

# THE VALUE PROPOSITION: CLINICAL LAB TESTING IN OPTOMETRIC PRACTICE

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**L**ike doctors in almost every other sector of health care, today's optometrists face significant challenges. For example, we are increasingly affected by health care reform, vertical integration, changes in patient benefit structure, third-party plan participation, increasing overhead costs, and more. All of these impact our traditional revenue streams. Yet even in the face of these hurdles, we strive to deliver improved clinical services. The evolution of point-of-care laboratory testing has been instrumental in our ability to do this.

In many ways, point-of-care testing helps us to overcome fiscal challenges while simultaneously elevating the standard of care. As such, diagnostics like TearLab osmolarity testing, are quickly gaining traction in the average optometric practice and are weaving their way into daily clinical regimens.

In part 3 of this series on how osmolarity testing can benefit your contact lens practice, we will discuss how the clinical value of TearLab testing offers a hidden revenue stream that extends far beyond direct reimbursement.

## CONSIDER THE CLINICAL VALUE

The majority of the point-of-care testing that's currently performed in eye care practice is related to the anterior segment. Within this segment, the largest area of potential is ocular surface disease. Dry eye affects nearly 30 million Americans, including 50% of all contact lens wearers.<sup>1-5</sup> Furthermore, research suggests that if we

were to rely on symptoms to diagnose dry eye, this would produce a missed or incorrect diagnosis more than 40% of the time.<sup>6-8</sup>

Without question, there is an opportunity here to improve care as well as quality of life for contact lens wearers. Despite a 20-year parade of contact lens improvements, dropout rates have not fallen. About 16% of contact lens wearers drop out every year.<sup>9-11</sup> As we discussed in the first two installments of this series, osmolarity testing can be a catalyst for meaningful change in this regard.

Osmolarity testing allows us to determine objectively and quantitatively the quality of the tear film in dry eye and the severity level of the condition, offer appropriate treatment as needed, determine the likelihood of imminent contact lens dropout, and fit patients in lenses based on clinical variables instead of monetary ones that are based on a patient's knee-jerk decision to select the least expensive available lens. This alternative, proactive approach

sets the patient up for success and, in so doing, helps strengthen your practice.

## WHERE TO START

Like many of the tests that are performed at the point of care, to perform and bill for TearLab osmolarity testing, your office will need a CLIA waiver license. By definition, CLIA stands for Clinical Lab Improvement Amendments. This means that your office will need to be designated as a CLIA-approved laboratory, and one of the doctors must be designated and approved as a clinical lab director. To begin this simple process, you'll need to apply through CMS to get your CLIA certification.<sup>12</sup> The cost is only \$150 for two years.<sup>13</sup>

You may have heard the argument that point-of-care testing isn't worthwhile because the reimbursements aren't substantial. This is only half true. Indeed, point-of-care testing is rarely a huge profit center from the myopic perspective of direct reimbursement, although reimbursement more than

FIGURE 1

Number of annual patients	3,100
Percent of patients who wear CLs	34%
Number of contact lens patients	1,054
Average annual value of a contact lens patient	\$275
Average contact lens dropout rate	16%
Average number of contact lens dropouts	169
Annual economic value of your contact lens patients	\$46,376
Lifetime economic potential of eliminating your contact lens dropouts	\$2,086,920

covers the cost of the disposables. However, tests like TearLab are financially rewarding when they help you maintain and grow your contact lens practice by providing accurate clinical assessment at the point of care. Consider the benefits of knowing whether a patient has a healthy and stable tear film so you can choose the most suitable lenses and treatment to help that patient maintain healthy, comfortable wear. Osmolarity testing also helps you manage dry eye more efficiently because, even though symptoms are usually the last thing to improve, improvement in osmolarity scores offers peace of mind that the patient is on the right path.

It's also important to clarify that, in terms of growing the contact lens segment of your practice, success with the TearLab test is not dependent upon whether you perform testing on the same day as the primary visit or if you bring the patient back for a dry eye evaluation. In either case, the advantage stems from the value of the data itself and what that data enables you to achieve clinically in terms of outcomes in your contact lens patient population.

### THE HIDDEN PROFIT CENTER

The direct reimbursement for TearLab osmolarity testing is a modest \$22.50 per test/per eye—or \$45 per patient since two eyes must be tested—according to the 2016 CLIA Medicare Fee Schedule.<sup>14</sup> Commercial payers pay slightly less. But consider what this test allows you to achieve in terms of patient care. If this test leads you to properly diagnose ocular surface disease and prevent contact lens dropout, the economic return potential is significant. In addition, there is revenue upside in dry eye treatments such as omega-3 supplements, MGD treatments, punctal plugs, etc.

Consider that the mean annual value of a single contact lens patient is about \$275. Assuming your practice has a 16% dropout rate—which is low compared to data in many studies—you could be missing out on millions of dollars in revenue over the course

### HOW TO CODE FOR THE TEARLAB OSMOLARITY TEST

CPT coding for TearLab is straightforward:

#### **CPT 83861: Microfluidic analysis utilizing an integrated collection and analysis device, tear osmolarity.**

If I were testing both eyes and coding for it, this is what the claim form would look like:

- 83861-QW-RT (paired with appropriate ICD-10, coded for laterality)
- 83861-QW-LT (paired with appropriate ICD-10, coded for laterality)

Clinical lab tests can be performed and billed for on the same day as any office visit, including a vision visit, whether a 992XX or 920XX code, so you don't have to reschedule the patient to perform the tests or to get reimbursed for the tests.

of about 45 years (see Figure 1).<sup>15</sup> And most importantly, you would allow patients who want to wear contact lenses to remain in them.

Figure 1 shows a lifetime impact of contact lens dropout of more than \$2 million. For the sake of argument, let's look at these figures even more conservatively. Since the prevalence of abnormal osmolarity is 62%, at least 50% of dropout should be due to dry eye disease. This would still provide an impressive lifetime value of \$1 million. And this does not account for any additional revenue that you would generate treating this dry eye population.

Osmolarity testing allows you to get ahead of dry eye in your contact lens wearers and enables you to justify your clinical decision-making in a way that patients can easily understand. This may mean the patient needs treatment or it may mean the patient would benefit from a higher-end contact lens. In either case, you are staying in front of the problem instead of falling victim to its consequence.

Also, consider that losing a contact lens patient not only costs you the material revenue stream, in many cases you also incur the "replacement cost" of bringing in a new patient to replace the one who has sought out a solution from another provider.

When clinical tools like the TearLab test help you keep patients comfortable and happy in their lenses, they are of tremendous value—in every respect.

### CHANGE FOR THE BETTER

They say that necessity is the mother of invention. That certainly rings true

regarding the role of TearLab testing in contact lens practice. Instead of allowing changes in health care to take the wind out of our sails, we ought to anticipate change, embrace it, and direct it to help deliver better clinical outcomes and stronger bottom lines.

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### WHY TEARLAB?

TearLab osmolarity testing is one of the few tests we have to confirm dry eye. It's also the most predictive test for dry eye. It provides scientific, objective proof and reasoning for our contact lens recommendations. It can be performed on patients while they are wearing their lenses, and it requires fewer than 30 seconds from test to result.