FHCA 2019 Annual Conference & Trade Show

CE Session #22 – Exploring the Trails of Managed Care

Monday, August 5 – 7:00 to 8:00 p.m.

Celebration 5-6 – Finance/Development

Upon completion of this presentation, the learner will be able to:

- Explain shifts in payment structures of managed care health plans, the challenges of attaining financially viable contracts and how profession consolidation is impacting the market at local and national levels
- Present a set of best practices to navigate managed care and integrate them into a provider's current systems and workflow
- Recognize common admission practices and billing errors that often result in reduced or non-payment of claims

Seminar Description:

The continued momentum of Medicare Advantage and Medicaid Managed Care Plans creates a formidable financial challenge for long term care providers. Choosing the wrong trail can result in financial disaster. This session will consider the integration of managed care payors into a provider's census mix and best practices for successful financial outcomes. The session will also look at national and state level trends, emerging health plans, profession consolidation and contracting challenges today and in the future.

Presenter Bio(s):

Destiny Quinones has worked multiple areas of post-acute care including hospital discharge planner, admissions/case management at a high volume skilled nursing center and as a Liaison for MCCFL for eight plus years. Well versed in developing processes and implementing systems, she is exceptional at training skilled nursing centers on all aspects of managed care for success.

Nanette Smith is a nursing home administrator who converted her knowledge to the world of managed care. She has worked for MCCFL for the past six years as a Liaison assisting skilled nursing centers to financially optimize their managed care as effectively as possible, providing assistance from admissions through the claims process.

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Exploring the Trails of Managed Care

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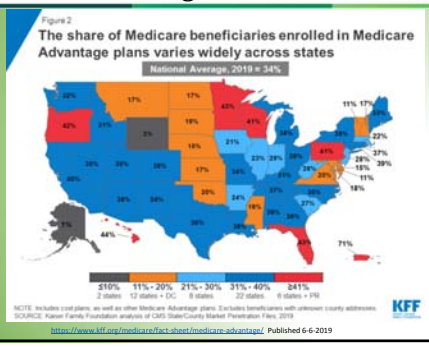
Learning Objectives

- Explain shifts in payment structures of managed care health plans, the challenges of attaining financially viable contracts, and how industry consolidation is impacting the market at local and national levels.
- Present a set of best practices to navigate managed care and integrate them into a provider's current systems and workflow.
- Recognize common admission practices and billing errors that often result in reduced or non-payment of claims.

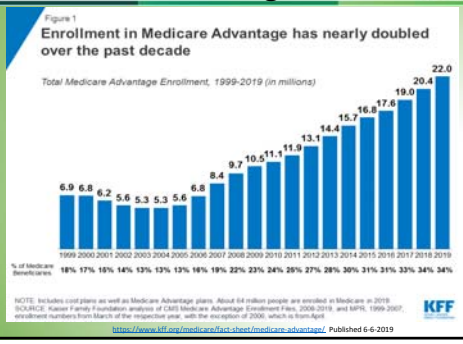
10,000+- Baby Boomers age into the Medicare eligible population every day

Medicare Advantage Penetration



https://www.kff.org/medicare/fact-sheet/medicare-advantage/ Published 6-6-2019

Enrollment Increasing

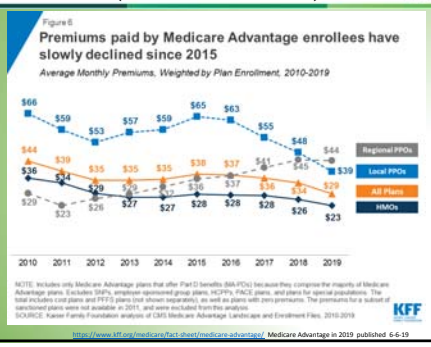


https://www.kff.org/medicare/fact-sheet/medicare-advantage/ Published 6-6-2019

Why are MA plans chosen over traditional Medicare?

- Convenience of single insurer (Part A, B, D**)
- Lower monthly premiums
  - A Medicare supplement (Medigap) plus the cost of a drug plan can be expensive
  - Medicare Advantage plans have an annual maximum out of pocket; Medicare does not
- Boomers are familiar with insurance plans and networks
- Extra Benefits
  - Glasses, Hearing Aids etc...

