



Summary

CUSTOMER

TriCore Reference Laboratories

CHALLENGE

Increase the value of clinical labs for care teams and payers across the continuum of care.

OUTCOME

Analytics using patients' real-time longitudinal laboratory results, and claims data, yielded higher value information and new revenue streams for TriCore.

TriCore Reference Laboratories + InterSystems

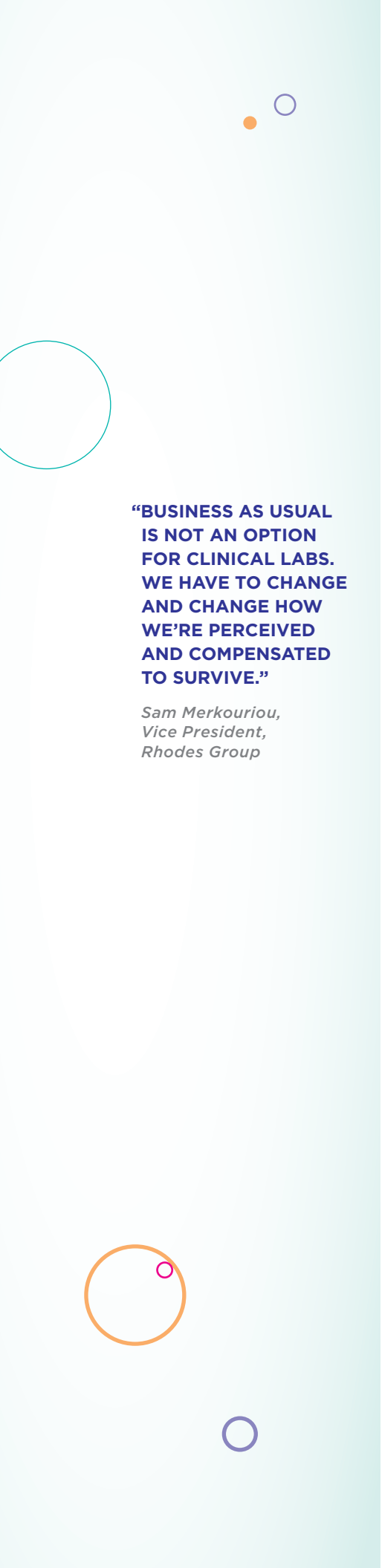
TriCore Reference Laboratories Partners with InterSystems to Increase the Value of Clinical Labs Across the Continuum of Care.

Clinical reference laboratories perform about 13 billion diagnostic tests in the U.S. each year. It's estimated that such tests impact specialty care decisions as much as 66% of the time¹.

The labs performing these tests are vitally important to the healthcare system. However, labs have been traditionally viewed not as an integrated and valued member of the care team, but as a commodity due in large part to their occupying only 2% of healthcare spending². This perception is reflected in decreasing payments for lab services.

The Centers for Medicare and Medicaid Services (CMS), through the Protecting Access to Medicare Act, is cutting reimbursement for laboratory tests by 10% each year in 2018, 2019, and 2020. It then cuts an additional 15% in the next two years. For most labs, already operating on thin profit margins, this is an existential threat.

TriCore Reference Laboratories, a clinical lab serving the State of New Mexico, didn't want to just remain viable by cutting costs. Instead, TriCore is transforming to a "Clinical Lab 2.0" business model, with extended services to increase its value and revenue as an integrated member of the care team.



**“BUSINESS AS USUAL
IS NOT AN OPTION
FOR CLINICAL LABS.
WE HAVE TO CHANGE
AND CHANGE HOW
WE’RE PERCEIVED
AND COMPENSATED
TO SURVIVE.”**

*Sam Merkouriou,
Vice President,
Rhodes Group*

Real-Time Data and Lab Analytics Improve Outcomes

TriCore currently leverages InterSystems technology for their interoperability engine and innovation platform. InterSystems HealthShare is at the heart of their solution, aggregating a patient’s longitudinal laboratory test results in real time from labs across New Mexico, combining it with claims data, and normalizing it all into a unified care record. HealthShare’s ability to transform diverse data into a single, consistent format is critical for analytics and TriCore’s value proposition. TriCore can provide more timely and actionable insights into a patient’s or population’s current health status across the care continuum. For payers, it is a deeper perspective than their own systems can provide.

