

# Are YOU ready ?

MANAGED MEDICAID: A BRIEF OVERVIEW OF THE PROCESS

HCANJ 20-HOUR SYMPOSIUM  
MARCH 19-21, 2013


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## The Panel

- Sylvia Allen-Ware, JD, MT (ASCP)
  - Chief, Office of Managed Care, NJ State Department of Banking and Insurance
- Michelle Palko
  - Regional Collections Specialist, Hospicomm, Inc.
- Arthur Krauss, MBA, CPA, CGMA
  - President, Woodlyn Associates, LLC.


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## Today's Goals

- Get you Up to Date
- Help You Prepare
- Give you Some Comfort


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## What and When

- A Sea Change – It's Not Just a New Payer
- Latest Date Estimate-
- Assisted Living – January 1, 2014
- Skilled Nursing – July 1, 2014


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## What and Why – You Decide

- From the Public to the Private Sector
- Insurance Sector is a Better Manager
- Comprehensive Care Management
- Healthcare Cost Inflation will Moderate

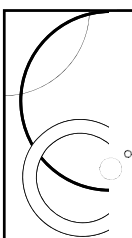
M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## What Does It Mean?

- **M**anaged Care
- **C**apitation – and All It Implies
- **F**or-Profit Care

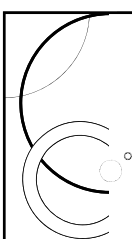
M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## When did this all begin ?

- July 1, 2011 – Medicaid only
- October 1, 2011 – Dually eligible

M Palko  
Hospicomm Inc  
  
Arthur Krauss  
Woodlyn  
Associates, LLC



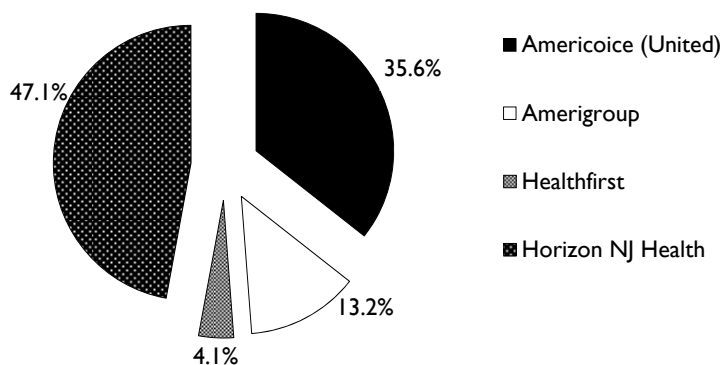
## New Jersey Contracted Managed Care Organizations (MCO)

- Amerigroup
- Healthfirst NJ
- Horizon NJ Health
- United Healthcare Community Plan
- New Payers in the Future ?

