

Critical Infrastructure for the Effective Management of PACE Organizations

NPA Annual Conference

October 2005

DGAPARTNERS

Healthcare Strategy • Finance • Data

Agenda

- Introductions
- Context
- Critical Infrastructure
- Discussion

Introductions

- John Harris, Director, DGA Partners
- Anna Maria Etienne, VP of Operations
- Carole Graham, Manager, DGA Partners

Perspectives

- DGA Partners
 - Healthcare Management Consultants
 - Managed Care
 - Provider Based Managed Care
 - PACE Organizations
- Comprehensive Care Management (CCM)
 - PACE organization since 1992
 - 1600 members
 - 9+ sites throughout New York City
 - Part of Beth Abraham's Family of Health Services

Context

- Business challenges
- Provider challenges
- Payer challenges
 - Risk
 - Controls
 - Contracting
- Caring staff, fixed budget
- Growing pains

Specific challenges

- Revenue
 - Receive all the revenue you are entitled to
- Expenses
 - Authorize and monitor service use
 - Pay reasonable rates
 - Protect against fraud
- Continuous improvement
 - Monitor and enhance clinical care and services
- Other challenges
 - Competitive environment
 - Educating your board and others

Operations review: What to look at

- Overall performance
 - Financial, utilization and other results
 - Policies and procedures
 - Implementation of policies/procedures
 - Documentation
- Information Technology
 - Appropriateness and integration
 - Reports and analysis
- Staff
 - Do staff “get it”?
 - Who looks at reports/analysis
 - Are issues identified?
 - How are issues addressed?

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- Critical Infrastructure
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Critical infrastructure

- Well-trained staff
 - Understanding of role
 - Understanding of big picture
- Policies and procedures
 - Clinical processes
 - Financial controls
 - Operational processes
- IT systems
 - Processing
 - Reporting and analysis
- Commitment to QI
 - Monitoring performance
 - Instituting change

Well-trained staff

- PACE is unique
- Recruit from a range of backgrounds
 - Provider
 - Managed care
- Invest in training
 - Reinforce mission and vision
 - Customer service, clinical, managed care, finance, etc.
- Provide systems and tools
 - Policies and procedures
 - IT
- Help them use data
 - Variable comfort with numbers and finances

Policies and procedures

- Types
 - Clinical
 - Financial
 - Operational

- Must
 - Be appropriate
 - Be followed
 - Allow for monitoring and accountability

Monitoring clinical processes

- Productivity measures
- Process measures
 - Medical record audits
- Outcome measures
 - Clinical monitoring that is disease specific
 - Preventive care
 - Unexpected events

