

Customer Solution

Premier Clinical Lab at the Forefront of Check 21 Processing



COMPANY PROFILE

Laboratory Corporation of America Holdings (LabCorp) is one of the world's largest clinical laboratories with revenues of \$4.1 billion in 2007. The company tests more than 370,000 specimens daily for over 220,000 clients nationwide.

CHALLENGE

LabCorp's remittance processing environment is notably complex. The company receives mail-in payments at 14 PO boxes. Processing occurs at their main site and one remote location. They process a diverse set of documents including personal and business checks, multiple payment coupons and lengthy full-page insurance statements. The operation is huge by any measure - LabCorp processed over 10 million items in 2007.

In recent years, LabCorp drove strong corporate growth by establishing new partnerships with several managed care providers and by acquiring independent cutting-edge laboratories. Supporting this rapid growth and dynamic business environment was the challenge for LabCorp's remittance processing operation.

SOLUTION

Image Processing

As labs were acquired, their incoming payments were rerouted to LabCorp's main facility. Processing volume grew so quickly that the scanning hardware could not keep up with daily operations. Work sometimes slipped into the next day. RP Solutions recommended LabCorp discontinue their labor intensive read-and-key process in favor of image processing, using ExpertRPS' sophisticated recognition technology to automatically extract the necessary payment data.

This dramatically reduced their data entry, allowing them to complete the work much faster. So much, in fact, that they cut their operation from two shifts to one shift and were still able to consistently deposit payments the same day they were received. Significantly, ExpertRPS allowed LabCorp to achieve this higher efficiency using their existing NCR 7780 check imaging transports without a new hardware investment.

CHALLENGE

- ▶ Accommodate significant growth in payment volume
- ▶ Establish a centralized processing platform
- ▶ Integrate a remote site
- ▶ Integrate 5 new labs

SOLUTION

Technology

- ▶ Check 21 for image based check processing and clearing

Hardware

- ▶ NCR 7780 check imaging transports

Software

- ▶ ExpertRPS for remittance processing
 - Centralized platform
 - Lockbox processing
 - Distributed capture
- ▶ Custom archive solution



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Integrating the Remote Site

Batches of checks were being hand balanced at the remote location then couriered to the main site for scanning and encoding. Image processing with ExpertRPS meant they could capture the check images remotely and send them electronically to the main facility for processing. This was far more efficient, resolved recurring out-of-balance issues and integrated them with central processing.

New Laboratories

Each time a new lab was acquired, the challenge was to integrate it into LabCorp's operation with minimal impact on lab procedures. RP Solutions used ExpertRPS to set up each lab as its own lockbox entity and tailored it to meet each one's unique requirements.

ExpertRPS accommodated all the labs' custom payment coupons, so they did not have to change their forms. To interface with each lab's own in-house accounting system, ExpertRPS generates five distinct AR posting files at the end of each day. In addition, RP Solutions customized an archive solution which exports transaction data and images from the entire operation, including the labs, to LabCorp's data warehouse. This centralized database can be accessed from anywhere in the organization and greatly enhances research.

Check 21

Image processing had dramatically improved LabCorp's throughput. But they were still encoding and transporting paper checks. LabCorp could, instead, use RP Solutions' ExpertRPS Check 21 solution to create deposits from those check images and send them electronically to the bank. They could also completely do away with their check encoding process, and eliminate all their encoding labor and supplies costs.

Before Check 21, the remote site struggled to get paper checks to the main site in time to complete the encoding process and be delivered to the bank before the deposit deadline. Now, using ExpertRPS' distributed capture features, this site sends their scanned images directly to central processing where they are consolidated into LabCorp's daily Image Cash Letter (ICL) files.

LabCorp used to worry about the security of paper checks getting to the bank. Today they send ICL files throughout the day to the bank and each time, within 15 minutes, a confirmation email lets them know it arrived safely. By moving from paper to Check 21 image processing, they eliminated the need for daily couriers to and from the main site and significantly reduced their bank fees.

Check 21 took LabCorp's image processing operation and made it even more efficient, reducing costs even further. Currently, at 40 thousand payments per day, they process more work in less time and have ample capacity for future growth.



Since 1995, LabCorp has relied on RP Solutions to meet all their remittance processing needs. Today, LabCorp is at the forefront of Check 21 processing and as it continues to grow and maintain its industry leadership, RP Solutions will be right there with them.

Fine Tuning

Since implementing Check 21, LabCorp found that without endorsement details on their check images, research could be difficult on return items. In response, RP Solutions customized a virtual endorsement feature that adds traceability to the images. This is just one example of how RP Solutions continues to help LabCorp optimize their solution and realize its full benefits.

About RP Solutions, Inc.

RP Solutions is an inspired software developer and solutions provider for the processing of deposits and payments received at businesses, lockboxes, ATMs, bank branches and websites.

With over 20 years of industry experience, RP Solutions helps organizations realize the benefits of Check 21 with products ranging from a remote deposit solution for merchants to advanced customizable product suites for high volume payment processors.

From expert design consultation to on-site implementation to exceptional support, RP Solutions is well known for delivering a superior customer experience.



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