Webinar Instructions

Thank you for joining today, please wait while others sign in.

- Phone Dial in: 1-866-740-1260
- Access code: 4796665#
- Due to the large number of participants, all lines will be muted during the call.
- If you want to ask a question, please type in your question into the box.
The Ins and Outs of Selling EBPs to Health Care

Agenda

- Join Tim McNeill to get the low down on selling EBPs, including who buys EBPs, the cost of delivering EBPs, understanding your market, and how to sell EBPs to potential payers.
  - Tim McNeill, Consultant, Administration for Community Living/Administration on Aging

Q&A – All
Evidence-Based Program Sustainability

Timothy P. McNeill, RN, MPH
Consultant
Sustainability of Evidence-Based Programs

Agenda

• Who Buys EB Programs

• Cost of delivering your EB programs

• Understanding your market

• How to sell your EB Programs to potential payers in your market
Who Buys EB Programs

• More and more payers are realizing that disease management is essential to lowering costs

• Many national insurers have a core mission to improve health outcomes through health promotion and education efforts
  • Medicare Advantage Plans
  • Medicaid MCO Plans
  • Traditional Health Insurance Plans

• HEDIS measures and ACO performance is tied to health promotion efforts
  • NCQA also offers an accreditation for ACOs that is closely tied to HEDIS performance
  • PCMHs also can seek accreditation from NCQA
It is essential to determine the true cost of delivering your EB programs.

- A program that is offered twice a month should not require full-time staff to support it.
- Apply personnel costs according to the percentage of each staff person’s time spent administering the program.

You are negotiating blind if you do not know the true costs of delivering your EB program.
Personnel Cost

• Apply personnel based on a FTE (Full-time equivalent)
  • A way to measure a worker’s involvement in a program. An FTE of 1.0 means that the person is full-time
  • 0.5 FTE = half-time
  • 0.25 FTE = quarter-time
  • FTE method allows you to allocate a worker’s time to multiple projects or profit centers
  • An Example is a 0.25 licensed instructor will have only 0.25 of their monthly salary billed to the DSMT program. The remainder of their salary should be billed to another project or program.
• Your Break even point is the point at which your expenses (also called costs) and your revenue (also called income) are equal
• Usually calculated on an annual basis
• Income and expenses are spread over an annual basis to calculate break even
What to do to get to Break Even

• In order to break even, you should increase income or reduce expenses

• Plan for attrition from your classes when establishing your budget
  • If your experience is that you start with 15 participants and end with 12, then you budget should reflect 12 completers

• Plan for the number of completers that are required to cover your annual expenses
• Can you realistically meet the break-even projections?
  • In a fee-for-service environment, you will be paid a fee for each time you provide education to a consumer
  • Under this scenario revenue = volume x reimbursement
    • Revenue increases when volume of consumers increases

• If your projected volume of clients is not realistic, what can you do to increase the volume?

• What can you do to decrease the expenses?

• What is your current demand for services?
Break Even Questions

• If you are sharing in the program expenses with a partnering organization, you should have an agreement with your partner about acceptable expenses – in advance of implementation.

• Proceeds from the program should not be shared until after all expenses are covered.

• Ensure that your share of profit covers program expenses plus some margin that can be used for program development.
Case Study – Break Even

• AnyWhere AAA is a fictional AAA that we will use as a case example to work through the break even process

• AnyWhere AAA is providing an EB Diabetes Self-Management Program using the Stanford Model.
  • Program Coordinator – Jenny Sugar
  • High prevalence of diabetes with significant disease complications amongst the African American and Latino population
  • Target population: Dual eligible population of African Americans in the East side of AnyWhere AAA.
## AnyWhere AAA DSMT Program Expenses: Personnel

<table>
<thead>
<tr>
<th>Projected Expense</th>
<th>Itemized Expense</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Coordinator 0.125 FTE @ $75K/year + fringe @ 20% (fringe = insurance benefits, FICA, Health)</td>
<td>$11,250.00</td>
<td></td>
</tr>
<tr>
<td>Registered Dietitian (Licensed instructor) 0.125 FTE @ $70K/year + fringe @ 20%</td>
<td>$10,500.00</td>
<td></td>
</tr>
<tr>
<td>Lay leader stipend</td>
<td>Stipend is recommended @ $200/6-week course per person. Estimate at $400/class for 7 classes</td>
<td>$2,800.00</td>
</tr>
<tr>
<td>Lay leader training</td>
<td>Lay leader training on the Stanford DSMP model. Training costs estimated at $150/person for 6 lay leaders</td>
<td>$900.00</td>
</tr>
<tr>
<td>Continuing education</td>
<td>Budget line item for required professional continuing education</td>
<td>$2,000.00</td>
</tr>
</tbody>
</table>
## AnyWhere AAA DSMT Program Expenses: Facility Costs

