REVENUE PER ENCOUNTER
IS YOUR CHC GETTING WHAT IT SHOULD?
Agenda

- Introduction
- The landscape & future
- The RCM “Circle of Life”
- What is a KPI?
- Self Pay + Slide
- California modeling
- Change in care delivery model
- Medicare FQHC PPS G Codes
- Triangle of Communication
- Summary
Get paid when you can as much as you can so you can give it away when you want to.
National Landscape*

Health Care Payment Learning and Action Network
created by CMS Alliance to Modernize Healthcare to drive alignment in payment approaches across the public and private sectors of the U.S. health care system

1. Fee for Service
   No Link to Quality & Value
   Payment based on volume of services and not linked to quality or efficiency.

2. Fee for Service Link to Quality & Value
   At least a portion of payments vary based on the quality or efficiency of health care delivery.

3. APMs Built on Fee-for-Service Architecture
   Some payment is linked to the effective management of a segment of the population or episode of care. Opportunities for shared savings or two-sided risk.

4. Population-Based Payment
   Payment is not directly triggered by service delivery so payment is not linked to volume. Clinicians and organizations are paid and responsible for the care of a beneficiary over a long time period (e.g., ≥ 1 year).

*Source: R. Toby, JSI & CPCA
Outside of FQHC World

- *Decreased Cost + Better Outcomes = Success*
- How do these groups realize success?
  - Measure, Measure and Measure some more
  - Communicate, Communicate and Communicate some more
  - Change = the new constant
CHC Landscape

- Expanding organizations… CHCs & Payers
- Expanding patient populations in need
- Staff recruitment & retention… a challenge
- Funding: more diversified & complex
- Operating under tight budget margins
Health Care Delivery System Future

• The Culture of Managed Care and Capitation
• Payment Reform
• Accountable Care Organizations/Communities (ACOs & ACCs)
• Care Coordination and Case Management
• Alternative Models of Care Delivery & Access
The RCM “Circle of Life”

Front Desk

Key Performance Indicators

Documentations & Coding

Charge Entry

AR Management

Payment Posting

Denial Management

Claims Processing

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Key Performance Indicators: KPIs

KPI = A performance measurement

• Evaluate “success“ of a particular activity… e.g., RCM operations
• Success means what??
  – Achievement of some measure or a finite goal
  – Progress towards strategic/tactical goals
• What are the “right” KPIs?
  – What’s important?
  – Financial vs. Clinical performance… at cost of the other?
  – Target areas for improvement
  – Staff performance evaluated based on KPIs…
    • Alignment of interests

Most successful organizations measure everything.
Charges, Payments, & Visits

<table>
<thead>
<tr>
<th></th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Jan-17</th>
<th>Feb-17</th>
<th>Mar-17</th>
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</thead>
<tbody>
<tr>
<td>Charges</td>
<td>$987,557</td>
<td>$1,312,259</td>
<td>$1,029,062</td>
<td>$1,069,626</td>
<td>$1,093,792</td>
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<td>Payments</td>
<td>$362,781</td>
<td>$355,874</td>
<td>$392,289</td>
<td>$400,903</td>
<td>$353,352</td>
<td>$378,717</td>
<td>$369,555</td>
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<tr>
<td>Visits</td>
<td>3,894</td>
<td>5,295</td>
<td>3,659</td>
<td>3,850</td>
<td>4,208</td>
<td>4,387</td>
<td>4,527</td>
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Blended Encounter Rate… What is it?

- Average payment per visit/encounter

**WHY MEASURE?**
- Normalizes increase/decrease in charges, visits, & payments

**How to calculate:**

\[ \frac{\text{Total Payments}}{\text{Total Visits}*} = \text{Blended Encounter Rate} \]

vs. (different than knowing) Medicaid or Medicare Rate

*Visits = Encounters = Single patient face-to-face service with core provider
Encounters are up 15% compared to same time period last fiscal year. Encounter increase aligned with charge increase.
Blended Encounter Rate Calculation

\[
\frac{\text{Total Payments}}{\text{Total Visits}} = \$ \text{ BER}
\]
Blended Encounter Rate
(Average Payment Per Encounter)
Trending Pre and Post Transition

<table>
<thead>
<tr>
<th></th>
<th>Pre PMG (6 Months)</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<tr>
<td>BER</td>
<td>$119.12</td>
<td>$141.91</td>
<td>$179.75</td>
<td>$173.56</td>
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</table>
Average Payment Per Visit - Dental

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<thead>
<tr>
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<th>2014 Year End Average</th>
<th>2015 YTD Avg</th>
<th>2014 Same Time Period (YTD)</th>
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<tbody>
<tr>
<td>Feb</td>
<td>$142.89</td>
<td>$162.17</td>
<td>$130.72</td>
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</table>
Average Payment Per Visit - Medical

