



# **MANAGED CARE IS HERE**

## ***Survive or Thrive***

**Susie Mix**  
**CEO/President**  
**Mix Solutions Inc.**

# THE MCO's ARE HERE



- Nursing Home (NH) Industry Transformation
- Senior Care Industry Trends & Strategies
- Why do we care about change? Finances
- Managed Care 101 / 201 / 301 / 401

# THE MCO's ARE HERE



NH Landscape is transforming:

## “GREAT SHIFT”

- Move from Traditional FFS to Managed Care
- Managed Care Case Mix differentiation
- Quality measures imperative to success

# THE MCO's ARE HERE



**“GREAT SHIFT”**

## **BEST PRACTICES**

**Increase in Managed Care Case Mix (What does a facility do?)**

**MANAGED CARE FACILITY SYSTEMS**

**Change in Payor Sources (What does a facility do?)**

**MANAGED CARE BUSINESS OFFICE SYSTEMS**



# THE MCO's ARE HERE

## *More Managed Care*

**Medicare  
Advantage**

**Health  
Benefit  
Exchange**

**Affordable  
Care Act**

**CFAD**

**? American Healthcare Act ?**



# THE MCO's ARE HERE

## "GREAT SHIFT"

	Medicare Patient FFS	Managed Care Patient	HMO Patient w/o 100% of RUGS
Reimbursement per day	\$500	\$500	\$300
Receive Payment	21-30	45-60*	45-60*
Length of Stay	30	15	15
Payment Received	\$15,000	\$7,500	\$4,500



# THE MCO's ARE HERE



## Trends & Strategies

**SNF DAYS PROJECTED TO GROW**  
**(Increasing enrollment)**



---

**MEDICARE ALOS CONTINUE TO DECLINE UNDER  
ALTERNATIVE PAYMENT MODELS**  
**(Bundling, Managed Care, ACOs)**



---

**SNF INCENTIVES**  
**(Payment models incentivize outcomes)**

---

**90% of Medicare payments tied to quality or value by end of 2018 –  
CMS GOAL**

---

*Omega*

# THE MCO's ARE HERE



## Trends & Strategies

---

### VALUE-BASED PURCHASING (VBP) - 2018

Set of performance-based  
payment strategies that link financial  
incentives to providers' performance  
on a set of defined measures

### BUNDLED PAYMENTS

### MA ADVANTAGE & ACOs

**(Replace Medicare FFS Parts A & B services)**

---

*Omega*

# THE MCO's ARE HERE



## Trends & Strategies

### MCO EXPECTATIONS

- Valuable partner to MCO, ACO, Hospital – build a solid relationship
- One point of contact- Communication on MCO time
- Provider with excellent outcomes, quality care at low cost (utilization to track cost)
- Ability to manage services
- Managing performance to health plan standards
- Key Statistics (*data on preferred outcomes*)
  - LOS
    - Appropriate
    - Average
    - By Clinical Condition
    - By Payor Source
  - RTA rate (re-hospitalization)
    - Reduction of (30 day readmission rate)

# THE MCO's ARE HERE



## Trends & Strategies

### MCO EXPECTATIONS

- CMS Star Rating
- Patient transferred to lower level of care as soon as possible
- Health Plan RN, NP, APRN on site
- ACCESS – Contracted Providers
- Familiarity with specific requests of each health plan & know each plan is DIFFERENT
- *Specialty Services*
- Accept and manage complex patients
- Treat in place- manage changes in condition at SNF
- Reducing unnecessary services
- Be a SOLUTION to a problem

# THE MCO's ARE HERE



## Trends & Strategies

### PREFERRED PROVIDER STRATEGY

Do you know you?

- Benefits
- Patient Satisfaction
- Outcomes and Quality
- Clinical Programs
- Key Data Analytics
  
- **EXAMPLE:**
  - *Under national average for risk adjusted readmission rate 17.8%*
  - *All centers offer 7 day a week therapy*
  - *91% of patients receive 1:1 therapy (vs. group therapy)*

# THE MCO's ARE HERE



## Trends & Strategies

### PREFERRED PROVIDER STRATEGY

#### Specialty Services

- Subacute – Ventilator Unit
- Dialysis - Onsite
- Bariatric Care
- Tracheostomy Care
- Alzheimer's/Dementia Care
- Locked Units
- Younger populations

