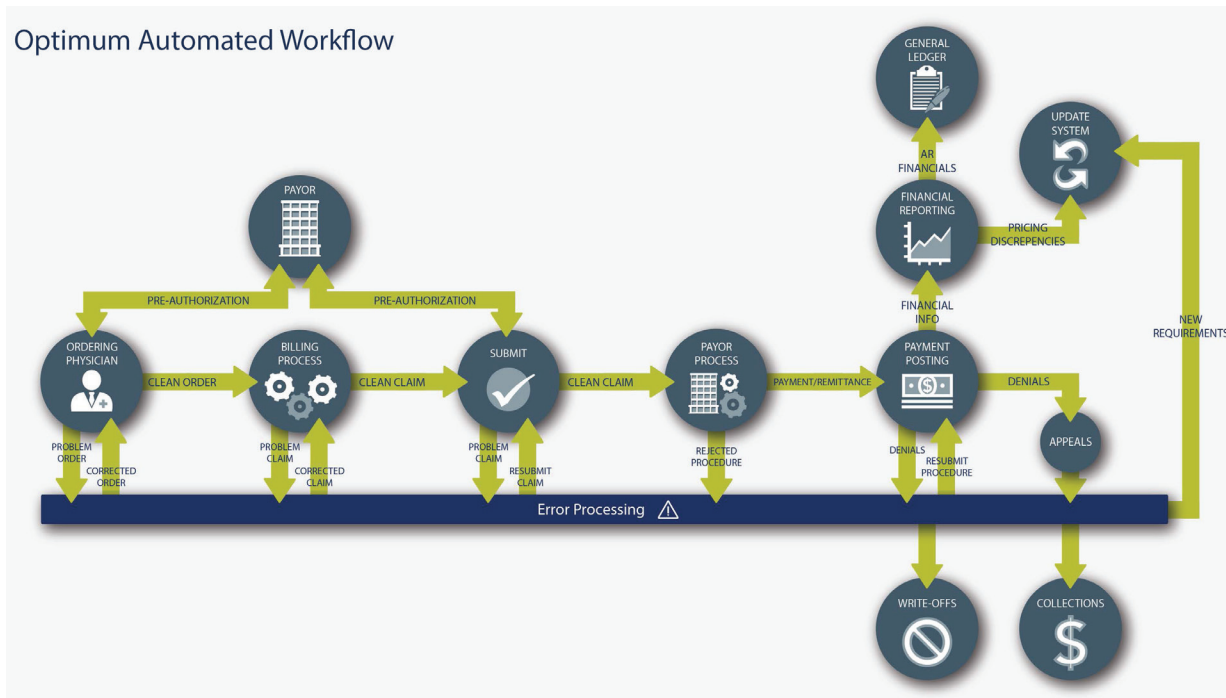
Finally, comes *business intelligence*. Best-in-class RCM systems include enterprise class data warehouses that help laboratories get the most from their data and deliver easy access to key performance indicators (KPIs) and other measures of financial and operational health. To effectively manage business decisions and improve clinical outcomes, labs need to precisely measure results and be able to compare them to internal goals and industry benchmarks. Business intelligence is the key to delivering that visibility.

System Capabilities

In addition to these key attributes, best-in-class RCM systems also must provide the following specific capabilities:

- **Order entry** — including a full billing screen that can easily create an entire claim, or can create a claim by accessing data available in other modules (e.g., pricing, coding etc. modules)

- **Price modeling** — analysis and manipulation of any desired pricing strategy by client, payor type, or in aggregate

- **Pricing** — complete pricing flexibility including unlimited special pricing, discounting, fee schedules and payor specific expect pricing capability

- **Error processing** — automatic and systematic management of unbillables and rejections

- **Cash posting** — remittance through electronic transmission or, where unavailable, scanned EOBs and/or lockbox operations

- **Capitation** — carveout billing, utilization tables that track contract-specific payment rates by utilization, contract payment requirements and eligibility tracking

- **Document management** — Automated document loading into the RCM system that allows the documents to be used within the system workflow, including but not limited to claims and appeals attachments

- **Prior authorization automation** — Automation of this complex and labor intensive process reduces denials, increases reimbursement rates, and lowers costs

- **Appeals workflow** — Easily generate a single appeal or appeals in bulk based on payor/denial that include all supporting documentation via document management

- **Eligibility checks** — Automatically and accurately check eligibility and set rules that can use the information in the response from the payor to automatically update the patient's insurance information

> *"Systems capable of only handling straightforward billing and accounts receivables are not only outdated, but dangerous to the business of running a lab."*

