Revenue Cycle Management:

The steps Title X agencies must take to get paid

Webinar 3:

Revenue Cycle Management:

Contracting with Payers

August 29th, 2013

Family Planning
National Training Center
for Management and Systems Improvement

Intended Audience

Title X grantees and sub-recipient staff who would like to implement a structure for managing revenue that will contribute to long term sustainability of their clinic.

What is covered during each webinar:

Webinar 1 (July 24): Key components of the revenue cycle management process that should take place before the client's appointment and during the client's visit.

Webinar 2 (August 7): Key components of the revenue cycle management process (billing and collections) that take place after the client is seen by the provider.

Webinar 3 (Today): Negotiating fee schedules and executing contracts with third-party payers.

Training Objectives

- List the initial steps required to develop a third party payer contracting strategy;
- Understand what key components to look for in a third party payer contract;
- Identify the common principles for fee schedule development;
- Describe the process of provider credentialing and explain why it is necessary; and
- Assess the agency's level of capacity to carry out the third party payer contracting components of revenue cycle management.

Polling Question

Who is participating in today's webinar?

a. **Local public health agency**
b. **State public health agency**
c. **Non-profit organization**
d. **Federal government agency**
e. **Other**

You can cast your vote in the Polling Panel of Webex!

Polling Question

Does your agency currently have contracts with third party payers?

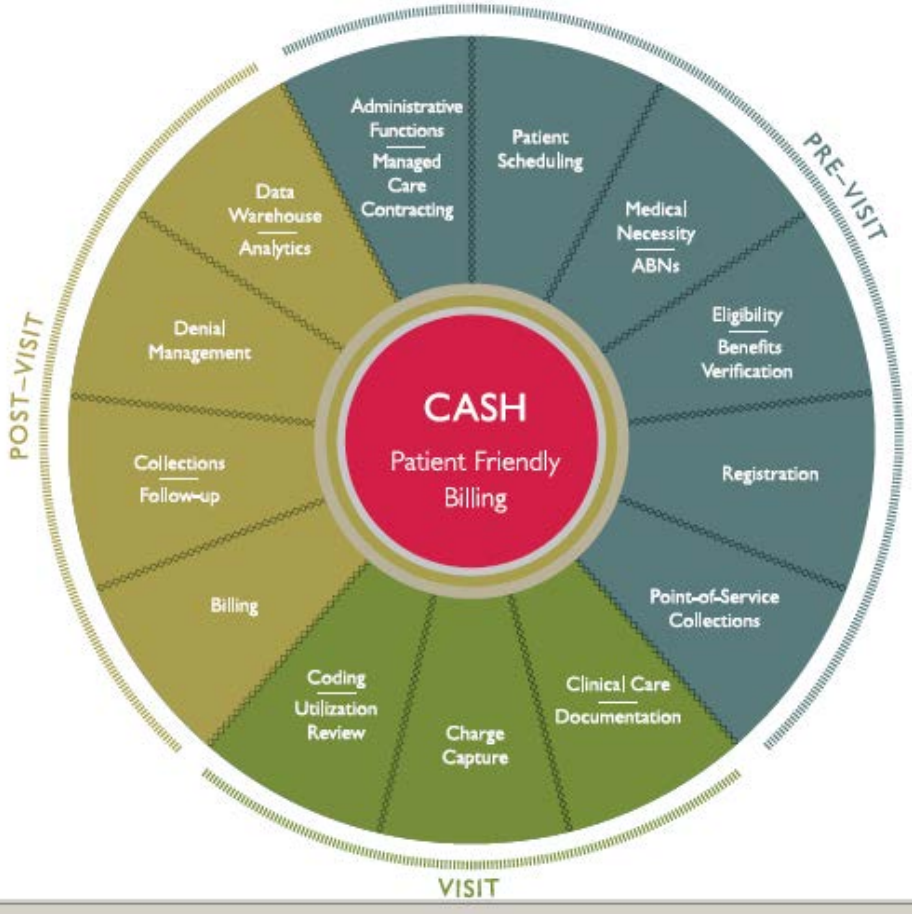
a. **Yes**
b. **No**
c. **Not Sure**
d. **Not Applicable (not a clinical provider)**

You can cast your vote in the Polling Panel of Webex!

Lou Ann Wilroy,
Business Strategies Consultant
RT Welter & Associates

Rian Frachele,
Consultant
Planned Parenthood, Oregon Affiliates & Office of Population Affairs

The Revenue Cycle



Source: Health Data Management: "*Revenue Cycle Management*" June 2008

First Steps Required to Develop a Third Party Payer Contracting Strategy

1. • Identify health plans you should consider.
2. • Research the health plan(s), once identified.
3. • Recognize your leveraging power.