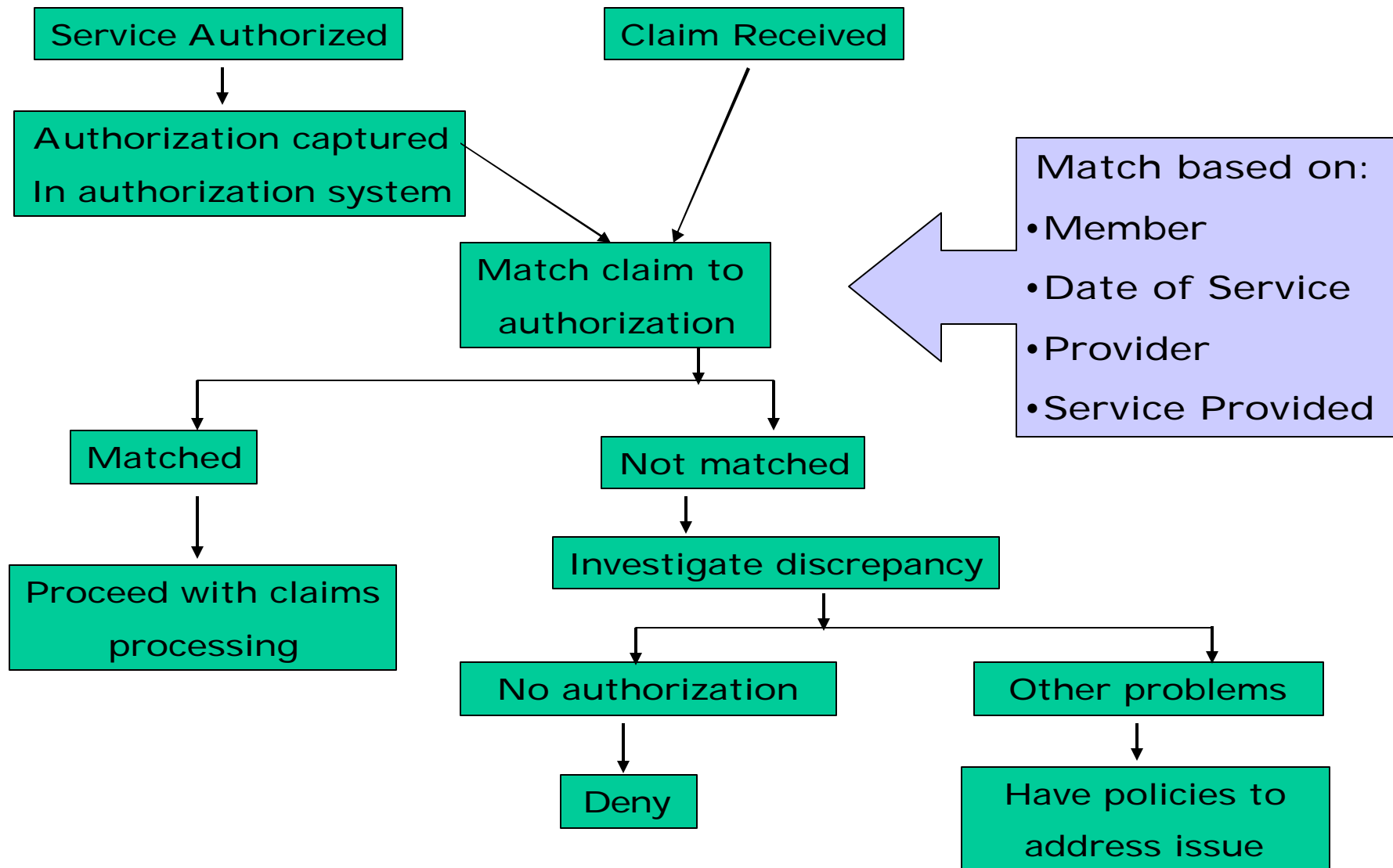
Implement clinical management tools

- Case Management
- Medical chart tools for major diagnoses
 - CHF
 - Diabetes
 - Hip Fractures
 - Other dominant diagnoses in your population
- Referral management
- Concurrent inpatient review
- Formulary review

Financial Controls

- Authorization and payment system
- Revenue management
 - Severity adjustment (risk score)
 - Basic collections monitoring and controls
- Policies and procedures to protect against fraud
- Contracting
- Signing authority
 - Staffing requisitions
 - Contracts

Authorization and payment



Specific questions

- Who authorizes services?
- How is the authorization captured and reported?
- Who can change a reported authorization?
- How is a claim matched to an authorization?
- How are claim/authorization discrepancies identified and resolved?
- Who has what level of authority to approve a claim? (e.g. are claims paid over \$5,000 reviewed before payment is made?)
- What reports are routinely reviewed to identify claim payment trends? (e.g. out of network payments; paid amount exceeds charged amount.)

Protect against fraud

- Audit
 - Policies and practices
 - Knowledge of managed care
- Check that reports tie out
- Divide responsibilities
- Rotate staff
- Require vacations
- Do not delay investigating for fear of offending
- Require high level review of exceptions

Contracting

- Marketing and service needs
 - Balance requirements with coverage needs
- Contract components
 - Service requirements
 - Payment rates
 - Outliers
 - Termination and other clauses
- Payments to non-network providers –
No more than Medicare

Contracting checklist

- Are your contracts good?
 - Are you contracted to pay a reasonable amount?
 - Do they cover the services you need?
 - If possible, align incentives
 - Are you rewarded for your superior care management?
- Match monitoring effort to negotiation effort
 - Are you actually paying the right amount?
 - Use outside references
 - Pursue refunds on errors
 - Identify high cost areas and consider options
 - Cost per unit AND utilization
 - Are providers meeting requirements?

