Where Things Can go Wrong: Lessons Learned

Presenter
Christopher P. Acevedo
Principal , Hospice Fundamentals
Partner, Acevedo Consulting Incorporated

December 8th, 2021
Session 4

HOSPICE FUNDAMENTALS
KNOWLEDGE • EXPERTISE • COMMON SENSE

© 2018 - ALL RIGHTS RESERVED

About The Speaker

Christopher P. Acevedo has nearly 20 years of health care experience and is the Chief Operating Officer for Acevedo Consulting. He has a particular expertise in building palliative care programs, chart audits, compliance & education relative to physician documentation and coding. Chris has assisted clients nationwide with these and many other organizational needs and his experience in operational management brings our clients invaluable expertise in the operational aspects of organizations' billing processes and identifying areas for potential improvement. Through the firm, Chris has also served as the Independent Review Organization (IRO) representative for hospices in accordance with their Corporate Integrity Agreements (CIA) with the OIG.

Acevedo Consulting staff serve as a consultants to the NHPCO and AAHPM when physician compliance, billing and coding issues arise. As such Chris has also conducted several educational webinars for the industry, including for state hospice and palliative care organizations.

Christopher is the Heathcare Compliance Officer for Barry University, has served as an instructor at Florida Atlantic University teaching the regulatory compliance modules of FAU's Certificate in Medical Business Management program, and is a member of multiple CMS MAC Provider Outreach and Education Advisory Groups. Additionally, he is the author of the Hospice Physician Service Billing Guide commissioned by the NHPCO.

He is a frequently sought after speaker as he possesses the unique perspective of avoiding risk and liability while optimizing reimbursement in the highly regulated health care industry.

HOSPICE FUNDAMENTALS
KNOWLEDGE • EXPERTISE • COMMON SENSE

© 2021 Hospice Fundamentals
All Rights Reserved

Disclaimer

The information enclosed was current at the time it was presented. Medicare and other payer policies change frequently. This presentation was prepared as a tool to assist providers and is not intended to grant rights or impose obligations.

Although every reasonable effort has been made to assure the accuracy of the information within these pages, the ultimate responsibility for your organization's financial health, the correct submission of claims and response to any remittance advice lies with the provider of services. Acevedo Consulting Inc. employees, agents, and staff make no representation, warranty, or guarantee that this compilation of information is error-free and will bear no responsibility or liability for the results or consequences of the use of this information.

This presentation is a general summary that explains certain aspects of the Medicare Program and other reimbursement and compliance information, but is not a legal document. The official Medicare Program provisions are contained in the relevant laws, regulations, and rulings.

Objectives

- Identify Common Pitfalls Causing Substandard Operational and/or Financial Performance
- Discuss Common Pitfalls Causing Substandard Clinical Performance
- Bridge Best Practice Actions Resulting in Optimal Clinical Partnerships and Financial Performance

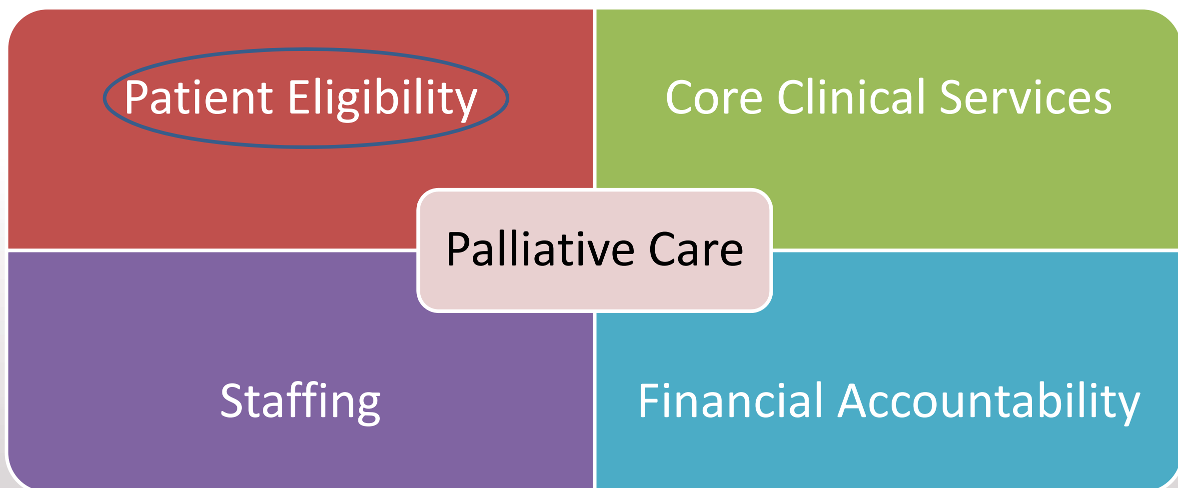
© 2021 Hospice Fundamentals
All Rights Reserved

