BEING SUCCESSFUL IN A MANAGED CARE MARKETPLACE

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Agenda

- What is Managed Care?
- Getting Started with Managed Care
- The Process of Billing
- Types of Programs and Legal Considerations
- Relevant Topics in Hearing Health
- Q and A
What is Managed Care?
What is Managed Care?

- A healthcare management system organized to manage three things:
  - Cost
  - Utilization
  - Quality
What is Managed Care?

How are managed care providers compensated?

- Max allowable rate (Fee for service)
  - 92625 - Assessment of tinnitus (includes pitch, loudness matching, and masking) $70.94

- Capitation Structure
  - Per Member Per Month (PMPM)

- Modified Capitation Structure
  - Hybrid PMPM + Fee for service
What is Managed Care?

- The Rise of the Third Party Administrator (TPA)
  - Medicare Advantage Plans
    - Incentive
    - Reimbursement to Insurance Companies
  - Discounting vs. Bona Fide Coverage
What is Managed Care?

❖ Pros and Cons of Managed Care
  ▪ Let’s hear from you on the following topics regarding participation in TPAs
    o Additional Patients
    o Insurance Plan Management
    o Access to Care
    o Economics
Case Study
Case Study - Pretest

Guess what? You are now on your own in your office. Any support staff you may or may not be accustomed to have has taken a personal day. It’s 9:00am. Your first appointment of the day enters the office and hands you her insurance card and wants to go ahead with your recommendations from the previous week. She’s been waiting 7 years to do something about her hearing, but now wants everything to happen in three days. You look around. It’s you, an insurance card, and an 800 number. What do you do?
Case Study - Pretest

The Facts

Patient Name: Susan J. Sample
DOB: 01-01-1950
Date of Appointment: Exactly one week ago
Services Rendered: Your standard testing protocols
Assumptions: No red flags, no medical conditions

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Policy Number: 356M59557
Group Number: 1234567
Group Name: XYZ COMPANY
Member Name: SUSAN J. SAMPLE

1) Office Visit Copay: $15
2) Specialist: $15
3) Emergency Room: $150
4) Urgent Care: $50
Rx: $10/20/40

Network Coinsurance:
5) In 90%/10%
6) Out 80%/20%
Med/Rx Deductible Applies

Customer Service: 1-800-555-1234, TDD: 1-800-555-5678
M-F, 8:00 a.m. - 11:00 p.m. Pacific Standard Time

Nurse Information Line: Call 1-800-777-7197
Hours of operation: 24 hours/ 7 days a week

Provider Services: 1-888-777-6543, TDD: 1-800-777-3456
Submit Claims To:
PO Box 987,
Claims Way, OR 97008

This group health plan is provided by ABC Insurance Partners. While coverage remains in force, members are entitled to the benefits under the terms and conditions of the plan. This card is for identification only and is not a guarantee of coverage. Deductibles and coinsurance may apply.
Getting Started with Managed Care
Getting a National Provider Identifier (NPI)

- NPIs managed and distributed by NPPES
  - [https://nppes.cms.hhs.gov](https://nppes.cms.hhs.gov)
- Organizational vs. Professional NPIs
- Taxonomy
  - 231H00000X – Audiologist
  - 237700000X - Hearing Instrument Specialist
Credentialing

- The process of becoming affiliated with an insurance company for the purposes of being able to be reimbursed for goods or services rendered.
  - Varies by company/network
  - 3rd party vendors
  - Lengthy process
Billing Strategies
CAQH

- Universal Provide Datasource
- Proview
- VeriFide
- Smart Function
- Benefits of utilization
Insurance Company Participation: In-Network v. Out of Network

Pros
- Contracted Fees
- Referrals
- Limited # Providers

Cons
- Contracted Fees
- Reimbursement
- Balance Billing Limitations

Third Party Involvement?
Electronic Medical Records (EMR)
Electronic Health Records (EHR)

What’s the difference?
EMR – Records medical and clinical data
EHR – More comprehensive, perhaps including a patient or provider portal

✓ Uniformity of records
✓ Less duplication
✓ Faster claims and reimbursement
✓ Time Management
✓ Tracking of data
✓ Consistent communication
✓ Improvement of Risk Management
Electronic Medical Records (EMR)  
Electronic Health Records (EHR)

By the numbers . . . Providers Report*

- 94% - Records more readily available
- 88% - Produce greater clinical benefit
- 79% - Enhance practice efficient
- 75% - Deliver better patient care

Better coordination leads to better quality and improved patient outcomes.

* According to the American Health Information Management Association (AHIMA)
Verifying Patients

What’s needed:
- Patient Demographics
- Insurance information
- In-network and Out-of-network status
- Document, document, document
- Reference #
- Representative’s name
- All pertinent info
Bundling vs Unbundling

**Bundled**
- Based upon expected cost of care
- Lump sum regardless of services
- "Global Payment"

**Unbundled**
- Breaks out costs
- Bill for specific services
- Billable services vary by location
Itemizing Invoices

- Hybrid of Bundled/Unbundled Options
- Itemizing each line item
- One fee
  - a. hearing aid assessment
  - b. the device
  - c. the dispensing fee
  - d. the fitting/orientation/checking fee
  - e. conformity evaluation
  - f. batteries
  - g. earmolds
  - h. earmold impressions
  - i. accessories
  - j. follow-up visits
  - k. aural rehabilitation
Pricing Consistency

- Review internal processes
- MSRP Inconsistency
- Balance Bill Rules
Coding Your Claim

Let’s take a minute to revisit our original claim form. Let’s see if we have the correct information in the correct place. Below is just an example.