- **Insurance discovery** — Improves the ability to file a claim to the proper insurance provider on the first attempt
- **Accounting support** — GAAP compliant detail of gross and net sales, adjustments, write-offs and cash payments
- **Patient demographics and standing orders** — demographic and/or medical database for repeat patients
- **Dialysis patient support** — setup dialysis patients for processing and editing billing to segregate composite billing in synchronization with carrier-specific criteria
- **Secondary insurance** — electronic generation of secondary claims when the provider is also using an imaging system to retain paper documents electronically
- **Electronic record retention** — retain electronic and scanned documents for permanent record storage in an easily accessible format
- **Refund support** — work credit balances and generate refunds and adjustments automatically
- **Compliance** — rules-based workflows and built-in compliance checking to automate decision making and relieve clerical staff of compliance-related decisions
- **Edits and updates** — minimum monthly system updates to maintain changes in payor edits or compliance changes
- **Managed services** — the option to outsource everything from maintaining the technology infrastructure and data logic to performing all submissions, processing, and data exchanges

Systems capable of only handling straightforward billing and accounts receivables are not only outdated, but dangerous to the business of running a lab. Intelligent automation is the key to consistent and standardized claims exception handling. This relieves the lab from relying on the manual decisions of the billing clerk in a very complex regulatory environment.

Even the largest labs that have grown largely through acquisitions find themselves struggling with inadequate levels of billing, coding, collections and compliance system automation. They face the choice of hugely expensive system rebuilds or finding adaptable solutions that address these challenges.

Data Processing

With increased pressures on test reimbursement, laboratory leaders need to be able to monitor key performance indicators such as profitability by payor, profitability by provider, and other management data that are necessary to strategically manage the business. Robust systems should include features such as automated eligibility checking, automated flagging of potential denials, comparison of remittances against contract expect pricing, electronic payment posting, and multiple secondary payor management processing among others.

> *"Systems must have integrated rules with automated compliance checking so that the same issues can be handled in the same manner every time."*

This level of automation requires rules engines that are capable of standardizing protocols every time a message is electronically received by the system from payors, front end order entry systems or clearinghouses. Systems must also have integrated rules with automated compliance checking so that the same issues can be handled in the same manner every time.

Most electronic systems let claims age within the system, but the best systems actively review and manage submission deadlines. They then flag problems, such as when a payor should have paid and how much. This allows billing staff to monitor and deal with potentially aging claims in real time rather than after the fact. Since payors have time limits, if you miss the time window, you will be leaving money on the table.

Cloud-based Software

Before cloud-based computing, implementing traditional business software was complicated and expensive. It required a variety of hardware to run, and demanded a whole team of IT experts to install, configure, test, run, secure, and update. When you multiply this effort across the dozens of applications needed in today's lab environment, it becomes easy to see why organizations fail to get the performance they desire.

Increasingly, organizations of all types are turning to cloud-based software to minimize time and money spent on the care and feeding of complex hardware and software environments. According to MarketsandMarkets, the global adoption for cloud services in healthcare is expected to nearly triple in five years, growing from $3.73 billion in 2015 to nearly $9.5 billion by 2020.[2] The cloud frees companies from traditional software and its hidden costs, risks, and drawn-out implementations. It enables organizations to focus on strategic activities that will drive added value.

True cloud-based solutions provide many benefits including, but not limited to:
• Faster and lower-risk deployment
• Highest quality service delivery
• Highly flexible and secure integration
• No hardware to install and maintain
• Frequent automatic and impactless updates

Today's healthcare environment is a demanding one, requiring agility, visibility, and unprecedented levels of information access and sharing, all in an effort to reduce healthcare costs while improving patient outcomes. cloud-based RCM systems make these goals more attainable.

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2 https://www.marketsandmarkets.com/Market-Reports/cloud-computing-healthcare-market-347.html

System Delivery and Deployment

How the RCM system is delivered to the laboratory is critical to its long-term success. The laboratory RCM process is complex and in a state of perpetual change. While the software license fee for on-premise software may appear attractive, the cost of managing the changes and maintenance is extremely high. Many labs cannot keep up with the level of change and their IT teams inevitably fall behind, which only leaves money on the table and exposes them to compliance liabilities.

Traditional on-premise software is inadequate for the laboratory environment as the licensed software is obsolete the day it is installed. Even though upgrades are offered periodically, these are often months or sometimes years after they are needed, forcing organizations to resort to costly manual work arounds. These circumstances are exacerbated when the cost-averse laboratory does not adopt timely upgrades. The result, common to many labs today, is a grossly outdated infrastructure that now requires a complete and very costly overhaul.