<table>
<thead>
<tr>
<th>Projected Expense</th>
<th>Itemized Expense</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference Room</td>
<td>30 sq feet per person, in conference style seating with 15 clients per class. Flat rate stipend paid to the AnyWhere Housing Authority of $3,500.00 per year</td>
<td>$3,500.00</td>
</tr>
</tbody>
</table>
### AnyWhere AAA DSMT Program Expenses: Consultant Services

<table>
<thead>
<tr>
<th>Projected Expense</th>
<th>Itemized Expense</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare billing Service</td>
<td>Contractual billing service required to process Medicare claims for DSMT services. Estimate made based on 7 classes</td>
<td>$4,720.80</td>
</tr>
<tr>
<td>Management Consulting</td>
<td>Consultant to assist with contractual negotiations with potential partners</td>
<td>$4,000.00</td>
</tr>
</tbody>
</table>
### AnyWhere AAA DSMT Program Expenses: Transportation

<table>
<thead>
<tr>
<th>Projected Expense</th>
<th>Itemized Expense</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Stipend funding</td>
<td>Stipend to pay for minor travel expenses to facilitate participant class participation. This is a pool of funding to support travel expenses or AAA transportation van costs</td>
<td>$2,500.00</td>
</tr>
</tbody>
</table>
### AnyWhere AAA DSMT Program Expenses: Miscellaneous Expenses

<table>
<thead>
<tr>
<th>Projected Expense</th>
<th>Itemized Expense</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Paper Supplies</td>
<td>Consumable office supplies including printing and copy paper @ $200/mo for 12 mo</td>
<td>$2,400.00</td>
</tr>
<tr>
<td>Marketing Material design services</td>
<td>Graphic arts production of program marketing materials</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>Marketing material production</td>
<td>Mass production of DSMT program marketing flyers</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>Outreach and recruitment</td>
<td>Community outreach and marketing to recruit new participants to the DSMT program. Paid as an additional stipend to lay leaders to recruit participants to the classes and include the classes in other AAA programs</td>
<td>$1,200.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>$48,170.80</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>Subtotal + Administrative overhead @ 20%</td>
<td><strong>$57,804.96</strong></td>
</tr>
</tbody>
</table>
AnyWhere AAA DSMT Program Expenses:
Expenses calculated over an annualized basis:

• Estimated Total program expenses = $57,804.80
  (total costs + 20% admin overhead)
  • Potential revenue must meet and exceed the program expenses
  • Break even will be achieved at the point where income will equal the program expenses
  • If unable to meet break even, then you need to reduce expenses or increase revenue
## AnyWhere AAA DSMT Program Revenue (Total Collected from Medicare for Services)

<table>
<thead>
<tr>
<th>Service</th>
<th>CPT Code</th>
<th>Reimbursement</th>
<th>Quantity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSMT (Individual)</td>
<td>G0108</td>
<td>$53.44</td>
<td>2 units = 30 min/unit</td>
<td>$106.88</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Based on 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medicare fees)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DSMT (Group)</td>
<td>G0109</td>
<td>$16.34</td>
<td>18 units = 30 min/unit/person</td>
<td>$294.12</td>
</tr>
<tr>
<td>MNT (Individual)</td>
<td>97802</td>
<td>$34.04</td>
<td>4 units = 15 min/unit</td>
<td>$136.16</td>
</tr>
<tr>
<td>MNT (Group)</td>
<td>97803</td>
<td>$29.61</td>
<td>4 units = 30 min/unit</td>
<td>$118.44</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
<td></td>
<td>$655.60</td>
</tr>
<tr>
<td>Grand Total if only 80% collected for DSMT and 100% for MNT</td>
<td></td>
<td></td>
<td></td>
<td>$575.40</td>
</tr>
</tbody>
</table>
**AnyWhere AAA DSMT Program**

