




PPHP
PROVIDER PARTNERS HEALTH PLAN

**Balancing Risk and Reimbursement Incentives:
Managing the Long Term Care Population**

PHCA Annual Convention
General Session Panel
Wednesday, November 14, 2018

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Background



- ❖ **Skilled Nursing/Long Term Care Facilities invested in care infrastructure to reduce 30-day post-acute readmission rates.**
- ❖ **Investments have included upgrading facilities, enhanced nursing clinical capabilities, improved physician responsiveness, engaged on-site NP's, implementing EMR, data mining, & health information exchange.**
- ❖ **Maryland hospitals are also looking to long term care facilities to reduce Prevention Quality Indicator (PQI) Diagnosis admission rates including: Diabetes, CHF, COPD, UTI, Pneumonia, Dehydration.**
- ❖ **By implementing these same programs for the long-term resident care model, these facilities are able to improve quality, improve patient/resident satisfaction, and reduce the overall cost of care.**

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Background



- ❖ **Currently there are only limited avenues for Long Term Care (LTC) providers to share in the savings created by improving clinical capability, improving quality, reducing unnecessary utilization & reduce overall Medicare spend.**
- ❖ **Existing Medicare Advantage programs offer LTC providers a small share of savings and impose significant top-down clinical operations oversight from outside the LTC clinical team.**
- ❖ **The local provider clinical team is marginalized by insurer corporate utilization management oversight interference.**

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Provider Sponsored ISNPs



- ❖ **Provider sponsored ISNPs are an opportunity for LTC providers who have the responsibility for resident healthcare outcomes, and take financial risk for the health outcomes created by the improved care.**
- ❖ **Local Provider Clinical Team at the LTC facility is responsible for coordinating all aspects of resident care in collaboration with the resident, the family, hospitals and physicians.**

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Pay For Performance Contract



- ❖ **One way to incentivize quality is to offer a Pay-for-Performance contract for high quality LTC providers to gain financial benefit from investments in quality improvement, reduction in unnecessary hospital utilization and unnecessary skilled care utilization.**
- ❖ **Pay for Performance Bonus Pool created from Medical Loss Ratio reconciliation to 85%**
- ❖ **Additional bonus for highest quality**

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Provider Sponsored ISNP Key Issues



- ❖ **LTC Providers should take responsibility for defining a risk contract that offers them 100% of the real savings generated by high quality long term care.**
- ❖ **LTC Providers should take responsibility for generating leads in a way that is fully compliant with CMS Medicare Advantage regulations.**
- ❖ **LTC Providers should take responsibility for care management reducing unnecessary utilization of acute and specialty services.**

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ISNPs -- Why and Why Now?



- Special Needs Plans have been around for over 30 years
- In the past 5 years many new organizations have come to market, most are provider-sponsored.
- So, what's going on? Here's what we hear:
 - The long term care landscape is changing with alternatives to institutionalization being encouraged



Chronic underfunding by Medicaid of nursing homes has historically been offset by Medicare FFS dollars. However, as managed care increases market share this revenue source is threatened. Fewer days and reduced payments.

Maturing of managed care in other senior market segments – opportunity for revenue and membership growth in long term care populations

- State Medicaid reform may roll institutionalized beneficiaries into a Medicaid managed care plan and that Plan may offer an ISNP as well to the same population -- then you have one payer controlling the entire revenue stream of the facility.
- SNPs have been made permanent by the BBA – no longer a demo.
- Run well, there's money to be made that is largely returned to providers.




The Consultant's Perspective:




- ISNPs are a great opportunity for provider organizations to capture more revenue, support more clinical programs, improve quality and control destiny.
 - Lots of provider interest and activity
- But starting and even participating in an ISNP is not for the faint of heart
 - Success requires work and commitment
 - Low enrollment is the biggest challenge.
 - Just because you have beds in the contracted network doesn't mean that they will enroll in your program without much effort.
 - A new clinical model needs to be implemented.
- Once a facility 'turns the corner' it is easier to maintain high participation levels
 - But a change in staff can undo lots of progress – social worker, RN, NH administrator, NH medical director, others.
- Insider tip: participating in a well-run existing provider sponsored ISNP can be very rewarding – and you don't have to spend the time and make the effort to get it off the ground!



Typical Questions



- ? **How much time and money will I need to budget to get started?**
- ? **Who will perform the administrative functions – pay claims, enroll, sell, collect premiums, manage care, etc?**
- ? **What's the level of financial risk?**
 - What's the upside and downside?
 - Is the CMS payment for my residents enough? Is there anything that can be done to improve payments (e.g. risk scores)?
- ? **How much will my staff have to be involved?**
 - Will the ISNP add to NH or AL administrative burden?
 - How can a facility support enrollment? How many residents should I expect to enroll in the Plan? How many are enough?
- ? **Can the ISNP help me maintain/improve my Stars scores?**
 - What will the Plan require to support the MA quality improvement programs (and get bonus payments)?
- ? **What are some success measures and how quickly can they be achieved?**
 - Enrollment
 - Medical expense management
 - Administrative costs
- ? **How will my commercial payers respond if I participate/own my own ISNP?**



For more information, contact



Scott Rifkin
scottrifkinmd@gmail.com

Rick Grindrod
rgrindrod@pphealthplan.com

Stephen Wood
stephen.wood@clrviewsolutions.com

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