Joint Operations meeting with health plan

# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 101

\$4,500

- *Highest Quality of Care*
- *Maximize Managed Care Reimbursement*



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 101

### Managed Care Patient vs Medicare Patient

*Do we truly know the differences and what the implications are?*

- Revenue Changes
- Cash Flow
- Functional and Operational Changes – Managed Care Systems
- Additional Hands in the Pot- MCO is Directing Stay, Not You! Is that true?
- New Folks to Market to

***Surviving or Thriving with Managed Care ?***



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 101

### **Managed Care Patient vs Medicare Patient**

*Do we truly know the differences and what the implications are?*

- Revenue generation begins with accurate identification and verification of the payer PRIOR TO Admission
- Profit projection begins with an effective patient cost-out strategy
- 12%- 19% of revenue is lost during the admissions process due to incorrect or unverified information

***Surviving or Thriving with Managed Care ?***



# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 101

What is going on in our state?



# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 101

### NJ Medicaid

- Aetna Better Health
- Amerigroup
- Horizon NJ Health
- United Healthcare Community Plan
- WellCare

*Medicaid will continue to remain an important funding source for NHs*

*Surviving or Thriving with Medicaid Managed Care????*

*Is reform causing uncertainty in this aiding source ????*

# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 101

### NJ Medicaid

- 2013 - 59% of NH (SNF) reimbursements come from Medicaid (16% from Medicare)
- NJ has been working to reduce reliance on Custodial LTC under Medicaid MLTSS
- 2016 - Facility performance-based incentive program to incentivize the transition of individuals from NH to community.
- 2017 - NJ continue MLTSS and drive quality and integration

# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 101 NJ MLTSS

- AWP (Any Willing Provider) extended 6/30/17 – MCOs and NH contract and MCO must pay at least at approved state Medicaid rates
- Before eliminating AWP
  - More updates coming; NF provider network requirements and quality indicators to be used in contracting process
  - 7 quality indicators
  - MCOs will not contract with facility for new admissions that does not meet 4/7 indicators