**Break Even calculation**

- **Program Costs** = $57,804.96

- **Projected revenue per person @ 100% collection** for MNT and 80% collection for DSMT = $575.40 per person and $8,631 per 15 completers

- **Break even mark** = 6.7 classes
  - \(\frac{57,804.96}{8,631} = 6.7\)

- **Market demand must equal** at least 7 classes per year

- **7 classes of 15 = 105 persons per year = Little under 9 persons, per month, must be identified with diabetes**
Understanding Your Market

- A key component of the break even analysis is knowing your market demand.
- If we return to the AnyWhere AAA scenario we have the following data:
  - The AAA serves 100,000 older adults through a mix of all their programs including: Medicaid waiver services, ADRC, EB programs, Meal programs, transportation, etc.
  - Health Department data shows that 30% of the population has a diagnosis of diabetes
Market Demand Sample (Baltimore City):

- 2010 Census data shows there are 619,493 residents
- 11.7% are 65 and older = 72,480
- At least 30% are estimated to have a diagnosis of diabetes = 21,744 persons, over 65 in Baltimore city, likely have a diagnosis of diabetes
- Given that the population of 21,744 could benefit from DSMT, it is likely that the projected break even of 105 persons per year is an achievable goal
Back to the AnyWhere AAA case study:

- Projected market demand = 30% of 100,000 = 30,000 persons

- Based on the projected market demand, we should exceed the minimum required for break even = 105 persons/year

- In a fee-for-service market revenue is fixed.
  - You can increase program revenue by increasing volume.
  - As volume increases you increase program revenue over expenses = surplus
How to Sell Your EB Program to Potential Buyers

• Managed Care

• Accountable Care Organizations (ACOs)

• Patient-Centered Medical Homes (PCMHs)
When seeking to contract with managed care companies, you must understand what the drivers are for your potential customer.

The Managed care market drivers include:

- Saturation of the market with managed care plans
- Competing plans in a defined market
- Market reach of your program to the defined population
- HEDIS measures
- Beneficiary satisfaction
Saturation of Managed Care Plans in Your Market

- Medicare Advantage (MA) Plans
  - It is imperative that you know the landscape of MA plans in your market

- Medicaid Managed Care Organization (MCO)
  - State Department of Medicaid
  - Assess the reach of Medicaid managed care in your State and the penetration in your defined market
At the following link, CMS provides monthly Medicare enrollment data:

https://www.cms.gov/MCRAdvPartDEnrolData/01_Overview.asp#TopOfPage

Once at this page you can make a quick assessment of the numbers in your area by reviewing the Medicare Advantage Penetration Table.

- State_County_Penetration_MA
• Information presented includes
  • Total number of Medicare beneficiaries by county
  • Total number enrolled in a MA plan

• Market penetration can be analyzed using the following calculation

\[
\text{Total Number of beneficiaries} \quad \text{________________________} \quad \times \quad 100 \\
\text{MA Enrollees}
\]
Local Market Penetration Calculation

• Broward County, FL (November 2012)
  • Total Number of Medicare Beneficiaries = 264,463
  • Total Number enrolled in a MA Plan = 131,713
  • Market Penetration of MA = \( \frac{131,713}{264,463} \times 100 = 49.80\% \)

• Miami-Dade County, FL (November 2012)
  • Total Number of Medicare Beneficiaries = 393,849
  • Total Number enrolled in a MA Plan = 218,782
  • Market Penetration of MA = \( \frac{218,782}{393,849} \times 100 = 55.55\% \)
## Top MA Plans by County (November 2012)

<table>
<thead>
<tr>
<th>County</th>
<th>MA Plan</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broward</td>
<td>Humana Medical Plan</td>
<td>50,224</td>
</tr>
<tr>
<td>Broward</td>
<td>Avmed</td>
<td>16,723</td>
</tr>
<tr>
<td>Broward</td>
<td>CarePlus Health Plans</td>
<td>13,339</td>
</tr>
<tr>
<td>Broward</td>
<td>Medica Health Plans</td>
<td>9,781</td>
</tr>
<tr>
<td>Miami-Dade</td>
<td>Health Spring of Florida</td>
<td>38,743</td>
</tr>
<tr>
<td>Miami-Dade</td>
<td>Humana Medical Plan</td>
<td>37,400</td>
</tr>
<tr>
<td>Miami-Dade</td>
<td>CarePlus Health Plans</td>
<td>27,192</td>
</tr>
<tr>
<td>Miami-Dade</td>
<td>Medica Health Plans</td>
<td>25,811</td>
</tr>
<tr>
<td>Miami-Dade</td>
<td>Preferred Care Partners</td>
<td>24,600</td>
</tr>
</tbody>
</table>
What is the Value of Knowing the Market Penetration?

