



PPHP
PROVIDER PARTNERS HEALTH PLAN

**Institutional Special Needs
Medicare Advantage Plans
(ISNP) the New Frontier**


Pennsylvania Health Care Association
Annual Convention Session B-11
Wednesday, September 25, 2019

PPHP
PROVIDER PARTNERS HEALTH PLAN

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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.**
- ❖ **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 Owned ISNPs



- ❖ **Provider owned 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



- ❖ **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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Medicare Advantage Health Plans



- ❖ **Fee for Service Medicare includes Part A, Part B, Part D.**
- ❖ **Medicare Advantage is Part C and takes the place of Part A, & B and includes Part D.**
- ❖ **Medicare Advantage program includes community programs and Special Needs Plans (SNP)**
- ❖ **SNPs include Chronic disease focused (C- SNP), Dual eligible focused (D-SNP) and plans for institutionalized patients (I-SNP)**
- ❖ **PPHP is an I-SNP focused on residents in long term care facilities.**

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Institutional Special Needs Plan (I-SNP)



- ❖ **Special needs plans were created by Congress and implemented by the Center for Medicare and Medicaid Services (CMS) to improve care for Medicare's most vulnerable beneficiaries.**
- ❖ **Institutional Special Needs Plans (I-SNP) restrict enrollment to Medicare Advantage (MA) eligible individuals who are institutionalized or who qualify for institutionalization.**

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Institutional Special Needs Plans (I-SNP)



- ❖ **I-SNPs are Medicare Advantage plans that restrict enrollment to MA eligible individuals who, for 90 days or longer, have had or are expected to need the level of services provided in a Skilled nursing facility (SNF) or LTC nursing facility (NF)**
- ❖ **I-SNPs operate under the same strict regulatory framework as any other MA plan.**
- ❖ **I-SNPs only serve those Medicare beneficiaries that live in the LTC facility.**

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Future Members of an ISNP



Includes Medicare eligible individuals who:

- ❖ **Reside in a long term care facility for 90 days or longer**
- ❖ **No plan for discharge**
- ❖ **Enrolled in Medicare Part A and Part B**
- ❖ **No ESRD**

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Provider Partners Health Plan



- ❖ **PPHP I-SNP is a CMS approved Medicare Advantage Plan for individuals enrolled in Medicare residing in long term care facilities.**
- ❖ **PPHP is sponsored by highly experienced providers in long term care who work with physicians, hospitals and other providers to improve quality and better outcomes for members.**
- ❖ **PPHP's Medicare Approved service area includes: Western Pa: Armstrong, Beaver, Butler, Fayette, Lawrence, Mercer, Washington, and Westmorland and SE PA: Bucks, Chester, Delaware, Lancaster, Montgomery, and Philadelphia.**

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ISNP Advantage For Residents



- ❖ **Nurse Practitioner for clinical management of member care**
 - A Nurse Practitioner to compliment the member's PCP or facility based practitioner and coordinate care across clinicians
 - Clinical management to fill gaps outside of acute episodes and monthly certification.
 - Early identification of potential acute flare ups of chronic issues
- ❖ **Care coordination provided by a Nurse Care Coordinator**
 - Frequency of member interventions is based on risk level
 - Engagement of member and family in disease management.
 - Facilitation of transitions in care, especially hospitalizations

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ISNP Advantage For Residents



- ❖ **Example of possible supplemental benefits beyond what Medicare offers**
 - ❖ Vision – Annual exam and glasses.
 - ❖ Dental – Cleaning, preventive care and comprehensive care.
 - ❖ Hearing – Audiology exam and hearing aides.
 - ❖ Podiatry – Routine care over and above medically necessary
 - ❖ Transportation – Non-emergency medically necessary transport
 - ❖ Attendant benefit with transportation when necessary
 - ❖ Over the counter catalog
 - ❖ Special Supplemental Benefits for Chronically Ill
 - ❖ Beauty Salon visits
 - ❖ Non-medically necessary transportation

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INSP Advantage for Long Term Care Providers



- ❖ Receive PMPM capitation for Part A, & Part B.
- ❖ Utilization and referrals are managed by the facility clinical team.
- ❖ Better care management/coordination takes the burden of navigating the health care environment off the back of the family.
- ❖ Three-day hospital stay rule is eliminated.
- ❖ Pay for Performance (P4P) Bonus pool participation.

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PPHP ISNP Example for Long Term Care Providers



	\$	%	
PMPM From CMS	\$2,000.00	100.0%	} Rate determined via CMS scale based on acuity of plan participants
Care Costs:			
SNF Provider Capitated Payment	530.00	26.5%	} Represents the cost to care for that resident plan member including a monthly payment to provider partner
Hospital Claims Costs	200.00	10.0%	
Other Part A & B Claims Costs	270.00	13.5%	
Part D Drug Claims Costs	300.00	15.0%	
Quality Care Mgmt Cost	200.00	10.0%	
Total Care Costs Before Bonus	1,500.00	75.0%	} Partner eligible to receive additional bonus up to 85% of premium if costs fall below 85%
P4P Bonus	200.00	10.0%	
Total Cost of Care	1,700.00	85.0%	
PMPM Plan Administrative Costs	\$ 300.00	15.0%	

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PPHP ISNP Advantage for Long Term Care Providers



- ❖ **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.**
- ❖ **All Medicare benefit costs are added together to determine total benefit cost. Total Benefit Cost/Total Premium equals Benefit Cost Ratio or Medical Loss Ratio**
- ❖ **ACA mandated Cost Ratio is 85%. Benefit Cost Ratio below 85% is paid as P4P bonus if Quality Metrics are achieved.**
- ❖ **7 Quality Metric adjustment: 0-3=0% paid; 4-5=50% paid; 6-7=100% paid.**
- ❖ **Benefit Cost Ratio above 85% is charged to provider limited to the capitated rate.**
- ❖ **Additional bonus for highest quality pmpm pro rata basis.**

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PPHP ISNP Advantage for Long Term Care Providers



- ❖ **150 Bed Facility with PPHP ISNP enrollment 100 members.**
- ❖ **New revenue from those 100 Long Term Care Residents from capitated payments = \$530 pmpm = \$53,000 per month or \$636,000 per year**
- ❖ **P4P Bonus = \$200 pmpm = \$20,000 per month or \$240,000 per year**
- ❖ **Total increased revenue for a 150 bed facility with 100 PPHP members would be \$876,000**

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ISNP Advantage for Hospitals



- ❖ **Shorter lengths of stay**
- ❖ **No three-day qualifying stay required for members to access skilled SNF benefit**
- ❖ **Reduced Potentially Avoidable Utilization for Preventable Quality Indicator diagnosis**
- ❖ **Reduced 30-day readmission rate**
- ❖ **Communication with the hospital is carried out by local provider clinical team**
- ❖ **Prompt and accurate claims payment**

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ISNP Advantage for Physicians



- ❖ **Additional revenue source.**
- ❖ **Coordination of care and case management is done by local provider clinical team in consultation with primary care physician.**
- ❖ **Physician orders carried out and coordinated by the local provider clinical team.**
- ❖ **Provider friendly pre-authorization process where auths are obtained by LTC center.**
- ❖ **Improved quality of care and better health outcomes of members as measured by HEDIS scores and hospital utilization rates.**

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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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