# THE MCO's ARE HERE



## **NH Survival Guide - Managed Care 101**

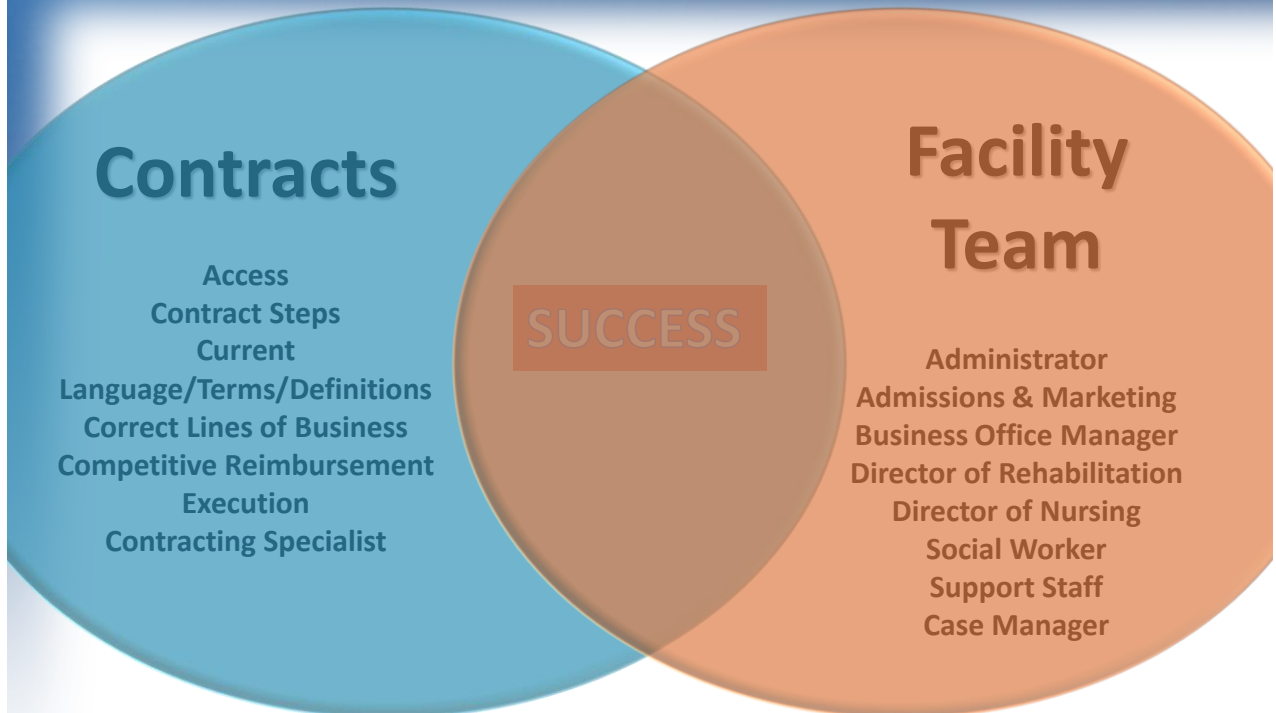
### **NJ FIDE- D-SNP**

- **2016 - NJ seeking to streamline efficiency in conversion of Medicaid enrollees newly eligible for Medicare**
- **NJ Seeking authority to auto-assign this population to a FIDE D-SNP**

# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 201 / 301 / 401



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 201

### What do our Managed Care contracts look like?

- What contracts do you have in place?
- Which contracts are utilized most?
- Are there any contracts that you currently don't have, but want to have?
- Do you have copies of the contracts?
- Are Binders and cheat sheets readily available?

# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 201

### What do our Managed Care contracts look like?

#### CONTRACTING – *RED FLAGS*

- Risk Term
- Access Take Back
- Reimbursement “Up to”
- Retrospective Language
- Submission Timeline
- Appeals Timeline
- Medicaid Ancillary Reimbursement



# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 301

### Managed Care Patient Stay

1. Pre-admission
2. Admission
3. Managing Patient
4. Billing (Discharge)

Where in this process can  
you potentially  
lose money?

**ANYWHERE!**

**MANAGED CARE  
SYSTEMS IN PLACE**



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 301

### PRE-ADMISSION

- Receipt of Inquiry
- Payor Eligibility Verification
- Determination of Level of Care Coverage
- Contract Determination
- Authorization
- Case Management



# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 301

### PRE-ADMISSION

#### Insurance Verification

- When does this process begin? Training
- Is your facility using a standardized form for each managed care resident?
- Whom does admissions verify with health plan and or/medical group?
- What question is asked to identify payor?



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 301

### PRE-ADMISSION

#### Insurance Verification

- Does Business Office check and verify information?
- How often do we check?
- Does Admissions understand different product types and know what health plans you are contracted with?
  - ISSUE: Are you contracted? If not, was an LOA secured prior to admission?
  - ISSUE: Which benefits are you calling on?
    - Custodial, Part B, or Skilled?



# HealthRight Health Plan

## Commercial

### **Level I** **\$290**

- Ostomy Care
- G-tube/NG tube
- Routine Lab & X-ray
- Wound Care Stage I & II

### **Level II** **\$345**

- IV Hydration
- Up to 1 hr. therapy (PT,OT,SP)
- Wound Care Stage III

### **Level III** **\$440**

- Isolation patients
- Up to 1.5 hrs. therapy per day (PT,OT,SP)
- IV Medication Administration- single
- Wound Care Stage IV

### **Level IV** **\$490**

- TPN administration
- Multiple IV administration
- Up to 2 hrs. therapy per day (PT,OT,SP)

## EXCLUSIONS

Vancomycin, Lovenox, Procrit, Epogen, Neupogen, Rocephin, TPN, Zosyn, Specialty beds, Wound Vac, CPM Machine, Transportation

## Medicare

100%  
RUGs

## Medi/Medi

90% RUGs

## Medicaid (Custodial) 100% Medicaid

## Medicaid (Skilled)

### **Level I** **\$215**

- Ostomy Care
- G-tube/NG tube
- Routine Lab & X-ray
- Wound Care Stage I & II

### **Level II** **\$300**

- IV Hydration
- Up to 1 hr. therapy (PT,OT,SP)
- Wound Care Stage III

### **Level III** **\$365**

- Isolation patients
- Up to 1.5 hrs. therapy per day (PT,OT,SP)
- IV Medication Administration- single
- Wound Care Stage IV

### **Level IV** **\$425**

- TPN administration
- Multiple IV administration
- Up to 2 hrs. therapy per day (PT,OT,SP)

## EXCLUSIONS

TPN, Specialty beds, Transportation



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 301

### PRE-ADMISSION

- Costing out patient?
  - High cost meds, specialty services, etc...
- Do you have the contract in place?
  - Level vs RUGs, Exclusions, etc...
  - LOA negotiated ????
- Did the facility receive reports of recent labs, x-rays, etc...?
- Has someone verified eligibility and benefits correctly?