• When you service a Medicare Advantage beneficiary, you must negotiate separately with the Private Insurance plan – before providing services

• Having an accredited program that is also recognized by CMS makes it easier to negotiate for a “carve out rate” with the managed care plan
  • Carve out: Service not included in a capitated contract

• You should first identify the plans with the largest Medicare Advantage penetration in your market

• Present your ability to reach their beneficiaries and negotiate a rate per beneficiary for your services.
What are the Drivers for your MCO Customer?

- NCQA
- HEDIS measures and the impact
- How your EB program can support the MCO need to improve HEDIS measures
Medicare Advantage Plans

- Capitated insurance plan for Medicare beneficiaries
  - Capitation: A plan where a fixed or “Cap” amount of money is paid for a beneficiary on a monthly basis. The plan must provide for all services within the capitation amount.

- Medicare Advantage Plans are graded based on HEDIS measures
  - HEDIS: Healthcare Effectiveness Data and Information Set
  - Star ratings and MA bonus payments are also tied to HEDIS performance

- Diabetes and other chronic disease measures are included in the HEDIS scoring matrix
• HEDIS Measures
  • Registered Trademark of the National Committee for Quality Assurance (NCQA)
  • 90% of all American Health plans use and report HEDIS measures
  • Most Medicaid MCOs are held to HEDIS measures
  • Consists of 75 measures across 8 domains
  • Significant contributor to MA Star rating program
2012 Top 5 Medicare and Medicaid Health Insurance Plans

**Medicare**
- Kaiser Foundation Health Plan of Southern California
- Kaiser Foundation Health Plan of Colorado
- Kaiser Foundation Health Plan of Northern California
- Capital Health Plan (FL)
- Kaiser Foundation Health Plan of the Northwest (OR, WA)

**Medicaid**
- Fallon Community Health Plan (MA)
- Kaiser Foundation Health Plan – Hawaii
- Network Health (MA)
- Blue Cross Complete of Michigan
- Neighborhood Health Plan of Rhode Island
Relevance of Knowing NCQA Top Rated Health Plans

- NCQA rates health plans nationally
- CMS
- Health Plan Report Cards are publically published on the NCQA website
  - Searchable database by State
  - Database can drill down to Medicare and Medicaid plan ratings
- HEDIS measures are tied to MA Star ratings
- Programs that have high ratings want to maintain those high ratings
- Programs that have poor ratings want to improve those ratings
NCQA Health Plan Report Card

- Search Screen
AnyWhere AAA and the HEDIS Measures

• When attempting to address the needs of the population of beneficiaries, AnyWhere AAA determined that they would incorporate a continuous quality improvement program that includes pertinent HEDIS measures for diabetes:
  • Hgb A1c
  • LDL-C
  • Foot Exam
  • Eye Exam
  • Nephrology Exam
AnyWhere AAA and the HEDIS Measures (Cont.)

• To meet the needs of the MCO customer, AnyWhere AAA reports these quality measures to the MCO.

• To promote quality to other MCO customers, AnyWhere AAA tracks aggregate outcome data that is mapped to these HEDIS measures so that the AAA can market directly to the “point of pain” for the MCO
  • MCOs are rated by HEDIS performance
  • Any help that your program can provide to improve HEDIS scores makes you a valuable provider in the MCO network
  • Tracking your performance according to HEDIS measures makes your CBO more marketable to MCO customers
AnyWhere AAA’s efforts to contract with MCOs

• AnyWhere AAA maps their performance to HEDIS measures

• The AAA can provide a monthly report that details how many of the target market they provide services to on a monthly and annual basis

• AnyWhere AAA provides a routine search of all its databases of consumers to assess the percentage of persons that are assigned to a MCO.