M Palko  
Hospicomm Inc  
  
Arthur Krauss  
Woodlyn  
Associates, LLC

## HMO Market Shares - 3/31/2012 ALL DHS Programs

Sales



M Palko  
Hospicomm Inc

Arthur Krauss  
Woodlyn  
Associates, LLC

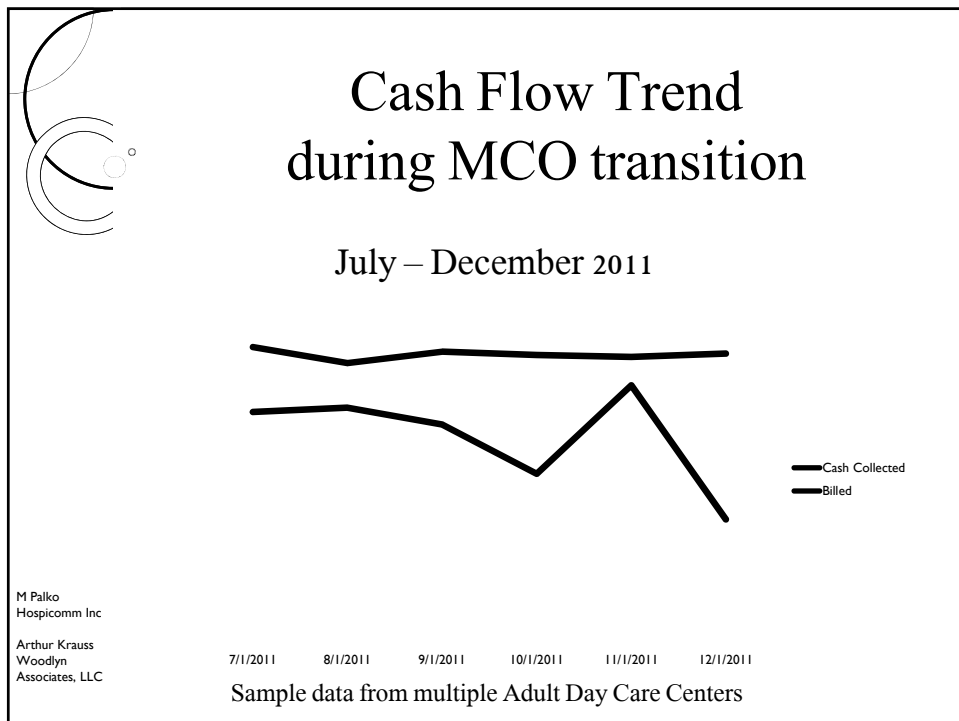
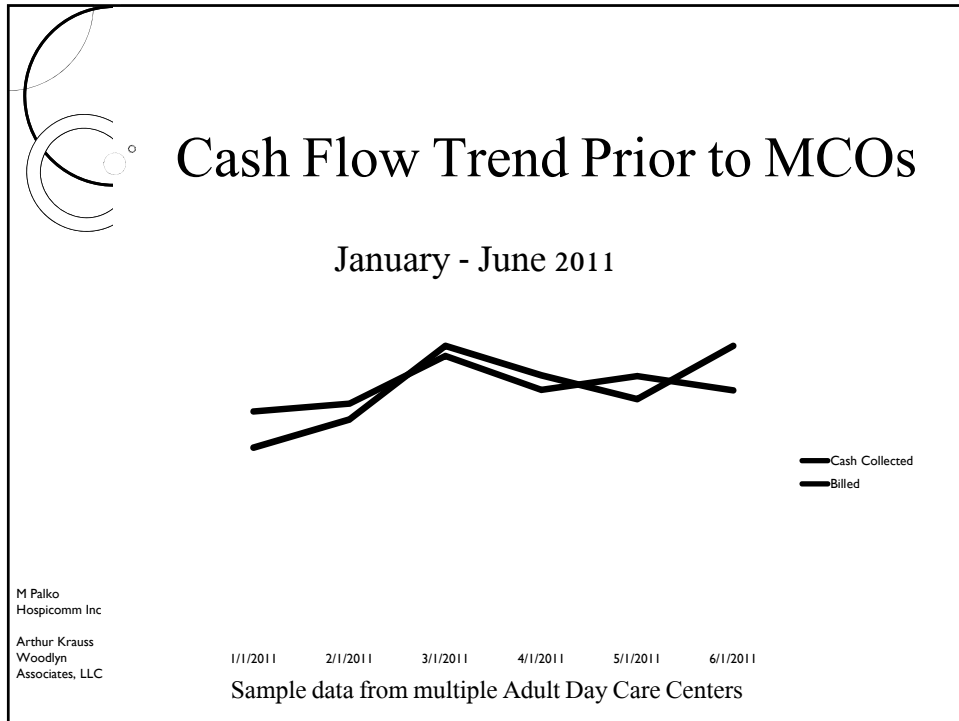
Source: Dept of Human Services Medicaid Office of Statistical Analysis and  
Managed Care Reimbursement as of 3/2012