<table>
<thead>
<tr>
<th></th>
<th>2014 Year End Average</th>
<th>2015 YTD Avg</th>
<th>2014 Same Time Period (YTD)</th>
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<tbody>
<tr>
<td>Feb</td>
<td>$112.61</td>
<td>$101.67</td>
<td>$103.44</td>
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</table>
Alabama Blended Encounter Rate
2015 UDS Data

- Average payment per visit/encounter
- How to calculate:
  - 2015 National UDS 5, Line 34 (Grand Total Visits) 90,379,441*
  - 2015 National UDS 9D, Line 14B Collection $13,705,353,703*
  - 2015 National Blended Encounter Rate: $141.36/visit*
  
  - 2015 AL UDS 5, Line 34 (Grand Total Visits) 1,027,699**
  - 2015 AL UDS 9D, Line 14 Collection $85,765,997**
  - 2015 AL Blended Encounter Rate: $83.45**

California Blended Encounter Rate
2015 UDS Data

- Average payment per visit/encounter
- How to calculate:
  - 2015 National UDS 5, Line 34 (Grand Total Visits) 90,379,441*
  - 2015 National UDS 9D, Line 14B Collection $13,705,353,703*
  - **2015 National Blended Encounter Rate: $141.36/visit**
  - 2015 CA UDS 5, Line 34 (Grand Total Visits) 16,243,064**
  - 2015 CA UDS 9D, Line 14 Collection $2,989,167,253**
  - **2015 CA Blended Encounter Rate: $166.55/visit**

Self Pay / Sliding Scale Patients

- Nat’l Collection Average as a % of charges = 23%
- AL Collection Average as a % of Charges = 18%
- Seeing patients regardless of ability to pay!

- How does your FQHC approach self pay collections?
- Monthly statements, payment plans, front desk reminders
- Money in hand at time of service = least expensive
- FQHC staff training on importance of collections
Want to Increase Collections?

• Look for low hanging fruit
  – Denials, denials, denials
  – Fee Schedule review – last update?
  – Review of payments by carrier for charges vs. allowable amounts
  – Provider enrollment issues
  – Coding & front desk & Billing training
  – Accepting new patients from good paying carriers
  – Look at outstanding A/R, exp. 90 + Days
AR Over 90 Days – Third Party

Lowest percent of A/R over 90 days since June 2016.

<table>
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<tr>
<th>Month</th>
<th>Balance</th>
<th>%</th>
<th>Goal</th>
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<tr>
<td>Apr-16</td>
<td>$293,651</td>
<td>23%</td>
<td>25%</td>
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<tr>
<td>May-16</td>
<td>$194,496</td>
<td>21%</td>
<td>25%</td>
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<tr>
<td>Jun-16</td>
<td>$168,203</td>
<td>17%</td>
<td>25%</td>
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<tr>
<td>Jul-16</td>
<td>$167,888</td>
<td>23%</td>
<td>25%</td>
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<tr>
<td>Aug-16</td>
<td>$284,202</td>
<td>29%</td>
<td>25%</td>
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<tr>
<td>Sep-16</td>
<td>$323,408</td>
<td>32%</td>
<td>25%</td>
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<tr>
<td>Oct-16</td>
<td>$313,897</td>
<td>27%</td>
<td>25%</td>
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<tr>
<td>Nov-16</td>
<td>$292,109</td>
<td>26%</td>
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<td>Dec-16</td>
<td>$173,240</td>
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<td>Jan-17</td>
<td>$200,036</td>
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<tr>
<td>Feb-17</td>
<td>$211,895</td>
<td>23%</td>
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<tr>
<td>Mar-17</td>
<td>$220,763</td>
<td>18%</td>
<td>25%</td>
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</table>
The G-Codes for FQHC Visits

- **G0466**: General medical, new patient
- **G0467**: General medical, established patient
- **G0468**: IPPE or AWV
- **G0469**: Mental health, new patient
- **G0470**: Mental health, established, patient
G-Code Payment Rates

• FQHC encounter-based payment
  – 2016: $160.60
  – 2017: $163.49

• Geographic Adjustment Factor (GAF)
  – Puerto Rico .80
  – Oklahoma .91
  – DC + MD/VA suburbs 1.123
  – Alaska 1.307

• New/Initial Patient Adjustment: 1.3416 (2017 = $219.34)
What is BER for Medicare & Medicaid?

• BER for all visits is important… goal setting (margin)
• BER for Medicare
  – Should be 80% of approved PPS rate
    • 2017 PPS Ceiling = $163.49
    • 80% = $130.79 (Established patients)
  – Measure new vs. Established (different rates)
    • New PPS Ceiling: $219.34; 80% = 175.47
• BER for Medicaid
  – Varying Medicaid rates per location?
  – Never always paid
  – Goal: ≥ 90% of average Medicaid BER
Triangle of Communication

- CHC Providers
- CHC Front Desk
- CHC Billing
Summary

- Corporate wide educational effort
  - Never-ending
- Clinical activity drives financial success or failure
- Coding matters… always
- Clinical leadership at table for fiscal review/future
- Commit to Educate (Top down)
- Update Constantly
Questions????