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 301

### ADMISSION

- Did we receive **authorization**?
- Is the correct level authorized?
- Is specialty equipment ordered?
- Who will discuss co-payment with the patient and/or family?
- Passing on the info to the team – BOM, DOR, CM



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 301

### ADMISSION

- ER / Home / Weekend Admits –
  - Do we have protocol in place for all?
  - Can we take 24/7?
  - Do we know what paperwork is needed for each admit (Ex. Packet to inform doctor of what paperwork is needed)?
- *Is our admission process clean, clear, and quick?*



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 301

### MANAGING PATIENT STAY

- Levels correct on a daily basis?
- Capturing exclusions on a daily basis
- Using the correct vendors?
  - **Transport**
  - **Pharmacy**
  - **DME**
- Consistent collaboration with DOR on minutes approved?
- Utilizing the correct vendors for discharge?
- Shorter Length of Stay (LOS)
- Request for changes/extensions in authorization
- Review high cost medication – exclusions – pharmacy
- Respond to appeal



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 301

### MANAGING PATIENT STAY

### CASE MANAGEMENT SYSTEM COLLABORATION

#### MANAGED CARE TEAM

- Insurance Verification
- Contract terms – Levels of Care, Rates, Exclusions
- Initial Evaluations
- Authorizations
- Changes in Condition
- Capturing Exclusions
- Medical Necessity – Skilled Stay
- Internal Communication – Weekly Meetings,
- External Communication – Concurrent Reviews Driven by Skilled Needs
- Advocacy

# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 301

### MANAGING PATIENT STAY



Managed care weekly meetings

- Resident goals
- Barriers
- Discharge plans

The DOR, BOM, CM and Admissions Director **MUST** develop a very clear and efficient system of communication

Consistent communication with the managed care entity is also very critical

Teamwork= successful stay and well-managed resident

Patient QuickView

## Software application that gives the ability to actively case manage managed care patients

STAYS

Validate selected stay

Validate all stays

Patient	DOB	Admit Date	Projected LCD	DX Code	Primary Payer	External CM	Status	Facility	Bed	Facility CM	Vendors	UR
Raul Fisher	08/31/1930	06/20/2016	02/14/2017	*	Test Payer 1	Rogers Erin	Active	Facility 33	N 13 A	Tuonisia Turner	Vendors	UR
Kevin Cook	12/20/1963	09/06/2016	01/29/2017	N67.9	Molina Medicare		Pending Authorization	Facility 33	N 14 B	Tuonisia Turner	Vendors	UR
Dan Stewart	07/21/1994	09/07/2016		B20.2				Facility 33	E 19 C		Vendors	UR
Matthew Russell	05/26/1962	09/13/2016		K21.9				Facility 33	N 5 B		Vendors	UR
Sarah Roberts	08/16/1950	10/04/2015		F31.9				Facility 33	N 1 B		Vendors	UR

1 2 3 4 5

5 items per page

1 - 5 of 23 items

UPDATE LOG

+ Add new record

Document Type	Notes	Due Date	Update Log Status	Completed
UR Doc	Test note	01/17/2017	Completed	Missing
UR Doc	Testing	01/18/2017	Open	Missing

1 2 3 4 5

5 items per page

1 - 2 of 2 items

ALERTS

Alert message	Pris...	Alert date	Modified...
SSN is empty for patient Raul Fisher	High	12/22/2016 ...	QuickFix 03/15/2017 ...
Projected last covered day 02/15/2017 L	Medium	03/15/2017 ...	QuickFix 03/15/2017 ...

1 2 3 4 5

10 items per page

1 - 2 of 2 items

PENDING AUTHORIZATIONS

Notifi...	Field	Last View	Current View	Need Auth	Auth #	St...

1 2 3 4 5

10 items per page

No items to display

COMMUNICATION LOG

FILES

Document Type	Name	Quick...