To support this claim, TriCore completed a pilot program with Blue Cross and Blue Shield of New Mexico (BCBSNM). The program focused on an acutely time-sensitive specialty — prenatal and postpartum care — with the goal of improving performance measures and producing better patient outcomes within New Mexico Centennial Care.

Real-World Proof

An Institute of Medicine report³ estimated that in 2005 the economic cost associated with pre-term birth in the U.S. was at least \$51,600 per infant, or \$26.2 billion total. In light of possibly catastrophic outcomes, the societal and personal costs of pre-term birth, and the costs shouldered by payers and at-risk providers, the pilot program results were striking.

Identification

- 65% of the women identified as pregnant by TriCore were not so identified in BCBSNM claims data
- 79% of the pregnant population were identified as having gaps in care (often by first determining gestational age)
- 50% of the pregnant population were identified as not receiving care
- 77% of all pregnant mothers were found in the first trimester

Faster identification of pregnant BCBSNM members made it easier to enroll those patients in proper prenatal or post partum care programs within the timeframe required by Healthcare Effectiveness Data and Information Set (HEDIS) performance measures. Examples include the percent of members receiving prenatal care in the first trimester, and those receiving post partum care within 56 days of delivery.

Dr. Eugene Sun, Chief Medical Officer of BCBSNM, notes, “The product has really helped us understand member needs and work more effectively in integrating patients into care.” According to New Mexico Human Services Department’s Healthcare Effectiveness Data and Information Set Reports, BCBSNM is now the number one performer in Prenatal and Postpartum Care⁴.

Outcomes of the study

- 33% reduction in neonatal intensive care unit occupancy rate
- 40% reduction in pre-term births compared to the control group
- 10% reduction in emergency department visits

Many patients visit multiple providers who may request their own tests, creating a complicated and difficult-to-analyze information environment for payers and at-risk providers. TriCore is now in a unique position to help improve outcomes through clinical analytics and communication with providers.

Reduced Risk for Care Teams, New Revenue for Labs

Using the most conservative estimate of costs, TriCore projected significant savings for BCBSNM in the pilot:

- \$2,278,348 saved due to the reduction in pre-term births, based on an individual cost of \$33,096 per year⁵
- \$510,203 saved due to reduced neonatal intensive care unit occupancy
- \$56,250 saved due to reduced emergency department use
- \$1,540,000 in penalties avoided by achieving New Mexico Medicaid performance objectives⁶

Payers and providers in at-risk contracts need help demonstrating better outcomes and performance measures. Labs like TriCore can deliver this help serving as a trusted partner while creating new revenue streams not tied to the standard Medicare fee schedule and lab service agreements. “We have enjoyed the collaboration and look forward to moving together towards solving more problems while shifting towards value-based healthcare,” added Dr. Michael Crossey, TriCore’s Chief Executive Officer and Chief Medical Officer.

\$4,384,801 IN DIRECT SAVINGS AND PENALTY AVOIDANCE FOR ONE NEW MEXICO MCO IN ONE YEAR MAKES A STRONG CASE FOR THE VALUE OF CLINICAL REFERENCE LAB ANALYTICS.

¹ Ulrich-Peter Rohr, Carmen Binder, Thomas Dieterle, Francesco Giusti, Carlo Guisepppe Mario Messina, Eduard Toerien, et al: The Value of In Vitro Diagnostic Testing in Medical Practice: A Status Report. PLOS ONE 11(3): e0149856, doi:10.1371/journal.pone.0149856. March 4, 2016.