By comparison, the primary strength of the cloud-based model is that all of this is eliminated by its very nature. For instance, the cloud-based RCM vendor employ an engineering staff dedicated to ensuring the system is always up to date, while sharing the maintenance costs across many clients. In addition, the cloud-based system can process millions of claims per month across a diverse set of laboratories and tests and is continually optimized to deliver a best in class solution to all lab clients.

The cloud-based model hosts the system in a secure facility and makes the application accessible to clients via a standard web browser. The security, full redundancy and geographically separated disaster recovery site far surpasses the level of security and redundancy of most on-premise servers.

Conclusions

The complexity of laboratory revenue cycle management is unmatched in all of healthcare. Laboratories routinely have thousands of tests they perform and the list is always growing. Each of these tests brings its own coding and billing challenges. This is exacerbated by constantly changing requirements and rules for coverage and reimbursement by third party payors.

No one can say for certain how the healthcare landscape will continue to evolve over the next several years let alone the next decade. However, several things are certain. Insurance companies will continue to look for ways to cut costs, putting greater margin pressure on the lab market. As a result, the already small profit margins of some labs will evaporate with further contraction unless you proactively manage it.

Volume will continue to go up, but economies of scale will be necessary to take the greatest advantage of this growth. Even the largest labs will see reductions in profit margins. This means that labs of all sizes must find ways to maximize the returns of every claim.

By focusing on thorough revenue cycle management and compliance processes, laboratory leaders can increase the profitability and valuation of their business by recovering more revenue, as well as actively monitoring the quality of their business through detailed financial reporting and clean compliance reports.

A laboratory's financial success and valuation is all about top line revenue, profitability, and minimizing risk. All of these important elements can be positively impacted by state-of-the-art revenue cycle management.

> *"The complexity of laboratory revenue cycle management is unmatched in all of healthcare. By focusing on thorough revenue cycle management, and compliance processes, laboratory leaders can increase the profitability of their business by recovering more revenue…"*

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Appendices

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About Vicki DiFrancesco
Chief Strategy Officer, XIFIN, Inc.

Vicki DiFrancesco is the Chief Strategy Officer at XIFIN. She is an accomplished diagnostics executive with more than 25 years in executive leadership positions, most recently serving as president and CEO of Pathology Inc., the west coast's premier women's health laboratory that was acquired by LabCorp in March 2016.

Previously, DiFrancesco served as senior vice president, sales and marketing for Specialty Laboratories Inc.; executive vice president of sales and marketing for Spectrum Laboratory Network; and vice president of hospital sales and marketing at Quest Diagnostics, Inc. She has also held executive level positions with American Medical Laboratories and Laboratory Corporation of America. DiFrancesco currently serves on the Board of Directors of PWNHealth, LLC. She holds a BS degree in biological sciences from California State University, Sacramento.

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About XIFIN

XIFIN is a healthcare IT company that leverages diagnostic information to improve the quality and economics of healthcare. With an unsurpassed technological and financial foundation and extensive industry expertise, XIFIN enables diagnostic providers to improve their financial control, increase reimbursement, and collaborate with patients, providers, and payors via the exchange and management of key healthcare images, data, and reports. Enterprise-class business intelligence goes beyond transactional summaries to deliver accurate, actionable, auditable, information that puts a finger on your organization's pulse. XIFIN delivers the visibility and control you need to perform in today's challenging healthcare environment.

XIFIN's revenue cycle management, laboratory information, and precision medicine informatics solutions enable healthcare diagnostics through financial integrity, connectivity, actionable intelligence, and workflow automation.

To learn more, visit www.XIFIN.com or follow XIFIN on Twitter and LinkedIn.

http://www.xifin.com.

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About *DARK Daily*

> "Dark Daily *is a concise e-news/ management briefing on timely topics in clinical laboratory and anatomic pathology group management. It is a solution to the dilemma facing anyone in the laboratory profession.*"

DARK Daily is a concise e-news/management briefing on timely topics in clinical laboratory and anatomic pathology group management. It is a solution to the dilemma facing anyone in the laboratory profession. New developments, new technology, and changing healthcare trends make it imperative to stay informed to be successful. At the same time, the Internet, cell phones, blackberries, laptop computers and wireless devices are overwhelming any one individual's ability to absorb this crushing Tsunami of data.

DARK Daily is a quick-to-read, easy-to-understand alert on some key development in laboratory medicine and laboratory management. It has no counterpart in the lab world. Why? Because it is produced and written by the experts at THE DARK REPORT and The Dark Intelligence Group, who know your world, understand your needs and provide you with concise, processed intelligence on only those topics that are most important to you!

