

Overview of Transition to Medicare Advantage Plans

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History

MMA - Medicare Modernization Act (2003)

Created Medicare Advantage

How is it different from Medicare Part D?

How is it different from Medicare Part C?

MMA

Medicare Modernization Act (2003)

Created 2 types of plans

- PFFS – Private Fee For Service
- PPO – Regional PPO Plans

Prescription Drug Plans

Medicare

- Part A – Hospital Services
- Part B – Physician Services
Outpatient

Patient pays annual deductible and co-insurance 20% of Medicare allowable.

RX costs are not covered.

Previous to 2005 Traditional Medicare A & B

- Required you pay deductibles and co-insurance costs or purchase policy (Medigap) to cover co-insurance deductible.
- No prescription benefit

How Does the Patient Know What To Do?

Compare Your Costs!

Example:

	<u>Current</u>	<u>Medicare Advantage</u>
Medicare A&B	\$ 80/mo	\$80/mo
Medigap Policy	\$150/mo	\$0/mo
RX Costs	<u>\$200/mo</u>	<u>\$ 5.95/mo</u>
Total:	\$430/mo	\$85.95 - \$111.95/mo

Advantage plans require certain co pays like \$10.00 each visit; \$50.00/ER visit.

Medicare Advantage

In many plans coverage maybe better than Traditional Medicare (cannot be less).

RX portion has deductibles and co pays based upon formulary.

Medicare Advantage

Provides for two types of plans

- PFFS – Private Fee for Service
- Regional/PPO Plans
 - Must provide service to the entire region as defined by CMS.

Regional PPOs

- Require service to the entire region
- Relaxed network standards
- FQHC wrap around

Regional PPOs

- Requires contract
- Negotiation of rates
- No requirement to pay RHC/FQHC rate
- May pay RHC/FQHC rate, if negotiated

PFFS Plans

- No contract required/may sign contract
- “Deemed” status providers – If you accept beneficiary card and provide treatment you are considered a participating provider
- Beneficiaries may change plans monthly

Medicare Advantage

- Private Fee for Service (PFFS)
- Requires plans to pay rate to RHC/FQHC to equal cost based reimbursement
- No contracts
- Patient driven – marketing to patients

Medicare Advantage (PFFS)

- May include Medicare Part A & B and Co-insurance portion
- May also include Medicare D or Pharmacy benefit

Medicare Advantage (PFFS)

- RHC/FQHC – CMS not requiring cost settlement at this time.
- Plans are paid with amounts to include administrative overhead for cost settlement.

Medicare Advantage

Regional Network Plans (RPPPO)

- Negotiate rates with RHC/FQHC
- Must cost settle
(provider-based less than 50 beds)
- No requirement for full rate payment (Independent, Provider-based greater than 50 beds)
- Must sign contract
- Wrap around not required for RHCs

Negotiation

- Some issues in managed care may be negotiable
- Develop a rationale for desired contract changes

Negotiation

- Who are the major employer groups?
- Plans are developing products to insure retirees
- You may be accepting MA products because of change in retiree benefits

Negotiation

- What is the experience of other providers?
- Who is the contact – provider representative?

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Negotiation

- Negotiate rates – when are rate adjusted?
- Year End Settlement
- Vaccine Payment/Influenza/Pneumococcal
- Fee schedule vs. full cost

Negotiation

- Medicare bad debt allowance
- Claims processing UB92 (1452) or 1500 for core services
- Time frame for payment of clean claims
- How are rate changes addressed and when?

Negotiation

- How does the plan address RHC services provided by PA/NP/CNM?
- Does the plan cover behavior health services? CP, CSW
- Is credentialing required?
- How do you credential PA/NP/CNM?

Contracting Issues

- How are incidental services such as injections paid for?
- Do co-pays differ for RHC/FQHC vs. Non-RHC/FQHC providers?
- Recognize RHC/FQHC services as separate from Part B; i.e.: clinic visits, hospital admission same day
- Definition of core RHC/FQHC services; i.e.: SNF, patients home, RHC/FQHC, “Incident-To” services

Contracting Issues

Tracking data

- Will the plan provide PS&R type of report?
 - Visits
 - Co-pays
 - Deductible
 - Payments

Contracting Issues

- Will data report provide break down by provider type for:
 - Visits
 - Co-pays
 - Deductible
 - Payments

Cost Reporting (Analysis)

- Do I count the MA visits?
- Count all visits in total
- Only cost settle regular Medicare with FI

Cost Reporting (Analysis)

- MA (PFFS) Visits x Current Rate = Reimbursement
- Compare this to your actual payments
- Payments from MA (PFFS) visits
- Make sure you compare core RHC services and visits

WORKSHEET 7 - PAYMENT LOG

ONE OF THESE PAYMENT TYPES MAY NOT BE APPLICABLE TO YOUR CLINIC

<u>Payment Type:</u>	Note: Payment amount received is based on DATES OF SERVICE for the COST REPORTING PERIOD; not WHEN the payment was <u>received</u>		
Medicare Payments			
Lump Sum Adjustments from Medicare			
Medicaid FFS Payments			
Medicaid <u>Quarterly</u> Payments			
Other Third Party Payments (i.e. primary insurance's, besides Medicare, that have paid when Regular Medicaid is the secondary insurance)			
Medicare <u>Beneficiary Deductible</u> Received (Payments made by the Medicare Patient)			
<u>MEDICARE ADVANTAGE PLANS:</u>	<u>Fee-for-Service Payments</u>	<u>Capitation Payments</u>	<u>Total Payments</u>
Medicare Advantage Plan Payments (By each MA Plan) * Please List name of MA Plan _____			
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<u>MEDICAID QHP/HMO PLANS:</u>	<u>Fee-for-Service Payments</u>	<u>Capitation Payments</u>	<u>Total Payments</u>
Medicaid QHP Payments (By each QHP Plan) - Please List name of QHP _____			
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Summary

- Negotiate – critical for RHC/FQHC not to accept without negotiation
- Giving up cost settlement has value – what are you receiving?
- Be prepared to negotiate the best rate for your RHC/FQHC. Don't assume you must accept what is being offered without analyzing the impact on your RHC/FQHC

Common Terms

PFFS – Private Fee for Service

RPPO – Regional Preferred Provider Organization

PS&R – Provider Statistical and Reimbursement

Co-Pay – Payment required associated with a service.

SNF – Skilled Nursing Facility

CP – Clinical Psychologist

Common Terms

CSW – Clinical Social Worker

PA – Physician Assistant

NP – Nurse Practitioner

CNM – Certified Nurse Mid-wife

UB92 – Part A billing format

1500 – Part B billing format

CMS – Centers for Medicaid and Medicare Services

Common Terms

Provider – based – RHC is integral part of a provider operated as a unit of the provider with common systems for management.

Independent – free standing rural health clinic

AIIR – All Inclusive Interim Rate

Questions

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