First Steps: *Identify health plans you should consider*

- National Association of Insurance Commissioners: http://naic.org/state_web_map.htm
- Your state insurance regulatory agency
- Visit insurance company web sites
- Gather input from other local providers
- Work with your Title X Grantee
- Consider hiring a consultant/expert

First Steps: *Research the health plan*

- **Find out from the health plan:**
  - Mission, vision, and values
  - Existing provider network (clinicians, facilities, ancillaries)
  - Number of covered lives in your community
  - Local employers that are covered
- **Find out about the health plan's performance:** http://www.ncqa.org/HEDISQualityMeasurement.aspx

First Steps: *Research the health plan*

Types of Products

- Indemnity
- Health Maintenance Organization (HMO)
- Preferred Provider Organization (PPO)
- Point of Service (POS)
- Private Fee for Services (PFFS)

Types of Providers

- Group or facility
- Individual Provider

First Steps: *Recognize your leveraging power*

- What is the health plan's strategy for developing a network in your community?
- Do they need additional providers?
- Are they bidding on an employer group?

First Steps: *Recognize your leveraging power*

Health Insurance Marketplaces:

What is happening in your state?

- **Required by the Affordable Care Act**
- **States may participate in either state or federal marketplaces**
- **Participating qualified health plans must contract with "Essential Community Providers" (ECPs)**

First Steps: *Recognize your leveraging power*

Health Insurance Marketplaces:

What is happening in your state?

- **Title X agencies are included in the CMS list of "Essential Community Providers".**
- **What is the process for becoming designated as an "Essential Community Provider" in your state?**
- **Are there opportunities for your agency to provide services to meet the needs of a particular population or community?**

First Steps: *Recognize your leveraging power*

Potential benefits of your services to health plan members

- Comprehensive family planning services
- Operate using evidence-based guidelines
- Teen clinics (adolescent care)
- Serve a healthy young population
- Convenient hours of operation
- Same day/next day appointments
- Types of providers (i.e., women's health)
- Multi-lingual and culturally diverse
- On-site dispensing of birth control and other supplies

First Steps: *Recognize your leveraging power*

Potential benefits of your services to the health plan

- **Reduce health plan maternity/newborn expenses by preventing unintended pregnancies**
- **Improve performance in Chlamydia screening, cervical cancer screening, BMI, smoking cessation, and other HEDIS and non-HEDIS measures**

Agency Assessment Checklist

- ✓ Staffing structure and expertise to support developing the agency's payer contracting strategy or decision to outsource
- ✓ Knowledge of your state's status in creating a health insurance marketplace and your potential role
- ✓ Understand the value proposition of your agency in today's environment

Questions/Discussion

Key Components of a Contract: *Definitions*

- Clean Claim
- Contracting Payer
- Covered Services
- Notification of Policy Changes

Key Components of a Contract: *Health Plan Obligations*

- Provide member ID cards
- Provide fee schedules
- Do not include “Most Favored Nation” clause
- Prompt payment provision
- Written consent for additional benefit plans
- Electronic capabilities
- Credentialing
- Privacy Protection

Key Components of a Contract: *Provider Obligations*

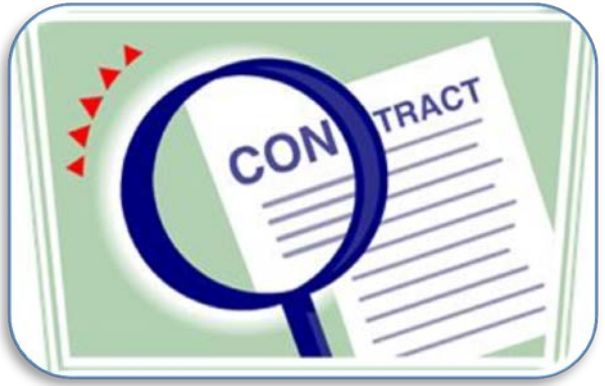
- Office hours/after hours care
- Timely filing
- Claim submission
- Non-discrimination
- Medical records
- Policy manual
- Provider directory
- Co-pay collection
- Liability Insurance

Key Components of a Contract: *Term and Termination*

- Multi-year term
- Termination without cause

Key Components of a Contract: *General Provisions*

- Reciprocity
- Amendment process
- Indemnification
- Legal proceedings



Contracting Recap: *Unacceptable Provisions*

1. Restricted access to fee schedules.
2. Fee schedule applies to non-covered services.
3. Lack of clarification regarding entities with access to contract and discounts.
4. Payer prohibits provider from establishing panel limits and practice parameters.
5. Any reference to “most-favored-nation.”
6. Nonstandard coding, billing, or claims submission requirements.
7. Cumbersome (or manual) referral or prior authorization process.
8. Timely filing less than 90 days.
9. Health plan able to amend the contract without your signature.