You will find *DARK Daily* to also be an exceptionally valuable resource in laboratory and pathology management. Some of the lab industry's keenest minds and most effective experts will be offering their knowledge, their insights and their recommendations on winning strategies and management methods. Many of these experts are unknown to most lab directors. As has proven true with THE DARK REPORT for more than a decade, *DARK Daily* will be your invaluable— and unmatched—resource, giving you access to the knowledge and experience of these accomplished lab industry professionals.

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About The Dark Intelligence Group, Inc. and THE DARK REPORT

"Membership is highly-prized by the lab industry's leaders and early adopters. It allows them to share innovations and new knowledge in a confidential, non-competitive manner."

The Dark Intelligence Group, Inc., is a unique intelligence service, dedicated to providing high-level business, management and market trend analysis to laboratory CEOs, COOs, CFOs, pathologists and senior-level lab industry executives. Membership is highly-prized by the lab industry's leaders and early adopters. It allows them to share innovations and new knowledge in a confidential, non-competitive manner. This gives them first access to new knowledge, along with the expertise they can tap to keep their laboratory or pathology organization at the razor's edge of top performance.

It offers qualified lab executives, pathologists and industry vendors a rich store of knowledge, expertise and resources that are unavailable elsewhere. Since its founding in 1996, The Dark Intelligence Group and THE DARK REPORT have played instrumental roles in supporting the success of some of the nation's best-performing, most profitable laboratory organizations.

The Dark Intelligence Group (TDIG) is headquartered in Austin, Texas. This location makes it very accessible for any laboratory organization seeking input, insight and support developing their business operations, creating effective business strategies and crafting effective sales and marketing programs that consistently generate new volumes of specimens and increasing new profits. The Dark Intelligence Group, Inc. owns and operates two Web sites in the TDIG Website network:

http://www.DarkReport.com

http://www.DarkDaily.com

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About the *Executive War College*
on Laboratory and Pathology Management

Every spring since 1996, the lab industry's best and brightest gather at the *Executive War College on Laboratory and Pathology Management* to learn, to share and to network. Many consider it to be the premier source of innovation and excellence in laboratory and pathology management.

Each year, a carefully selected line-up of laboratory leaders and innovators tell the story of how their laboratories are solving problems, tackling the toughest challenges in lab medicine and seizing opportunities to improve clinical care and boost financial performance. The *Executive War College* is the place to get practical advice and solutions for the toughest lab management challenges. A unique case study format brings participants face-to-face with their most successful peers. They tell, first hand, how their laboratory solved intractable problems and successfully used new technology.

Many lab management secrets are shared, along with specific "what-not-to-do's" gained from hard-won experience! It's not pie-in-the-sky theory, but useful knowledge that can be put to use in any lab. The *Executive War College* offers superlative networking, with lab administrators and pathologists attending from countries as far away as the United Kingdom, Germany, Brazil and Australia. It makes the *Executive War College* a melting pot for all the best ideas, new lab technologies and management strategies now reshaping the laboratory industry. It's also become a recruiting ground used by headhunters and major lab organizations.

In the United Kingdom, The Dark Intelligence Group and the Association of Clinical Biochemists (ACB) have co-produced a meeting every February since 2003. Known at *Frontiers in Laboratory Medicine* (FiLM), it attracts laboratory leaders and innovators in the United Kingdom. Also featuring a case study format, this meeting pioneered the international laboratory side-by-side case study, where a North American laboratory and a United Kingdom laboratory prepare a comparison of best practices and an operational assessment of their two organizations.

In September 2005, a laboratory management meeting called *Executive Edge* was conducted in Toronto, Ontario, Canada, by The Dark Intelligence Group and QSE Consulting. It provided pathologists and lab directors in Canada with a customized meeting devoted to the strategic and operational issues of laboratory management in Canada.

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About The Editor: Robert L. Michel

Robert L. Michel is a respected commentator, consultant, author, editor, speaker, and entrepreneur. He is a leading expert on the management of clinical laboratories and anatomic pathology group practices.

Lab Industry Leader and Consultant

Michel is Editor-In-Chief of The Dark Report <http://www.darkreport.com/index.htm> and President of The Dark Intelligence Group, Inc. Over the past three decades, he has provided strategic and tactical management services to a wide variety of companies, ranging from Fortune 100 firms like Procter & Gamble and Financial Corp. of America to leading laboratories ranging from Nichols Institute to hospital and health system laboratory organizations. He has a special talent for spotting new business opportunities in clinical diagnostics and identifying winning strategies to pursue them.