CHECKLIST

Save changes

Cancel changes

Title	Comments	Status
Medication reconciliation from home to hospital		New
Provide written list of current medications to patient		New
Determine who will receive medication teaching among patient...		New
PT eval		Completed
OT eval		Completed
Daily therapy to total 30 minutes		New
Complete admission assessment and unit orientation		New
Determine any high risk concerns and implement initial care pl...		New

1 2 3 4 5

10 items per page

1 - 8 of 8 items

DDR FORMS

Save changes

Cancel changes

Status	Level	Qty	Start Date	Stop Date	Discontinue Date

1 2 3 4 5

10 items per page

No items to display

OUTBOX

1 2 3 4 5

5 items per page

No items to display

# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 301

**Admit 1/14/14- 7 day auth**

**Diagnosis: Diabetes, S/P ORIF**

**Services Needed:**

**IV Zosyn x 7 days (\$2800)**

**PT/OT 1hr**

**Stg III wound on heel**

**Lovenox x 1 day (\$1800)**

**Day 3: IV Vanco ordered for 14 days (\$480)**

**Day 7: IV Zosyn DCd**

**Day 8: Therapy increased from 1 hr to 2 hrs per day**

**Discharged 1/28/14**

**Facility Received Auth from HMO for Level II for 7 Days**



# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 401

### BILLING / DISCHARGE

- Lines of Business identified
- Communication on what needs to be billed
- Rev codes/Accommodation codes
- Authorizations / Exclusions
- Billing
  - Copay billing
  - Drop billing
  - E-billing - Portal
  - Different procedures for different health plans
- Contract Cheat Sheets
- RISK cheat sheets
- FAQ Billing Protocols



## HEALTHRIGHT REV CODES

Level	Rev Code	Rate
<b>Level I</b>	<b>191</b>	<b>\$290</b>
<ul style="list-style-type: none"> <li>•Ostomy Care</li> <li>•G-tube/NG tube</li> <li>•Routine Lab &amp; X-ray</li> <li>•Wound Care Stage I &amp; II</li> </ul>		
<b>Level II</b>	<b>192</b>	<b>\$345</b>
<ul style="list-style-type: none"> <li>•IV Hydration</li> <li>•Up to 1 hr therapy (PT,OT,SP)</li> <li>•Wound Care Stage III</li> </ul>		
<b>Level III</b>	<b>193</b>	<b>\$440</b>
<ul style="list-style-type: none"> <li>•Isolation patients</li> <li>•Up to 1.5 hrs therapy per day (PT,OT,SP)</li> <li>•IV Medication Administration- single</li> <li>•Wound Care Stage IV</li> </ul>		
<b>Level IV</b>	<b>194</b>	<b>\$490</b>
<ul style="list-style-type: none"> <li>•TPN administration</li> <li>•Multiple IV administration</li> <li>•Up to 2 hrs therapy per day (PT,OT,SP)</li> </ul>		

### EXCLUSIONS

Vancomycin, Lovenox, Procrit, Epogen, Neupogen, Rocephin, TPN, Zosyn, Specialty beds, Wound Care, CPM Machine



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 401

### BILLING / DISCHARGE

#### Business Office Systems

##### Triple Check

- a. Clean Claim
- b. Checklist
- c. Communication
- d. Tasks and Responsibilities

