



**Singapore Healthcare Management 2017**

# New Charging System for Histopathology tests



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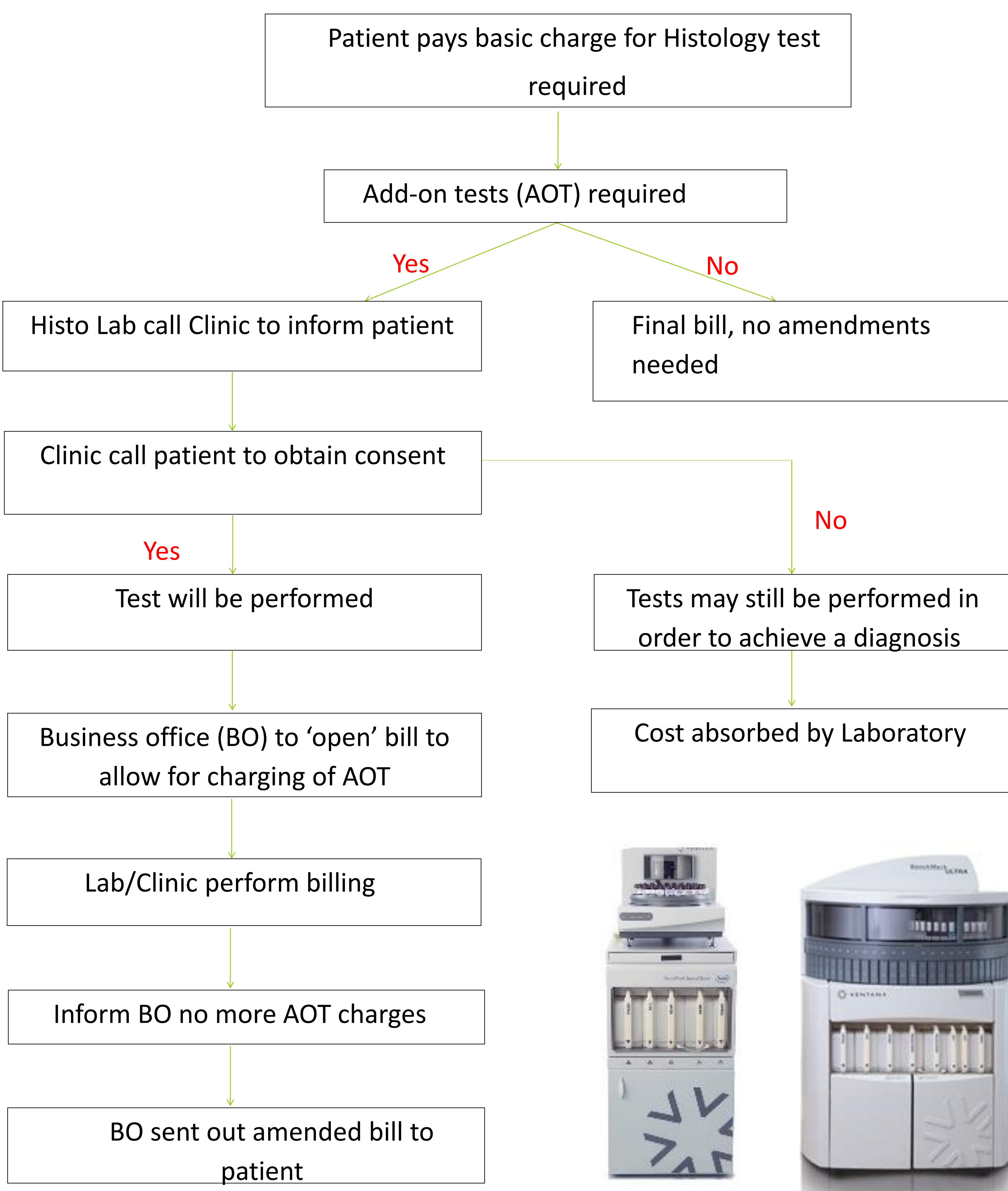
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## INTRODUCTION

In the past, charging of histopathology tests is based on a basic charge and add-on tests (AOT) if any. Add-on tests include Immunohistochemistry stains (IHC) and Special stains (SS). These AOT are ordered by histopathologists for accurate diagnosis and/or for appropriate patient's management.

## BACKGROUND

The current billing workflow requires patient's consent, if patient is already discharged before AOT can be performed. It is inefficient and time consuming. Refer to the flowchart below:



## PROBLEMS

- More administrative work required
- Clinic and Laboratory staff have to call patients to seek their consent for the AOT and charges
- Bill amendments by BO
- Increases turnaround time
- Increases patient anxiety and thus may increase patient dissatisfaction rate

## METHODOLOGY

3 re-costing methods were deliberately reviewed and discussed in detail with BO, Speciality and Ambulatory Services, Finance, Breast Clinic, Histopathology and Lab Management.

Method	Description of method	Pros	Cons
(1) Service codes "without spread" – basic charge	<ul style="list-style-type: none"> <li>• Existing method</li> <li>• Patient will be billed with the basic charge</li> <li>• If there is AOT ordered by the Histopathologist, refer to flowchart</li> </ul>	<ul style="list-style-type: none"> <li>• Patient will be charged according to the tests done.</li> </ul>	<ul style="list-style-type: none"> <li>• Histology staff email clinic to add charges</li> <li>• Clinic staff call patient to inform the additional charges</li> <li>• More bill amendments for BO</li> <li>• Revenue leakage</li> <li>• Amended bill can create unhappiness to patient, more service recovery</li> </ul>
(2) Service codes "with spread"	<ul style="list-style-type: none"> <li>• All AOT are equally spread into every case</li> </ul>	<ul style="list-style-type: none"> <li>• Charges are equally distributed into each case</li> <li>• Complex cases will no longer incur a large bill</li> <li>• There will be cost recovery for the lab</li> <li>• No more calling of patients required</li> <li>• No more administrative procedures</li> <li>• No patient anxiety</li> </ul>	<ul style="list-style-type: none"> <li>• All patients pay the same price increase, regardless of the complexity of the case</li> <li>• Simple* cases incur a higher percentage increase in price</li> <li>• Complex** cases incur a lower percentage increase in price</li> </ul>
(3) Service codes with "allocated spread"	<ul style="list-style-type: none"> <li>• A nominal amount is added to the simple case</li> <li>• A higher amount is added to the complex cases</li> </ul>	<ul style="list-style-type: none"> <li>• Charges distributed based on complexity of case</li> <li>• Complex cases pay a flat charge. Will not incur late AOT bill</li> <li>• There will be cost recovery for the lab</li> <li>• No more calling of patients required</li> <li>• No more administrative procedures</li> <li>• No patient anxiety</li> </ul>	<ul style="list-style-type: none"> <li>• Patients who do not require AOT will pay the additional nominal amount</li> </ul>

\*Simple cases are lower priced charge codes, usually do not require AOT.

\*\*Complex cases are higher priced charge codes, that mostly require AOT.

## SOLUTION

Service codes with "allocated spread" is the preferred method. Simple cases constitute majority of the total workload. This group will only have a smaller price increase as compared to those with complex procedures done. This new charging system is the first in Histopathology Laboratories across Singapore, where currently the charging system is based on services rendered.

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