Why is it so hard to break even in palliative care?

- Community based/hospice run programs do not have cost saving to apply to assist in funding
- 90% of reimbursement is Fee-for-service (FFS) based – do you know your revenue margins?
- This is NOT hospice efficiencies and maximizing revenue matters in a FFS world

Program Verticals

© 2021 Hospice Fundamentals
All Rights Reserved



Patients

- How will you maintain appropriate patients?
- Trigger based system?
  - Different Triggers for different customers
    - Physicians and facilities have differing needs

© 2021 Hospice Fundamentals
All Rights Reserved

Formal Triggers – Micro

- (E.G.)last 24 mo of life with advanced progressive CHF, COPD, Ca, Dementia, Parkinsons, ALS, ESRD, ESLD; or patients with active sympt. related to dx process
- Ca patients have triggers
  - Stage IV
    - ** Breast, Prostate, Head/Neck as needed
  - Stage III +Lung
  - Pa
  - Gleo
  - Any Stage w/ uncontrolled Sx
    - Typically Pain
  - Reside in a SNF any Stage II or greater
- Triggers needed for remaining Dx

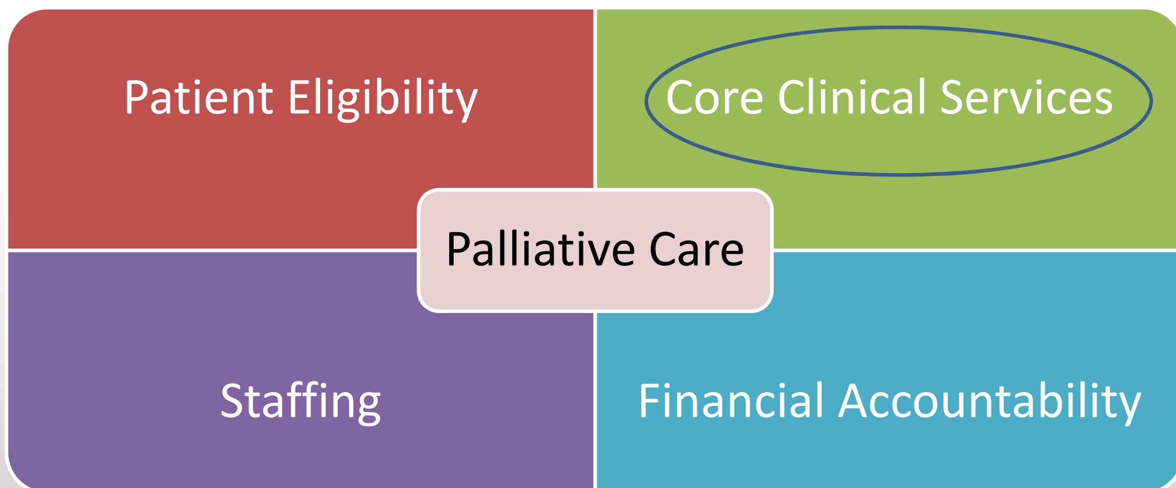
HOSPICE FUNDAMENTALS

Triggers

- Let's Talk through some triggers…

HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved



TARGET POPULATION = HIGH RISK PATIENTS

Patients May Have

- Functional limitations
- Multiple chronic conditions
- Dementia
- Serious/advanced illness
- Uncontrolled symptoms
- Recent discharge from hospital
- Caregiver breakdown