##### Claims

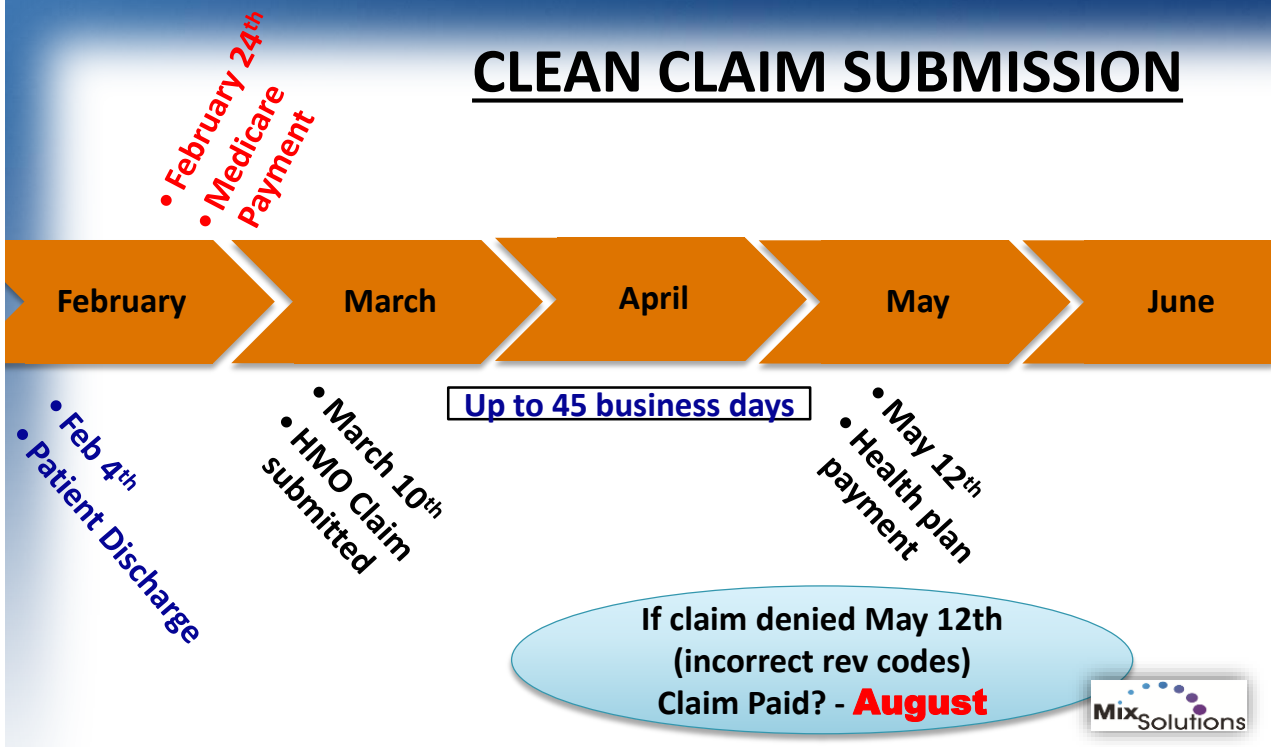
- a. Clean Claim
- b. Checklist
- c. Communication
- d. Health Plan Needs/Wants
- e. Timeliness



# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 401

### CLEAN CLAIM SUBMISSION



# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 401

### BILLING / DISCHARGE

#### **Business Office Systems**

- a. Timeliness
- b. EOB Review
- c. Posting process
- d. Adjustments
- e. Overpayments
- f. Aging Review
- g. Appeals/Audits



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 401

### BILLING / DISCHARGE

#### Appeals/Audits

- a. Evaluation
- b. Insurer requests
- c. Documentation
- d. Submission
- e. Timelines



# THE MCO's ARE HERE



## NH Survival Guide - Managed Care 401 – Aging Review

Days MCOs	30	60	90	120	150	180	210+
BCBS	\$9,898	\$0	\$68,422	\$41,424	\$2,369	\$1,824	\$6,300
Humana	\$10,980	\$9,430	\$43,495	\$26,531	\$4,682	\$3,348	\$89,595
Coventry	\$0	\$9,455	\$21,768	\$34,889	\$0	\$0	\$1,350
United	\$19,769	\$22,475	\$53,965	\$37,654	\$36,598	\$27,096	\$75,789

# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 401

**Admit 1/14/14- 7 day auth**

**Diagnosis: Diabetes, S/P ORIF**

**Services Needed:**

**IV Zosyn x 7 days (\$2800)**

**PT/OT 1hr**

**Stg III wound on heel**

**Lovenox x 1 day (\$1800)**

**Day 3: IV Vanco ordered for 14 days (\$480)**

**Day 7: IV Zosyn DCd**

**Day 8: Therapy increased from 1 hr to 2 hrs per day**

**Discharged 1/28/14**

**Facility Received Auth from HMO for Level II for 7 Days**



# THE MCO's ARE HERE

## NH Survival Guide - Managed Care 401

- **Loss of revenue**
- **Significance cost incurred without reimbursement**
- **Revenue overstated**
- **Ugly (adjustments) books**
- **Cost out failure**

# THE MCO's ARE HERE

- **Get Educated**
- **Get Prepared**
- **Take Advantage of this Opportunity**





# **MANAGED CARE IS HERE**

## ***Survive or Thrive***

### ***Questions ?***

©2016 Mix Solutions Inc. All rights reserved. Mix Solutions Inc. owns the copyrights to this training material. Any redistribution or reproduction of part or all of the contents in any form is prohibited. You may not, except with our express written permission, distribute or commercially exploit the material.