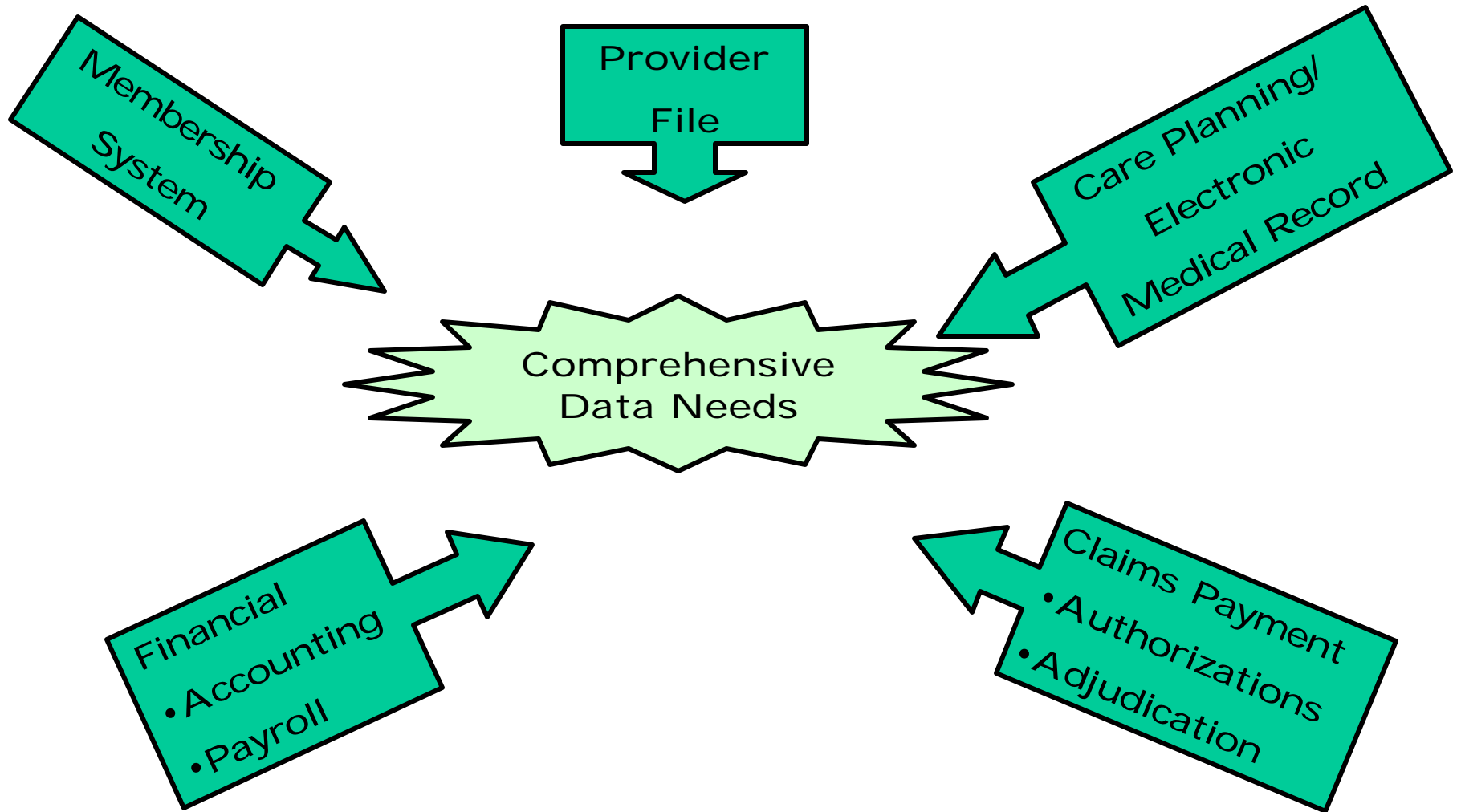
The IT challenge

- What system is right?
- Multiple needs
 - Claims processing
 - Care planning
 - Operations (staffing, scheduling, etc.)
 - Finance
- No single answer is right for all organizations