Some of his current and past clients include: Meridia Health System (Cleveland, OH), PACLAB Regional Laboratory Network (Seattle, WA), Consultants in Laboratory Medicine (Toledo, OH), PAML, Inc.(Spokane, WA), UMASS Healthcare Reference Laboratories (Worcester, MA), Ortho-Clinical Diagnostics (Raritan, NJ), Pathology Service Associates (Florence, SC), DIANON Systems, Inc, (Stratford, CT), Beaumont Health System (Detroit, MI), MedTox Laboratories, Inc. (St. Paul, MN), Joint Venture Hospital Laboratory Network (Detroit, MI), Bayer Diagnostics (Tarrytown, NY), Bio-Reference Laboratories, Inc. (Elmwood Park, NJ), Specialty Laboratories, Inc., (Santa Monica, CA), National Health Service-Pathology Services (London, England), Doctor's Laboratory (Valdosta, GA), Sysmex Corporation (Mundelein, IL), Pathologist's Medical Laboratory (La Jolla, CA), Abbott Laboratories (Abbott Park, IL), St. John Clinical Laboratory Pathology Laboratory (Detroit, MI), Esoterix, Inc.(Austin, TX), Beckman Coulter Corporation (Fullerton, CA), Health Care Systems, Johnson & Johnson (Atlanta, GA), ARUP Laboratories, Inc. (Salt Lake City, UT), Institute for Quality in Laboratory Medicine (Atlanta, GA), and American Society of Clinical Pathology (ASCP-Chicago, IL).

Michel was first to identify and describe many of the widely-used management strategies in the operation of clinical laboratories and pathology practices. He has one of the best track records of predictions in laboratory management over the past decade and a half.

Michel is a member of the Clinical Laboratory Management Association <http://www.clma.org/> (CLMA), the American Association of Clinical Chemistry <http://www.aacc.org/AACC/> (AACC), Specialized Information Publishers Association <http://www.newsletters.org/> (SIPA).

Popular Journalist, Author & Editor

Michel writes and edits The Dark Report <http://www.darkreport.com/>, a business intelligence service for pathologists and laboratory executives that, over its eleven years of publication, has garnered national and international respect of its ground-breaking coverage of events and industry trends within the laboratory profession.

International Meeting Innovator, Public Speaker

Michel is the Founder and Director of the Executive War College on Lab and Pathology Management <http://www.executivewarcollege.com/>. First conducted in 1996, this gathering has become the premier forum for laboratory management in the world. For pathologists, he developed the Pathologist's Income Symposium a meeting series which is exclusively focused on helping pathologists increase their practice income, as well as their professional income. Every September he hosts a meeting by The Dark Report called Lab Quality Confab <http://www.labqualityconfab.com/>. It is an annual gathering dedicated to advancing the knowledge, skills, and effectiveness of quality management practitioners in diagnostic medicine. Programs, LEAN information, and training are designed for every level of management and all levels of knowledge and experience. Diagnostic medicine, particularly the services of clinical laboratory, pathology, imaging, and radiology, make up the primary emphasis of the Lab Quality Confab.

Since 2004, he has co-produced Frontiers in Laboratory Medicine <http://www.frontiersinlabmedicine.com/> (FiLM) in the United Kingdom with the Association of Clinical Biochemists <http://www.

acb.org.uk/>. This meeting has quickly earned a reputation as the best source of laboratory best practices in Europe. In 2005, Michel co-produced Executive Edge <http://www.exec-edge.com/> in Canada with QSE Consulting. This meeting about strategic laboratory management innovations in Canada proved popular and is repeated in the fall since 2005.

Michel is regularly asked to address laboratory industry groups. In addition to regular speaking engagements throughout the United States, he has traveled to Brazil, England, Canada, Australia, Korea, Japan, Ireland, and South Africa to address laboratory audiences in those countries. Meeting participants regularly rate Michel's presentations as one of the best at the event.

Experienced Educator, Strategist, and Business Facilitator

Over the past decade and a half, Michel has been invited to provide Grand Rounds and teach clinical laboratory and pathology management at the pathology departments of such medical schools as University of Minnesota, University of California at Los Angeles and University of Texas Southwest/Houston. He has provided strategic assessments to laboratory organizations, IVD manufacturers, pathology groups, information technology vendors, biotech companies, and diagnostic start-up companies. He is regularly asked to facilitate strategic management retreats and business planning meetings for such clients as PAML, OML, Sysmex Corporation.

Michel received his B.A. in Economics from the University of California at Los Angeles. He is a native of Santa Ana, California and currently lives and works in Austin, Texas.

Notes

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