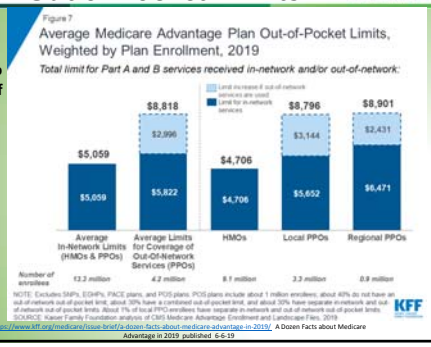
Medicare Advantage premiums on the decline (includes Part B Premium)



https://www.kff.org/medicare/fact-sheet/medicare-advantage/, Medicare Advantage in 2019 published 6-6-19

Maximum Out of Pocket Limits

Traditional Medicare has no maximum out of pocket limits

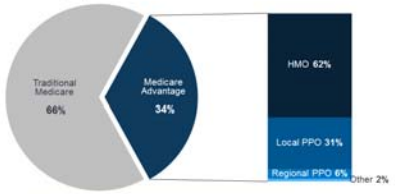


https://www.kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage-in-2019/ A Dozen Facts about Medicare Advantage in 2019 published 6-6-19

HMO or PPO

Figure 3

Almost two in three people enrolled in Medicare Advantage plans are in HMOs in 2019



Total Medicare Advantage Enrollment, 2019 = 22 Million

NOTE: PPOs are preferred provider organizations and HMOs are Health Maintenance Organizations. Other includes Private Fee-for-Service plans, MSAs, cost plans, and demonstration plans. Includes enrollees in Special Needs Plans as well as other Medicare Advantage plans. Numbers may not sum due to rounding.
SOURCE: Kaiser Family Foundation analysis of CMS Medicare Advantage Enrollment Files, 2019.

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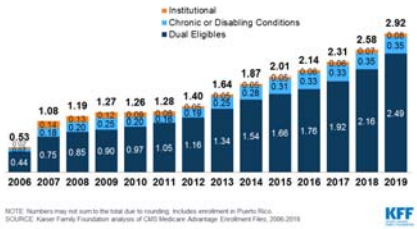
SNP Enrollment is growing

Figure 4

Nearly 3 million Medicare beneficiaries are enrolled in Special Needs Medicare Advantage Plans in 2019

Number of Beneficiaries in Special Needs Plans, 2006-2019 (in millions)



NOTE: Numbers may not sum to the total due to rounding. Includes enrollment in Puerto Rico.
SOURCE: Kaiser Family Foundation analysis of CMS Medicare Advantage Enrollment Files, 2006-2019.

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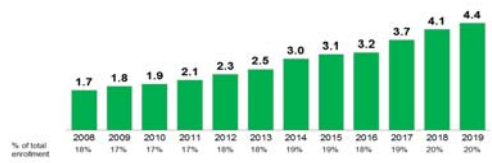
Retiree benefits shifting

Figure 5

One in five Medicare Advantage enrollees are in employer or union-sponsored group plans in 2019

Total Medicare Advantage Enrollment in Employer/Union Sponsored Group Health Plans 2008-2019 (in millions)



SOURCE: Kaiser Family Foundation analysis of CMS Medicare Advantage enrollment files, 2008-2019.

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https://www.kff.org/medicare/fact-sheet/medicare-advantage/ Medicare Advantage published 6-6-19

National domination

• United Healthcare	25%+-
• All other MA plans	24%+-
• Humana	17%+-
• BCBS (combined nationally)	13%+-
• Kaiser	8%+-
• Aetna	8%+-
• Wellcare	3%+-
• Cigna	2%+-

https://www.kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage/ Medicare Advantage published 6-6-19

Mergers and Acquisitions

- Advent Health 25% stake in Health First
- Anthem
  - Freedom /Optimum Health
  - Health Sun
  - Simply/Amerigroup
- Humana
  - Kindred Home Health - 40% Stake
- CVS
  - Omnicare
  - Aetna – Still waiting on final approval from Government
    - Aetna is selling their Part D business to Wellcare as part of the process approval
- Optum / UHC
  - Davita Medical Group & Davita Kidney Care; Finally approved requires some divesting in certain States.
- Centene (Sunshine) purchasing Wellcare

Mergers and Acquisitions

AdventHealth buying 25% stake in Health First

Both health systems have been operating health plans together since 2013

Offering Medicare Advantage & commercial plans

2019 National Updates

- Anthem's MA business spiked 53% to 1.1 million members year over
  - Largely increased due to national acquisitions
  - 2019 will bring selling off small MA groups to focus on Dual Eligible membership
- Aetna/CVS Health spiked membership by acquisitions and expansion into new counties growing to a combined 2.2 million members
  - Merger not yet finalized

https://www.modernhealthcare.com/article/20190116/NEWS/190119927/medicare-advantage-industry-sees-slower-growth-for-2019

2019 National Updates cont'd

- Centene (Sunshine) / Wellcare Deal slowly moving forward
  - $17 Billion deal
  - 22 million members combined

SNF Opportunities

- ISNPs
  - SNFs are initiating their own MA contracts for their LTC residents.
- Home and Community Based Services
  - Adult Day Programs

Opportunities

- I-SNPs
  - Institutional Special Needs Plan - A Medicare Advantage plan
    - Enrollment increasing
      - 50,007 in 2015
      - 75,451 in 2018
    - SNPs receive a fixed amount for each member to cover Part A, B & D
    - Responsible for 100% of patient care related to coverage and plan administration, network, claims system etc.
      - Does not impact Medicaid LTC payments
      - Traditional insurer model or Provider risk model
        - Both have risk associated