- **Diagnosis**
  - ICD-10
  - H90.6 - Mixed conductive and sensorineural hearing loss, bilateral

- **Procedural**
  - CPT Codes
  - 92553 - Pure Tone Audiometry, Air and Bone or
  - 92557 - Pure Tone Audiometry, Air and Bone, and Speech Audiometry
  - 92567 - Impedance Audiometry

- **Device**
  - HCPCS Codes
  - V5261 - Hearing aid, digital, binaural, BTE
Case Study: Post-Test

How did we do? Let’s take a look now and share our completed billing form with someone in the room next to us.

- Switch forms with someone next to you
- Use the resources and your newfound (or existing) knowledge to review the CMS 1500
- On a scale of 1-10, give your partner a score
Other State and Federal Programs
Medicare and Medicare Advantage

- Federal Insurance Plans
- Strict Criteria
- Hearing Aid Specialist Exempted
- Advantage – Privatized Medicare
Medicaid

- Financially eligible
- Some Audiological testing coverage
- Outsourced to MCOs
Medicare

- 65 and up (some exceptions)
- Part A – Everyone eligible 65+
  - Catastrophic/Emergent Care
- Part B - Diagnostic/Outpatient
  - Copay applies
- Part C – Medicare MCO Option
  - Services outsourced to 3rd parties
  - May have hearing aid services
- Part D – Prescription Benefit
Department of Veteran Affairs

- Eligible veterans
- Fit to Serve (Applause please!)
- VA Choice
- 3rd Party VA Contractors
  - HealthNet
  - TriWest
  - Veterans Evaluation Services
  - Logistics Health
Vocational Rehabilitation

- Federally supported, state-operated
- Audiologists and Hearing Aid Specialists
- Criteria changed
- Reimbursement decreased
Worker’s Compensation

- Insurance –based
- Paid by employers
- Hearing loss coverage (job related)
- Case by case
- Bureaucratic
Relevant Topics
Overview of Related Federal Regulations

Federal Anti-Kickback Statute (AKS)

- Prohibit anyone from knowingly and willingly soliciting and receiving remuneration (kickback, bribe, rebate, unauthorized incentive) directly or indirectly, covertly or overtly, in cash or in kind for referring and individual, or another person for services paid by federally funded healthcare programs.
- Significant potential Civil Monetary Penalties: $50K with potential for treble damages and $25K Criminal Monetary Penalties and up to 5 years incarceration.
- Intent is NOT required and liability can be imputed even from an honest mistake

Strict compliance with rules, routine audits, and assigning an internal compliance officer or person to routinely oversee activities strongly encouraged.
Overview of Related Federal Regulations

Federal False Claims Act (FCA)

- Improper or illegal billing of services seeking reimbursement to the government for federally-funded programs that are frivolous, performed inadequately, improperly, or not at all. Categories include 1) Worthless Service - services performed or not performed poorly yet seeking reimbursement, and 2) Implicit Certification - services performed in a defective way (e.g. Equipment, etc.) resulting in improper diagnoses, results, etc. and seeking reimbursement

- Results in “qui tam” whistleblower filing to OIG. If proven, substantial awards to whistleblower ranging from 15%-30% of recouped reimbursement and fines from offending organization.

- CMP Civil Fines $5K-11K per false claim per day that can be tripled; Criminal penalties up to $10K and imprisonment.

- Intent is NOT required and liability can be imputed even from an honest mistake
Stark Law

- Physician referral of federally-funded patients to entities where a close family financial relationship exists outside of a recognized safe harbor.
- Arrangements may include financial ownership, investment, favorable rental or lease agreements, or compensation.
- Certain designated services include PT, Lab, DME, Imaging as well as other outpatient services.
- While hearing healthcare is NOT currently one of those designated services, a number of relationships where incentives are given for either a physician or hearing healthcare provider to the other (i.e. Rental/lease space below FMV; guaranteed referral for services and remunerations (which can also violate AKS and/or FCA)
- Potential CMP Civil Fines of $15k per improper claim. Arrangements willing made to circumvent referral laws could rise to $100K per arrangement and potential exclusion from federal programs
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<td>Insured's Policy or Group Number</td>
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**Notes:**
- This form is a Health Insurance Claim Form approved by the National Uniform Claim Committee (NUCC).
- The form includes sections for patient information, claimant information, and policy numbers.
- The form is completed with specific details such as the insured's I.D. number, name, address, and telephone information.
- The form also includes fields for claimant's relationship and address, as well as claimant's telephone number.
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Full Release
January 1, 2018
IHS Members: $0
Non-Members: $325

Advanced digital copy available with 2018 IHS membership renewal on/by October 27

A Hearing Healthcare Professional’s Guide to Third Party Participation

Released October 2017
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