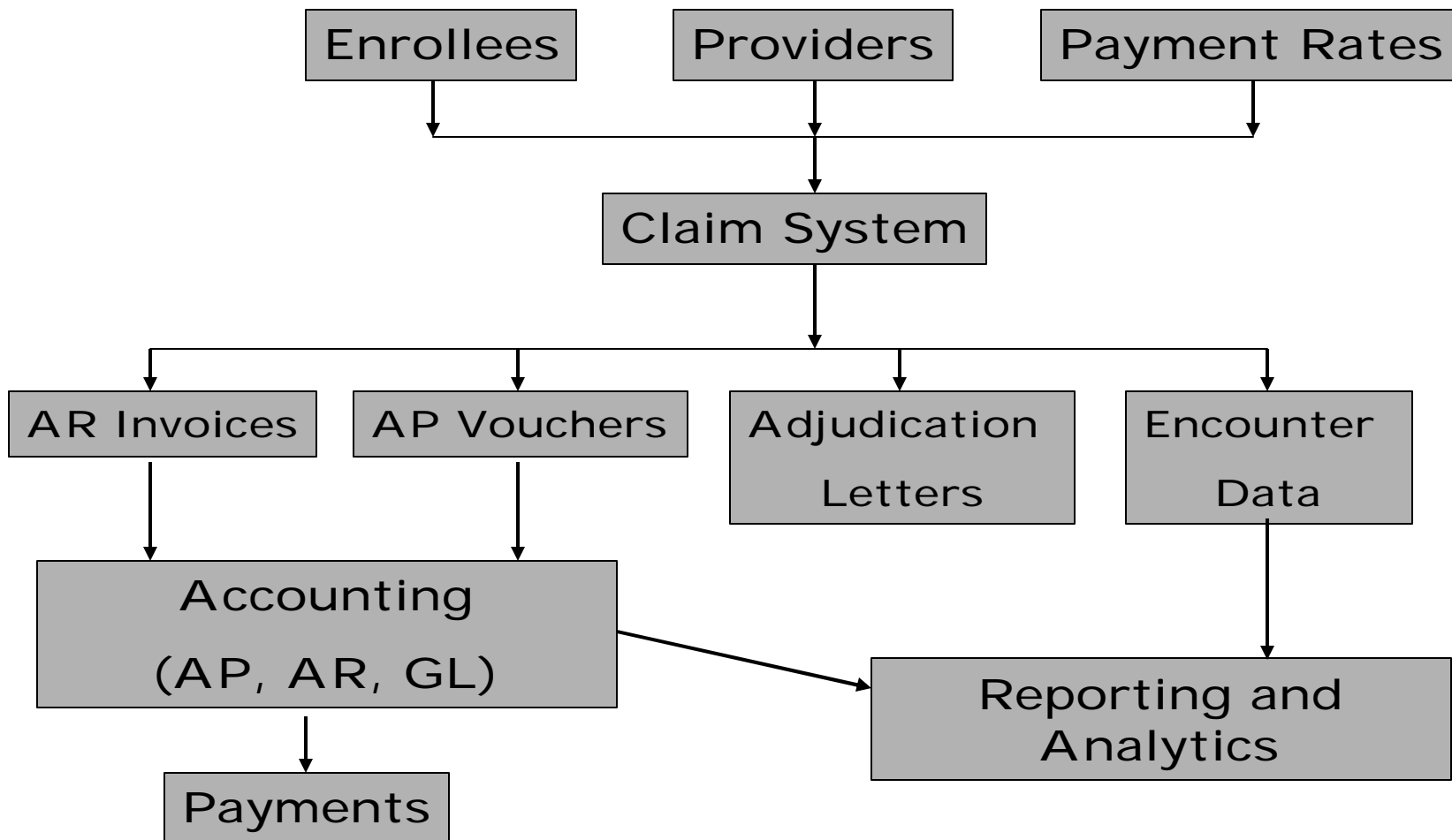
What system is right?