Agency Assessment Checklist

- ✓ **Staffing structure and expertise to support the contract review process or outsourcing**
- ✓ **Legal counsel**

Questions/Discussion

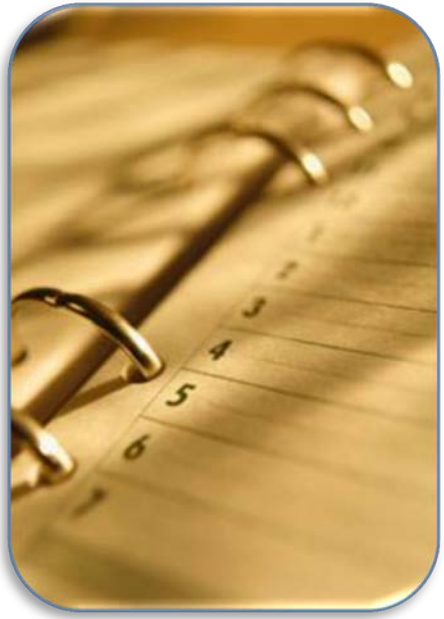
Fee Schedule: *Medicare Resource-Based Relative Value Scale (RBRVS)*

- Implemented in 1992
- Standardized physician payment schedule based on cost to provide services
- Three components: Work (~48%), Expense (~48%), Liability (4%)
- Payment = *Relative Value* x *GPCI* x *Conversion Factor*
- Commercial Health Plans: fixed fee schedule roughly based on Medicare fee schedule

Fee Schedule: *Analysis*

- **Determine most common CPT codes**
- **Calculate your charges as a percentage of Medicare rate**

http://www.cms.gov/apps/physician-fee-schedule/overview.aspx



Sample Fee Schedule Analysis

1	2	3	4	5	6	7	8
CPT Code	Medicare Fee Schedule	Clinic Charge Master	% of MFS	Health Plan Rate	% of MFS	Target Rate	% of MFS
99203	$108.19	$162	150%	$119	110%	$130	120%
99213	$72.81	$109	150%	$80	110%	$88	120%
99232	$70.10	$105	150%	$77	110%	$84	120%
99214	$106.83	$160	150%	$118	110%	$128	120%

Tips for Negotiating Fees

- Start high
- Share that the plan is reimbursing lower than other plans based on your fee schedule analysis
- Prepare to wait…and wait….
- Prepare to negotiate
- If you are not satisfied with the final offer, consider discontinuing the contracting process

Agency Assessment Checklist

- ✓ Staffing structure and expertise to support the fee schedule development process
- ✓ Microsoft Excel or other software for creating basic spreadsheets
- ✓ Clinic chargemaster and cost analysis for common CPT codes

Questions/Discussion

Credentialing

- Credentialing is NOT contracting
- Credentialing is the process of verifying and validating background and qualifications for providers
- Allow at least 3-6 months to complete the process
- Council for Affordable Quality Healthcare (CAQH): centralized database used by most commercial health plans: www.caqh.org
- Direct enrollment required for Medicare and Medicaid

Items Typically Necessary for Credentialing

Physical Address	Board Certification
Telephone and Fax Number	Professional Liability Certificate
Medical License	Unique Physician Identification Number (UPIN)
National Provider Identifier (NPI) Number	Tax ID
Drug Enforcement Agency (DEA) Number	Birth Date
Start Date	Social Security Number
W-9 Form	Voided Bank Check
Curriculum Vitae	IRS Form CP575A

Contracting and Credentialing are ONGOING Processes

- Review contracts and fee schedules at least every 2-3 years
- CAQH requires quarterly attestation for credentialing
- Make sure new providers are credentialed and affiliated with health plans
- Make sure re-credentialing requirements are met

Agency Assessment Checklist

- ✓ Staffing structure and expertise to support the initial and ongoing credentialing process
- ✓ Access to CAQH
- ✓ Access to provider and agency NPI numbers and other pertinent provider information

Questions/Discussion

Audience Poll:

I thought this webinar was …

- Too long
- Too short
- Just right

You can cast your vote in the Polling Panel of Webex!

Upcoming NTC Training Activities

- **National Family Planning Clinical Symposium**

Kansas City, MO, 9/11/13 – 9/14/13

Thank You!

National Training Center for Management and Systems Improvement
www.fpntc.org

Reesa Webb	reesa_webb@jsi.com
Ann Loeffler	ann_loeffler@jsi.com
Tara Melinkovich	tara_melinkovich@jsi.com
Caitlin Hungate	caitlin_hungate@jsi.com
Jen Spezeski	jenette_spezeski@jsi.com
Adrienne Christy	adrienne_christy@jsi.com
Paul Rohde	paul_rohde@jsi.com

303-262-4300
www.jsi.com