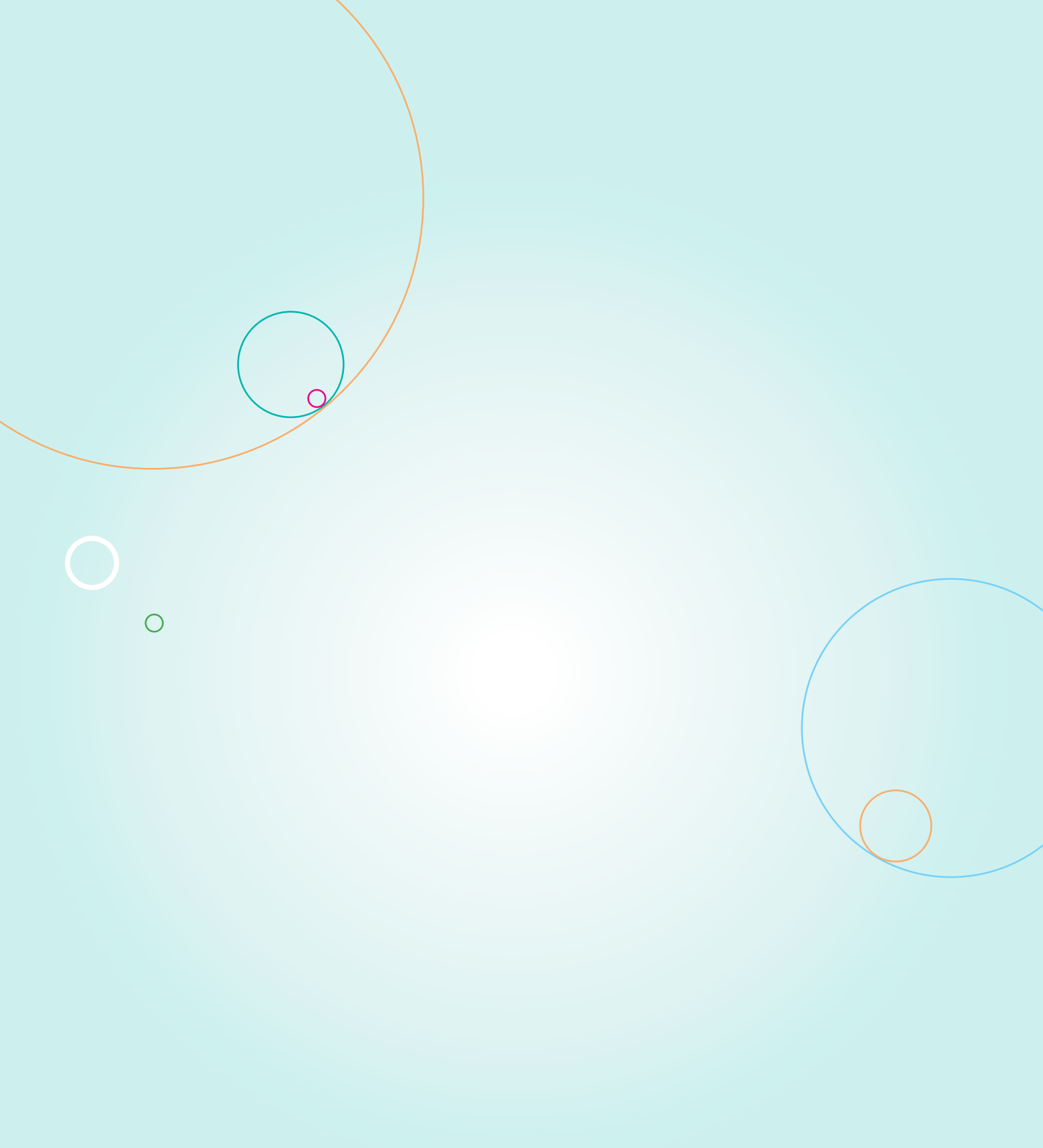
² Medicare Payment Advisory Commission: A Data Book: Health Care Spending and the Medicare Program, June 2016

³ Behrman R, Butler A, (representing the Committee on Understanding Premature Birth and Assuring Healthy Outcomes): Preterm birth, causes, consequences, and prevention. Washington (DC): Institute of Medicine, The National Academies Press; 2007.

⁴ <http://www.hsd.state.nm.us/LookingForInformation/healthcare-effectiveness-data-and-information-set.aspx>

⁵ Thanh NX et al. Health Service Use and Costs Associated with Low Birth Weight-A Population Level Analysis. (2015) J Pediatr. 167(3): 551-55

⁶ NMHSD Amendment #8 to the Medicaid Managed Care Agreement Among NMHSD and HCSC http://www.hsd.state.nm.us/uploads/files/Looking%20For%20Information/General%20Information/Contracts/Medical%20Assistance%20Division/MCOs%20-%20Centennial%20Care/BCBSNM_CONTRACT_AMENDMENT_%238_SIGNED.pdf (Accessed: June 7, 2018)



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