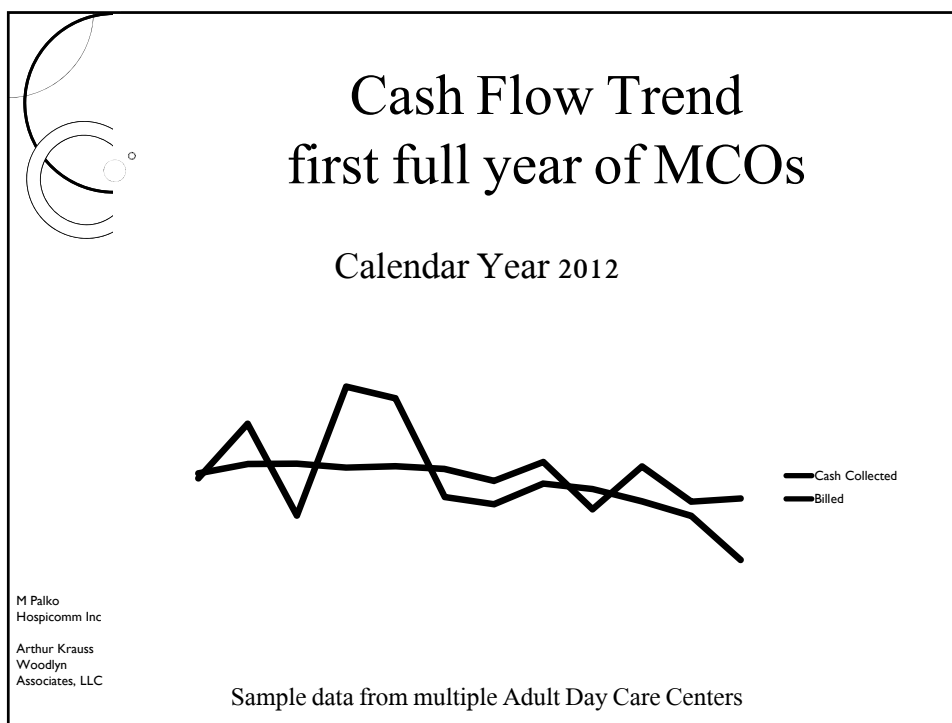
## What Were The Results

- Complexity
- Confusion
- Claim Denials
- Cash Flow Challenges

M Palko  
Hospicomm Inc

Arthur Krauss  
Woodlyn  
Associates, LLC






## Why Did This Happen

- First – Lack of Preparation
- Second – Lack of Proper Protocols
- Third – Lack of Complete Systems
- Fourth – Lack of Proper Training

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



# As Managers –Basic Steps


Assess

Adapt

Acclimate

Advocate

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC




## Step One - Assess

- Financial Ramifications
- Staffing Ramifications
- Operations Ramifications

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC






## Step Two - Adapt

- Financial
  - Arrange Today for Tomorrow's Cash Needs
- Staffing
  - Review your Organization Chart
  - Assess the Strengths of the Current Staff
  - Engage and Train Tomorrow's Team
- Operational
  - Consider your Delivery Care Model
  - Explore Strategic Partnerships


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## Step Three - Acclimate

- Financial
- Staffing
- Operational

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## Step Four - Advocate

The Working Committees are Meeting

Existential Issues Are On the Table

How Much and How When

M Palko  
Hospicomm Inc  
  
Arthur Krauss  
Woodlyn  
Associates, LLC



## Financial

- Cash Flow Issues
- Rate Issues
- Eligibility and Coverage Issues ?

M Palko  
Hospicomm Inc  
  
Arthur Krauss  
Woodlyn  
Associates, LLC

## Cash Flow Impact

- Assumptions:

- 120 Bed Facility
- 85% Medicaid
- 25% of Medicaid have Medicare Advantage
- 5% Interest Rate
- Claims Pay in 30 Days / 70 Days

Financial Cost: **\$30,603**

Addition to Days Outstanding: **30**

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC

## Other Possible Financial Costs:


- Additional Staffing (Billing, Case Mgmt, Etc)

- 1 FTE      \$35,000
- 2 FTEs     \$70,000

- Rate Reduction Costs:

- 1%      -      \$ 75,000
- 5%      -      \$372,000
- 10%     -      \$745,000

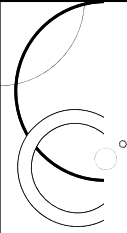
M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



# STAFFING

## Build the Teams


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## What teams will this effect?


- External Case Managers & Admissions
- Social Services
- Billing
- Collections

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



# Make your own “MCO” for your teams!


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



# How do I make my own “MCO”?

Manage  
Communicate  
Organize

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## Case Managers & Admissions


Mandate accurate information from the referral

Confirm coverage

- What does the plan cover ?
- How many days are covered ?
- What is the reimbursement rate ?
- Is disenrollment automatic or is follow up needed ?

Obtain authorization number PRIOR to admit


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## MCO Contact Information

	<b>Amerigroup</b>	<b>Healthfirst NJ</b>	<b>Horizon NJ Health</b>	<b>United Healthcare Community Plan</b>
	<a href="http://www.myamerigroup.com">www.myamerigroup.com</a>	<a href="http://www.healthfirstnj.org">www.healthfirstnj.org</a>	<a href="http://www.horizonnjhealth.com">www.horizonnjhealth.com</a>	<a href="http://www.uhccommunityplan.com">www.uhccommunityplan.com</a>
Main Number	800-452-7101	888-GO4-NFNJ 888-464-4365	877-765-4325	973-297-5500
Member Services	800-600-4441	888-GO4-NFNJ or 888-464-4365	800-637-2997	800-941-4647
Prior Authorization	800-600-4441	866-467-7178	800-682-9094	888-362-3368
Provider Network	800-454-3730	888-801-1660 866-889-2523	800-682-9091	888-362-3368 973-297-5635
Fax	877-244-1724	866-506-7060	609-583-3025	855-551-5912

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



# Social Services

Manage the enrollment process


Communicate benefit utilization upon discharge

- Upon discharge to the hospital services are suspended and continue on readmit
- Upon discharge to community a new authorization will need to be obtained at readmit, and they should get a new benefit period