- Managed Care Information System (MCIS)
 - Insource/outsource claims processing
 - Is there a good TPA?
 - Is it cost effective?
 - Do my staff understand claims processing?
 - Which components need to be integrated?
- Separate set of issues for other systems like EMR

IT system



Claims focused Info Flow



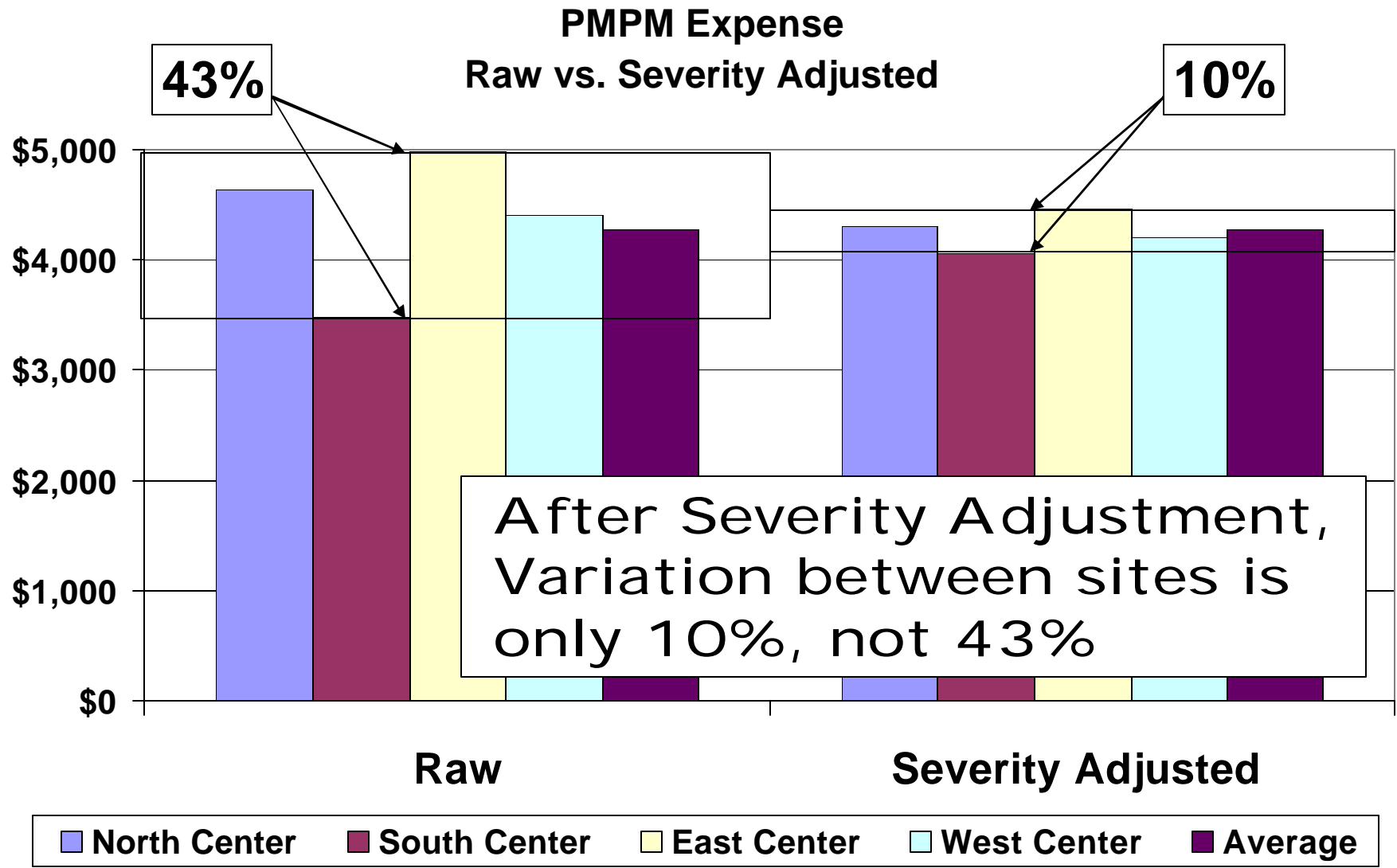
Manage and analyze data

- Convert transaction data to analysis data
- Tie it out
 - Be fussy about accuracy
- Compare to benchmarks
 - Internal (site, PCP, hospital)
 - External (Medicare, national norms, PACE orgs.)
- Look at right data in right timeframes
 - Daily, weekly, monthly, quarterly, annually
- Severity adjust