Care May Involve

- Home safety assessment
- Patient and family education
- Medication reconciliation
- Diet counseling
- What to do in crisis
- Planning care goals
- Home visits
  - Which disciplines?
  - How frequently?
- Telephonic triage and support

HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

Potential Partners

- Physician Practices
  - Oncology Practices and Cancer Centers
    - Embedded/collaborative program
  - Cardiologists
- Facilities
  - Nursing homes
  - ALFs
  - Hospitals w/ In-patient PC
  - Hospitals with specialty programs
    - LVAD
- Other:
  - ACOs in your service area
  - Medicare Advantage plans
  - Medicaid Managed Care
  - Commercial Insurers
  - Large self-insured employers

HOSPICE FUNDAMENTALS

Services

Comprehensive assessment
Advance Care Planning
Treatment Options/Goals of Care Discussions
Care Coordination
Symptom Management
Medication Management
Patient/Family Support and Education

HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

Clinical Considerations & Pitfalls

- Scope of Services
- Program Offerings vs Customer Needs
- Clinical Staffing: Cadillac on a Yugo Budget?

HOSPICE FUNDAMENTALS

What will the service look like?

- Consult service vs. Co-management model?
- Clinical Model?
  - Physician
  - NPP
  - SW
  - RN/LPN
  - Chaplain
- Service Hours?
  - Working Hours: M-F 8a-5p Clinic, Flexible in Facilities/Home
  - Afterhours Call: Rotating? None?
- Patient types?
- Service Area/Locations to mirror hospice?

16

HOSPICE FUNDAMENTALS

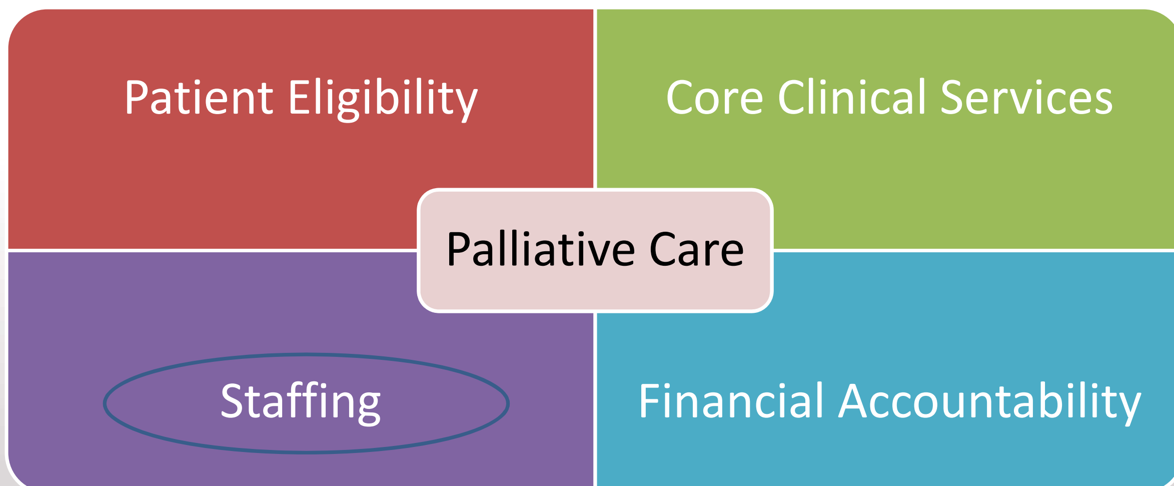
© 2021 Hospice Fundamentals
All Rights Reserved

Internal Planning

- Response time
  - Staffing considerations
- Expected number of visits per patient per week/month
- LOS expectations
- Case review/IDT to manage ongoing census

HOSPICE FUNDAMENTALS

Program Verticals



HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

Staffing considerations

- Dedicated to PC or borrowed from Hospice/other?