Orchestrate the discharge re-enrollment process

M Palko  
Hospicomm Inc

Arthur Krauss  
Woodlyn  
Associates, LLC



# Social Services


Enrollment / Re-Enrollment in a MCO

Contact Adult Client Services (ACS)

**1-866-472-5338**

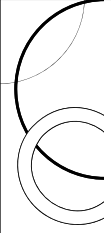
M Palko  
Hospicomm Inc

Arthur Krauss  
Woodlyn  
Associates, LLC



# Billing

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC




## The Path Has Changed

- Today – Direct to the Payer
- Tomorrow – Direct or Indirect Options

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC






## Critical Points

- Payer One is Not Payer Two (or three or four.....)
- HMOs are Much Less Forgiving
- Timelines are Tight
- Bills are More Complex

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## Direct Billing

- Electronic - On-Line Claim Entry
  - Similar to Molina Option
  - Logical only for Very Small Facilities
  - No tie-in to any Financial System
- Manual – Paper Claims
  - How You Do It
  - What You Give Up
  - When it's Required

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## Indirect Billing

- Meaning and Use of a Clearinghouse
  - Who they Are
  - What they Do and Don't Do
  - What they Cost
- Certifiers and Scrubbers
  - Who they Are
  - What they Do and Don't Do
  - What they Cost

M Palko  
Hospicomm Inc

Arthur Krauss  
Woodlyn  
Associates, LLC




## Electronic Claims – Key Points

- 837's, 835's, HIPAA – What Does it All Mean?
- Who Set the Rules and Why are they So Complex?
- Claims – Aren't they all the Same?
- Clean Electronic Claims Pay Faster than Paper Claims

M Palko  
Hospicomm Inc


Arthur Krauss  
Woodlyn  
Associates, LLC



## Billing Electronically –What You Need to Know

- HMOs have a lot of Wiggle Room
- Changes seem to occur without warning
- Tracking is Critical


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## Clean Claims – The Keys to Success

- 1) Know the Payer's Requirements
- 2) Accuracy – It's a world of bits and bytes
- 3) Tracking – You Need to Follow the Trail when Something Goes Wrong
- 4) Know your Clearinghouse's Limitations

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC




## Billing

Make sure required insurance information is entered into your billing system correctly

Confirm the authorization number is on the claim

Overcome delay by assuring the claim is clean


M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



## What Is A Clean Claim

- Correct Insured
- Coverage is in Force
- Authorizations are Current
- Referring Providers are Authorized
- Diagnoses, Revenue Codes, Types of Bill, etc. are all Valid
- Claim is Complete in Every Respect
- Claim is Timely

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC




## According to the State of NJ Department of Banking & Insurance

**\*NOTE**

Carriers may change the information, and documentation they require as long as participating providers are given 30 days notice

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC




## Collections

Meeting your filing timeline

Correction or follow up to claim

Offset denials by understanding their meaning

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC




# Collections

## Common Denial codes

- CBP = EOB needed from the members primary carrier
- O22 = Secondary payment can't be considered without primary payor information
- X16 = Resubmit with EOB from Medicare and PAK-charges exceed contracted amount for service

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC




# Collections

## What do these codes mean?

- The insurance companies are requesting you bill Medicare Part A for denial before they pay your pre authorized claim
- Recently the MCOs have agreed that if you have a straight Medicaid admit from the community or an admission that does not qualify for Medicare they will waive the primary denial process listed above

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC




# Appeals – The Regulatory Framework

An Update from  
Sylvia Allen-Ware, JD, MT (ASCP)

Chief, Office of Managed Care  
NJ State Department of Banking and Insurance

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



# How can we get ahead and stay on track?


Build your teams

Manage

Communicate


Organize

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC



# Make “MCO” work for you!

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC




## In the End

**Assess**  
**Adapt**  
**Acclimate**  
**Advocate**

M Palko  
Hospicomm Inc  
Arthur Krauss  
Woodlyn  
Associates, LLC





## Contact Information

- Michelle Palko, Regional Billing Office Manager
  - Hospicomm, Inc.
  - 609-675-1205
  - [mpalko@hospicomm.com](mailto:mpalko@hospicomm.com)
- Arthur Krauss, MBA, CPA, CGMA, President
  - Woodlyn Associates, LLC
  - 800-598-2455
  - [ArthurK@woodlyn.com](mailto:ArthurK@woodlyn.com)
- Sylvia Allen-Ware, JD MT(ASCP)
  - Dept of Banking and Insurance
  - 609-777-9470
  - [Sylvia.Allen-Ware@dobi.state.nj.us](mailto:Sylvia.Allen-Ware@dobi.state.nj.us)