Potential report timing

Timing	Reports/Analyses
Daily	<ul style="list-style-type: none">• Hospital inpatient census and changes
Weekly	<ul style="list-style-type: none">• Enrollments and disenrollments
Monthly	<ul style="list-style-type: none">• Financial results vs. budget
Quarterly	<ul style="list-style-type: none">• Severity adjusted financials• Detailed expense categories• Top ten cases; top diagnoses• Staffing vs. census and norms
Annually	<ul style="list-style-type: none">• QI initiative results• Ad hoc analyses

Severity adjustment provides better picture

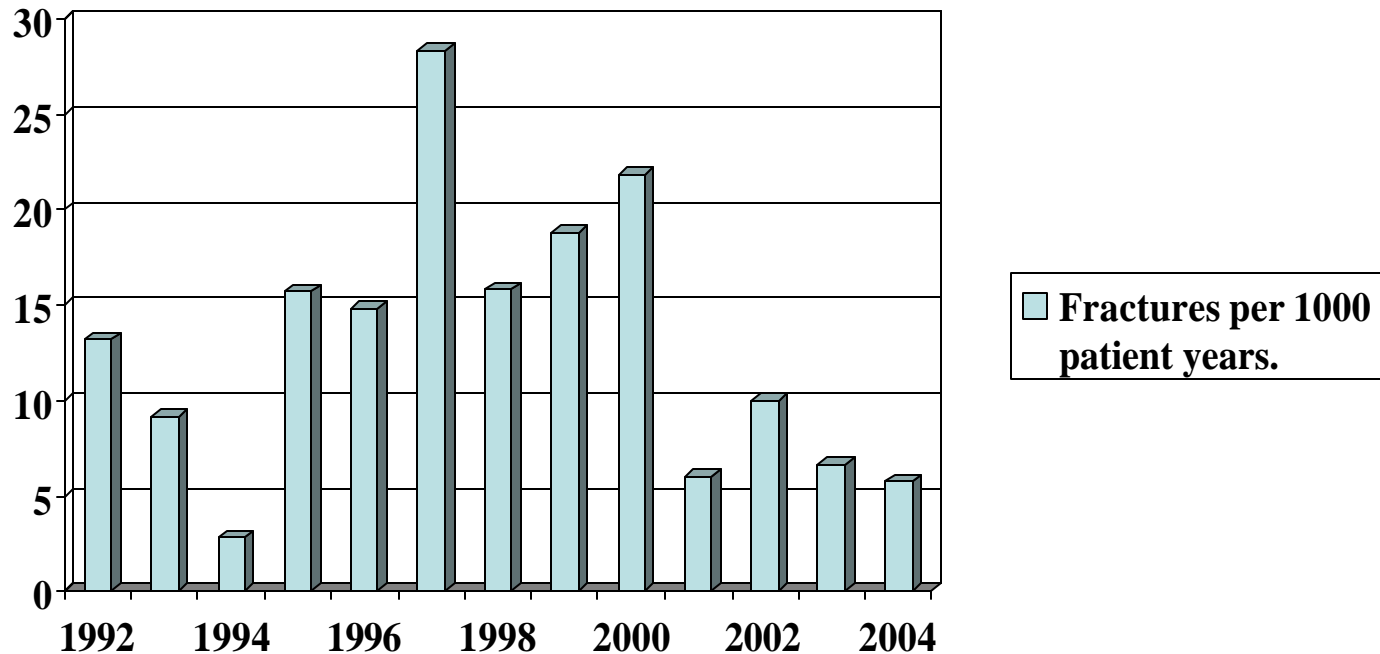


Continuous Improvement

- Opportunities for Improvement
 - Clinical Care
 - Policies and procedures
 - Financial management
 - General operations
 - Analysis of data
- Example: Hip fractures

Hip fracture initiative at CCM

Hip Fractures rates, CCM: 1992- 2004



Conclusion

- The stakes are high
- The challenges are substantial
- The opportunities are even greater
- You need the right infrastructure to deliver results
 - As a provider
 - As a payer

Questions/Discussion