I-SNPs

- Insurance based models
  - United Healthcare / Optum current leader in market share
  - Offer Capitated or Fee for Service models
- Provider operated models
  - 100% capitation for all medical needs
  - Operates as an Insurance company
    - Build a network of providers
    - Significant Start up costs
      - Investment firms or Administrative organizations are partnering
        - Investment Capital and Capital Reserves
        - Administrative burdens
        - 500+ members to spread the financial risk

Opportunities

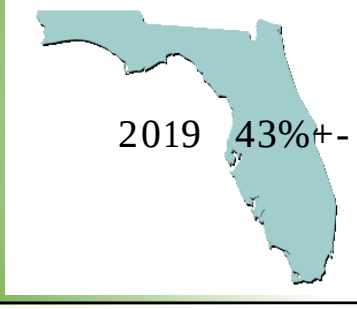
CMS approved Medicare Advantage plans for additional Home and Community Based Services for 2019

- Adult Day Centers may present opportunities
  - HCBS Setting Requirements final rule CMS–2249–F; CMS–2296-F
    - Released January 10, 2014
    - Intention of community settings and not institutional
    - Currently directed towards Medicaid based funding

PDPM and Managed Care

- Effects
  - None for leveled Managed Care Contracts
  - Review of contract verbiage if paid based on Medicare fee schedule
- Transition
  - HIPPS codes on UB04 requirement on MA claims

Florida Medicare Advantage



Florida MA Penetration

Miami-Dade	66.58%	Hillsborough	48.16%
Osceola	54.85%	Volusia	47.93%
Broward	52.87%	Pinellas	46.87%
Pasco	52.36%	Leon	47.21%
Hernando	52.23%	Orange	46.08%
Gadsden	53.56%	Jefferson	46.69%
Polk	50.46%	Marion	44.47%
Wakulla	49.56%	Flagler	41.84%

CMS Data as of 6-2019

Partnering with Medicare Advantage Plans

- Quality Partners
  - Outcomes
    - Clinically
    - Financially
  - Care Coordination
  - Consideration of the Plan's 5 Star criteria

How SNF affects MA Star Ratings

- Quality Measures and 5 Star Rating System
  - Just a few examples
    - Disenrollments / leaving health plan
    - Hospitalization for potentially preventable complications
    - Plan All –Cause 30 day readmissions
      - Interact
        - Health plans are expecting SNFs to use full capabilities
        - Some Plans are looking at usage as part of contracting consideration
    - Medication reconciliation post-discharge
    - Care Coordination
    - NOMNCs

How are you managing your Managed Care?

Benefits of MCO to your facility

- To be competitive in the marketplace
- To increase patient volume and gain market share
- Managed care provides access to other potential customers along with campus members
  - Home SNF Rule
- Increasing market penetration of Medicare Advantage Plans
- Provides incremental revenue

What MCOs are looking for

- Good star ratings
- High acuity levels
  - Trachs, vents, TPN, bariatric, specialty units, in house dialysis
- Low readmission hospital rates
- Shorter length of stays
- Looking for Partners!

Attaining Contracts

- Obstacles
  - Closed Networks
    - Saturated markets; more SNFs than needed in network
      - Plans are thinning their network
        - Centralizing case management
        - Limits credentialing and management of providers

MCO's Expectations

- Length of Stay w/in 10-14 days on average
- Responsiveness to MCO's requirements
- Attitude of partnership
- Clear concise communication
- Discharge planning early in stay
- Satisfaction surveys

It's a collaborative effort

Admissions/Marketing

Point Person for insurance company

Therapy

Nursing

Social Services

Business Office Manager

Optimizing Managed Care

- Admissions Process
  - Always validate benefits and eligibility
  - Authorizations or Notifications
- Case Management
  - An organized case manager is key
  - Following the Plan's requests for updates
  - Knowing the contract
  - Communication

Optimizing Managed Care

- Therapy
  - Documentation
- Nursing
  - Wound care, does a stage 3 mean anything?
  - TPN, IV antibiotics
  - PEG tubes, colostomy
    - Are there outliers in the contract?

Operational Impact of Managed Care

- Discharge Planning
  - Starts on the day of the referral
  - Home health and DME
    - Network restrictions
- Billing
  - How should the claim be built?
    - Levels...RUGS...Both?

Communication

Communication is the key to managed care

- When does your team review the patient?
- Are you looking at the contract during the review?
- Who is responsible for catching high cost items?

Common SNF Errors

- Authorization issues
- Not understanding the managed care contract
  - Missing opportunities for exclusions or carveouts
  - Not providing the appropriate amount of therapy per the contract
  - Not taking credit for nursing skill

Common SNF Errors

- Case management and Documentation issues
  - Missing timeframes for updates
  - Weak documentation
    - Only circling the assist levels with no other notation of barriers or small gains
    - Not providing nursing skills that is resulting in slower progress
  - NOMNC and Appeal Errors
    - NOMNC failures are prevalent

Questions

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Thank you!