HOSPICE FUNDAMENTALS

Staffing Considerations

- Staff Model
  - Physician
  - NPP
  - SW
  - RN/LPN
  - Chaplain

HOSPICE FUNDAMENTALS

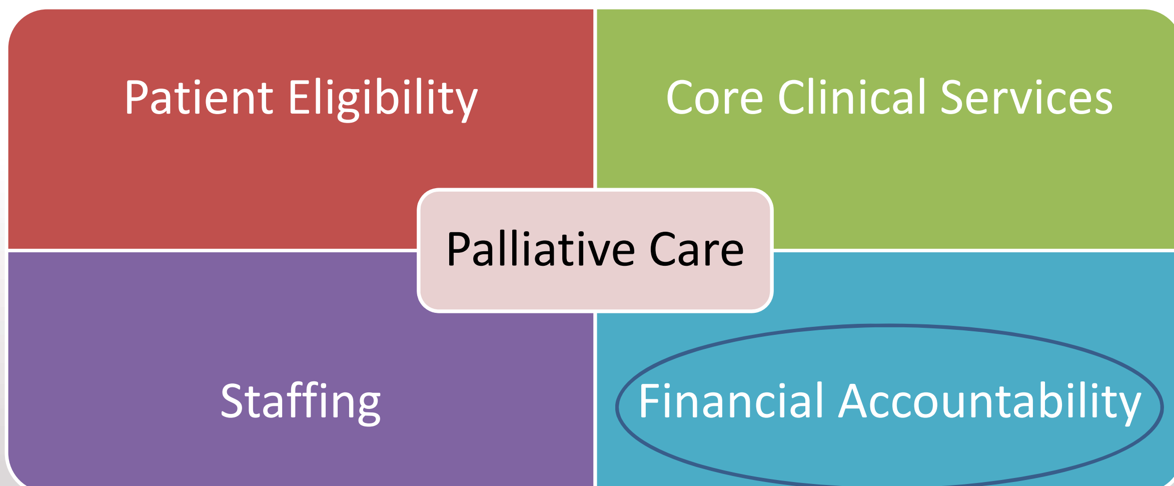
© 2021 Hospice Fundamentals
All Rights Reserved

Productivity Targets for Staffing/Budgeting

- Staff individual productivity
  - Visits/day
  - Time/visit
  - Travel time
  - Admin time
- Consider % of staff time available for appointments vs admin duties
- Can your infrastructure handle productivity tracking and reporting?
- Do your clinicians understand your model and associated goals?

HOSPICE FUNDAMENTALS

Program Verticals



HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

Operational Considerations & Pitfalls

- Dedicated Service Line Infrastructure
- Defined/Assigned Leadership
- Back-office Staffing Needs
- EHR Capabilities/Limitations

HOSPICE FUNDAMENTALS

Intake is Important

- Patient demographics
- Primary and secondary insurance information
  - How to obtain copies of insurance cards
- "Signature on File" – the patient's signature authorizes release of medical information necessary to process the claim. It also authorizes payment of benefits to the provider of service when the provider of service accepts assignment on the claim.
- Notice of Privacy Practices Acknowledgement
- Consent to Treat, if required
- Referral/Authorization, if required

HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

Internal Process – Steps to Consider

- Intake information is obtained – Who and How
- Patient is scheduled – Who and How
- The MD/NP sees the patient
- How are the provided services (CPT® and ICD-10 codes) relayed to the billing department?
- What steps are taken to ensure that documentation exists for each visit prior to billing?
- What steps are taken to ensure each visit scheduled has been billed?

HOSPICE FUNDAMENTALS

Internal Processes – Quality Checks

- Assessing physician/NPP documentation
- Assessing contract physician documentation
  - YOU are billing for these services are they being documented appropriately?
  - Does the physician have an ARNP
- Annual Code Changes
  - Changes to coding rules
- Annual Rule Changes
  - Are we in compliance today?

HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

Internal Process – Steps to Consider

- In-house or outsourced billing
  - Part B competency
  - ICD-10 coding nuances
- Billing daily; at least every 3 days
- Organizational compliance issues
  - Somewhat lessened if independent entity from the hospice
    - Segregation of assets
  - If billing outsourced, validate billing
  - NPP billing and shared visits

Financial Considerations & Pitfalls

- Accurate Budget Considerations
- Revenue Forecasting
- Front Loading **Expensive** Expenses
- Staff Productivity Expectations vs Real-time Performance
- Staff Coding Knowledge & Revenue Optimization
- Revenue/Margin Erosion

© 2021 Hospice Fundamentals
All Rights Reserved

Funding

- Funding sources
  - Mcr
  - Mcd
  - Mcr-Adv
  - Commercial

Revenue Stream = 90% FFS

HCPCS CODE	SHORT DESCRIPTION	NON-FACILITY PRICE	FACILITY PRICE
99222	Initial hospital care	$139.32	$139.32
99223	Initial hospital care	$206.64	$206.64
99344	Home visit new patient	$186.12	$186.12
99345	Home visit new patient	$226.08	$226.08

National allowable amounts, not geographically adjusted.

© 2021 Hospice Fundamentals
All Rights Reserved

Palliative Care Staffing Budget/Cost Considerations

Staff	FTEs	1.0 Expense	Total Expense
MD/DO	1.5	$ 250,000.00	$ 375,000.00
ARNP	1	$ 140,000.00	$ 140,000.00
RN	0.5	$ 80,000.00	$ 40,000.00
SW	1	$ 91,000.00	$ 91,000.00
CH	0	$ 75,000.00	$ -
LPN	0	$ 65,000.00	$ -
Admin Coordinator	1	$ 60,000.00	$ 60,000.00
Program Director	0.5	$ 125,000.00	$ 62,500.00
Totals	5.5	$ 886,000.00	**$ 768,500.00**

Expenses			**Annual**
Rent			$ 8,500.00
Education - TEAM			$ 10,000.00
Consulting - External			$ 8,500.00
PC Outreach			$ 2,400.00
Supplies			$ 500.00
Memberships			$ 7,000.00
Consulting/Professional Fees			$ 8,500.00
Continuing Education			$ 4,367.00
Dues, Licenses & Subscription			$ 6,000.00
Meeting Expense			$ 600.00
Mileage-Non-Patient			$ 1,200.00
Mileage-Patient			$ 3,800.00
Office Supplies			$ 500.00
Biller			$ 18,000.00
Intake			$ 18,000.00
Coder			$ 18,000.00
Ins Auth			$ 18,000.00
Med Mal			$ 5,000.00
		Total	**$ 138,867.00**
		Total	**$ 907,367.00**

Proposed Funding w/ 2018 Visits	
Grants	$ 40,000.00
Philanthropy	$ 200,000.00
FFS Visits (2018)	$ 72,000.00
Ins Pilot	$ 50,000.00
	$ 362,000.00

2018 Visit Count

annual	548
weekley	11
daily	3

2020 Visit Goal

visit sources	weekly visits
4 clinic days	32
4 facility days	32
2 mosiac days	16
	80
Annual Visits	3,840
Patients	480

Total Expenes	**$ 907,367.00**	
Shortfall	Annual FFS Visit Shorfall	Weekly FFS Visit Shorfall
$ (545,367.00)	(4,195)	(87.40)

2020 Goal for Visit Revenue

Weekly Visit Delta	Annual Revenue	Weekly Revenue
(7)	$ 499,200.00	$ 10,400.00
Program (+/-)	$ (46,167.00)	

Patient Count	
Current	80
Goal	480

HOSPICE FUNDAMENTALS

Part B Billing Nuances to Consider

- Medicare pays 80% of the allowed amount after the deductible ($185 in 2019) has been met and the patient is responsible for the remaining 20% which may be billed to the patient's secondary insurance if applicable
  - Patient or secondary insurance pays deductible and/or 20%
  - Some enforcement leniency during the COVID-19 PHE
- For Medicare services billed under an ARNP's/PA's NPI, there is a 15% reduction in the allowed amount.
  - Part B pays 85% of the 80%

HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

MPFS

- The Medicare Physician Fee Schedule Lookup can be found at: https://www.cms.gov/apps/physician-fee-schedule/overview.aspx
- For each HCPCS code entered, options include:
  - Pricing by MAC/region
  - Payment policies
  - RVUs

HOSPICE FUNDAMENTALS

Medicare Physician Fee Schedule (MPFS)

HCPCS CODE	SHORT DESCRIPTION	NON-FACILITY PRICE	FACILITY PRICE	LIMITING CHARGE
99222	Initial hospital care	$139.32	$139.32	$152.51
99223	Initial hospital care	$206.64	$206.64	$225.75
99344	Home visit new patient	$186.12	$186.12	$203.33
99345	Home visit new patient	$226.08	$226.08	$246.99

National allowable amounts, not geographically adjusted.

HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

Know the Payer Specifics

- Which fee schedule applies?
  - Medicare locales
- If the payer is non-Medicare do you have a contract that defines the payment rates?
  - If not contracted, are there out of network benefits?
- Does the non-Medicare payer allow ARNPs or PAs to bill for services directly?
  - Varies greatly by payer

HOSPICE FUNDAMENTALS

Know the Payer Specifics

- Does the non-Medicare payer recognize or require consultation codes?
  - Initial Hospital Visit vs. Hospital Consultation
- What is the deductible and coinsurance or co-payment for the non-Medicare patient?
- Is Authorization needed prior to seeing the patient/insured?

It is critical to have policies and procedures in place for successful professional fee billing.

HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

Coverage vs. Authorization

- **Benefit Coverage** is what the insurance company will consider paying for as defined in the patient's health insurance contract.
- **Prior authorization** is a requirement that the provider obtain approval from a payer in advance about certain medical services in order for those services to be considered a covered expense.
  - "Authorization is not a guarantee of payment"

Palliative Care Services Billing

- Palliative Care Services
  - E&M
  - ACP
  - CCM/PCM
  - Non Face-To-Face Prolonged Services
  - Virtual Visits and telehealth
- Diagnosis Coding
- Alternative Payment Approaches
  - Merit-based Incentive Payment System
  - Advanced Alternate Payment Models
    - Accountable Care Organizations (ACOs)

Can have a +/- 9% payment impact

© 2021 Hospice Fundamentals
All Rights Reserved

Key Performance Indicators (KPIs)

- Weekly, monthly & quarterly review of KPI data
  - Referrals
    - By provider
    - By Dx
    - w/ LOS
    - tracking those referrals to receive more upstream
  - Case mix by Dx
    - w/ LOS
  - Discharge Disposition
    - w/ LOS
    - by Dx
    - By Provider
    - Specifically # of Deaths on PC

KPIs (continued)

- Avg # of visits per patient
  - By Dx
  - By Provider
  - By Referral Source
- Avg per visit reimbursement
  - By Dx
  - By Provider
- # of ACP codes
  - By provider
- CPT Code Breakdown
  - By Provider
- Avg time to consult from referral
- # of After Hours Calls
- Visit count by Clinician
- Total Visit Count (for board reporting)
  - New Pts
  - Established Pts

© 2021 Hospice Fundamentals
All Rights Reserved

Back-Office Considerations

- Need to invest in a new or better EMR
- New intake staff to manage palliative patient admissions
- New staff to manage relationship with payer partner
- Extra finance staff for billing and coding staff (or outsourcing service)

HOSPICE FUNDAMENTALS

Actions of the Prudent Hospice™

✓Complete a SWOT Analysis

✓Define/refine eligibility, services, accountability, and payment

✓Align program to your organization's mission and vision

✓Identify and mitigate technology and regulatory risks

✓Determine your Return On Investment (ROI) – How will you know you are successful?

HOSPICE FUNDAMENTALS

© 2021 Hospice Fundamentals
All Rights Reserved

Questions????

Contact Information:

cacevedo@acevedoconsulting.com

HOSPICE FUNDAMENTALS

To Contact Us

Hospice Fundamentals
561-454-8121
heretohelp@hospicefundamentals.com

The information enclosed was current at the time it was presented. This presentation is intended to serve as a tool to assist providers and is not intended to grant rights or impose obligations.

Although every reasonable effort has been made to assure the accuracy of the information within these pages, the ultimate responsibility for the correct submission of claims and response to any remittance advice lies with the provider of services.

HOSPICE FUNDAMENTALS
44

© 2021 Hospice Fundamentals
All Rights Reserved