• The AAA provides a patient tracking system and electronic summary report that can provide details of services provided to a specific beneficiary along with aggregate data to show the services and outcomes for a group of beneficiaries.
Summary of changes that the AnyWhere AAA made to meet the needs of its MCO customer:

- Tracked consumer outcome data tied to HEDIS measures

- Prepared summary report that can be exported to a referring physician and/or to the MCO

- Established CQI process that provides overall health outcomes of all consumers that have attended a EB diabetes education program
Elevator Speech

• You are marketing your program to a MCO customer

• You must have an elevator speech that tells the story of the “Value Add” you bring to the market

• Your Value to the market determines the price that you can demand

• Which of the following two Elevator Speeches would convince you purchase services:
• We are AnyWhere AAA and we really want to help older adults. We are a CBO and have been working with older adults in our community for the past 15 years. We hope to provide our EB diabetes classes for your MCO plan customers. You can read more about the research and prestige of our program in our brochure.
Elevator Speech -- Scenario #2

• We are AnyWhere AAA. We have a 15 year track record of providing comprehensive and EFFECTIVE services to older adults in this region. Our innovative programs enable us to provide services to over 100,000 unique older adult consumers on a monthly basis. Many of your MCO customers are also customers of our AAA and we can directly identify the location and use of services for those individuals in our network. Our research also tells us that 20,000 of your enrollees, over the age of 65, have diabetes.

• We have an accredited and licensed EB diabetes education program. Our outcomes are matched to diabetes HEDIS measures. Enrollees in our EB diabetes program have shown a statistically significant reduction in their HgbA1c of 1.0, which is sustained over a 6 – 12 month follow-up period.
MCO Contracting Key Points

• Determine the cost of providing your EB program
• Determine how your EB program will meet the “point of pain” for your customer
• State the value of your EB program to the market
• Demand a price that matches your value to the market
  • Use the CMS Medicare Fee-for-service pricing as a benchmark for your value negotiation
• Know your customer:
  • An ACO is an accountable care organization
  • Must have at least 5,000 fee-for-service Medicare beneficiaries
  • The ACO must meet both cost savings measures and quality measures
  • If successful in reducing both costs and improving quality, then the ACO is eligible to receive at least half of the savings they generate
    • Last year AnyWhere ACO saved the Medicare program $2 M and met all of their quality measures, as a result, they received a bonus payment of $1 M from the Shared Savings Program
    • If AnyWhere AAA can help the ACO increase the savings created then the AAA should share in the savings created
Quality Measures

• The quality measures that an ACO must meet are closely related to services provided by many Aging Network providers:
  • ACO efforts to support Health promotion and education
  • Care Coordination
    • Reduction in Readmissions
    • Medication reconciliation after discharge
  • Fall Risk assessments
  • Depression screening
  • Flu/Pneumonia vaccination
Quality Measures (cont.)

- At-Risk Population Quality Measures
  - **Diabetes**
    - Hgb A1c Control below 8 percent
    - Tobacco non-use
    - Asprin Use
    - LDL-C control (< 100)
  - **Heart Disease**
    - LDL-C control (< 100)
    - ASA use
    - ACE or ARB use
ACO Quality Scoring

- ACOs are graded on quality for all of their assigned beneficiaries.
- Reductions in ACO quality scores and ultimately their potential earnings can be tied to factors YOU can address:
  - Medication reconciliation
  - Medication non-adherence (affordability, ADRC, etc.)
  - Readmissions
  - Hgb A1c
  - Health promotion and education
  - Fall Risk Assessments
Key Issue -- Reporting

- Physician Meaningful Use of electronic medical records requires electronic patient tracking and outcome reporting
- ACO reporting requires electronic patient tracking and outcome reporting
- MCO HEDIS reporting requires electronic tracking and outcome reporting
- Your program must begin providing electronic reports that meet the needs of your potential customers.
- You need the capability to export consumer and aggregate data into your customers’ systems to facilitate quality monitoring
You provide valuable and EFFECTIVE services to meet the needs of older adults. Your community needs you to sell these services to buyers of EB programs. The Healthcare landscape is changing, are you?
Questions can be submitted in this open forum or by e-mail:

- [tmcneill@me.com](mailto:tmcneill@me.com)
  
  Timothy P. McNeill, RN, MPH
  
  Direct: (202) 344-5465
Q&A

[Link: www.ncoa.org]