

Thank you for joining

## **Lilypad Webinar #2**

# **Clinic Designations and Strategies**

Monday November 18, 2019 3:00 EST

We will record this 30-minute webinar and send out a link to the recording as well as the slides after the webinar

All participants will be muted



# What We'll Cover Today

Rural Clinic Designations and Strategy

RHC Fun Facts

POND<sup>®</sup> Program for your clinic

2020 SHIP Grant Opportunity



# Clinic Designations and Strategies

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# Leveraging Practice Designations

- With declining reimbursements, all systems need to leverage available reimbursement opportunities to improve financial performance
- The following opportunities are available to hospitals and systems to improve reimbursements when those practices can meet certain eligibility requirements:

**Opportunity 1:** Convert eligible practices within a health system or at a hospital to a designation that provides the most advantageous reimbursement opportunity

**Opportunity 2:** Realign practices within a health system to leverage reimbursement advantages and additional revenue available to the system

**Opportunity 3:** Integrate specialty practices, when possible, with PB-RHCs under a hospital with fewer than 50 beds to leverage cost-based reimbursement

**Opportunity 4:** Acquire independent practices to leverage provider-based reimbursement opportunities and other additional revenue streams available to hospitals

- This opportunity may not lead to a net positive return; however, it will increase functional, contractual, and governance alignment and the attributed lives associated with the hospital / health system

# Primary Care Clinic Designation Types

- The following table highlights four clinic designations and the possible revenue opportunities associated with each one

Reimbursement Options	FQHC	CAH	<50 Beds	FSHC
		PBC	PB-RHC	
330 Grant	Yes	No	No	No
340B Pharmacy	Yes	Yes	Yes*	No
Un-Capped Technical Charge	No	Yes	Yes	No
Method II Billing	No	Yes	No	No
Tort Reform - Malpractice Savings	Yes	No	No	No
Enhanced PPS Reimbursement	Yes	Yes	Yes	No

\* For non-CAHs, hospital needs to meet DSH % to qualify for 340B

# Opportunity 1: Practice Conversion

- The following highlights the net impact on reimbursements received by converting the available practices from provider-based clinics (PBC) to provider-based Rural Health Clinics (PB-RHC):

Summary Data	Scenario #1 PBC	Scenario #2 PB-RHC >50 Beds	Scenario #3 PB-RHC <50 Beds
Medicare / Medicaid Average	\$ 143.17	\$ 82.30	\$ 183.42
Annual Visits	27,338	27,338	27,338
Reimbursements Received	\$ 3,913,934	\$ 2,249,917	\$ 5,014,296
340B Benefit	n/a	n/a	n/a
Variance w/ PBC (Scenario #1)		\$ (1,664,017)	\$ 1,100,362

- Study Outcomes:**
  - Operating five locations as PB-RHCs under a hospital with fewer than 50 beds led to the highest average reimbursement from Medicare and Medicaid

# Opportunity 2: Practice Realignment

- The following highlights the net impact on reimbursements received by realigning and converting the available practices from free-standing health clinic (FSHC) to provider-based Rural Health Clinics (PB-RHC):

Summary Data	Scenario #1 FSHC	Scenario #2 PB-RHCs under STAC	Scenario #2 PB-RHCs under CAHs
<b>Practices Impact</b>			
Medicare / Medicaid Average	\$ 109.58	\$ 179.82	\$ 181.32
Annual Visits	75,174	75,174	75,174
Reimbursements Received	\$ 8,237,552	\$ 13,517,880	\$ 13,630,349
<b>Critical Access Hospital Impact</b>			
Medicare / Medicaid Reimbursement	\$ -	\$ -	\$ (1,879,112)
340B Revenue	-	-	3,577,538
Reimbursements Received	\$ -	\$ -	\$ 1,698,426
<b>Variance w/ FSHC (Scenario #1)</b>		<b>\$ 5,280,328</b>	<b>\$ 7,091,223</b>

- Study Outcomes:**
  - Operating the three locations as PB-RHCs led to the highest average reimbursement from Medicare and Medicaid
  - The STAC in Scenario #2 did not have a high enough DSH% to qualify for the 340B program

# Opportunity 3: Specialty Integration

- The following highlights the net impact on reimbursements received by integrating a specialty provider-based clinics (PBC) into a provider-based Rural Health Clinics (PB-RHC):

Summary Data	Scenario #1 PB-RHC & PBE	Scenario #2 PB-RHC
<b>Specialty Practice</b>		
Medicare / Medicaid Average	\$ 217.55	\$ 235.57
Annual Visits	2,954	2,954
Reimbursements Received	\$ 642,655	\$ 695,874
<b>Primary Care Practice</b>		
Medicare / Medicaid Average	\$ 174.30	\$ 235.57
Annual Visits	7,378	7,378
Reimbursements Received	\$ 1,285,949	\$ 1,738,036
<b>Variance w/ PB-RHC &amp; PBE (Scenario #1)</b>		<b>\$ 505,306</b>

- Study Outcomes:**
  - Integrating the specialty practice (PBC) with the PB-RHC would lead to an increase in reimbursements of \$505K from Medicare and Medicaid



# Opportunity 4: Practice Acquisition

- The following highlights the net impact on reimbursements received by acquiring and converting a free-standing health clinic (FSHC) to a provider-based Rural Health Clinics (PB-RHC):

Summary Data	Scenario #1 FSHC	Scenario #2 PB-RHC
<b>Independent FSHC</b>		
Medicare / Medicaid Average	\$ 97.03	\$ 197.89
Annual Visits	2,833	2,833
Reimbursements Received	\$ 274,889	\$ 560,622
<b>Critical Access Hospital</b>		
Medicare / Medicaid Reimbursement	\$ 10,044,434	\$ 9,971,421
340B Revenue	-	183,240
Reimbursements Received	\$ 10,044,434	\$ 10,154,661
<b>Variance w/ FSHC (Scenario #1)</b>		<b>\$ 395,960</b>

- Study Outcomes:**
  - Acquiring and operating the clinic as a PB-RHC would lead to an increase in reimbursements of \$396K from Medicare and Medicaid

# Key Takeaways

- Due to continued changes in reimbursement, organizations must continue to evaluate the designations and alignment of practices to optimize reimbursement
  - Although the strategies may be similar across hospitals and systems, there is no one-size-fits-all approach to realize these benefits
- Engage your state agencies, whether hospital associations or the state offices of rural health, to help with HPS
  - Most of these programs require a rural area designation, health professional shortage area (HPSA), and or some other designation to qualify
- Continue to evaluate all opportunities available to the hospital/system to improve reimbursements and financial position

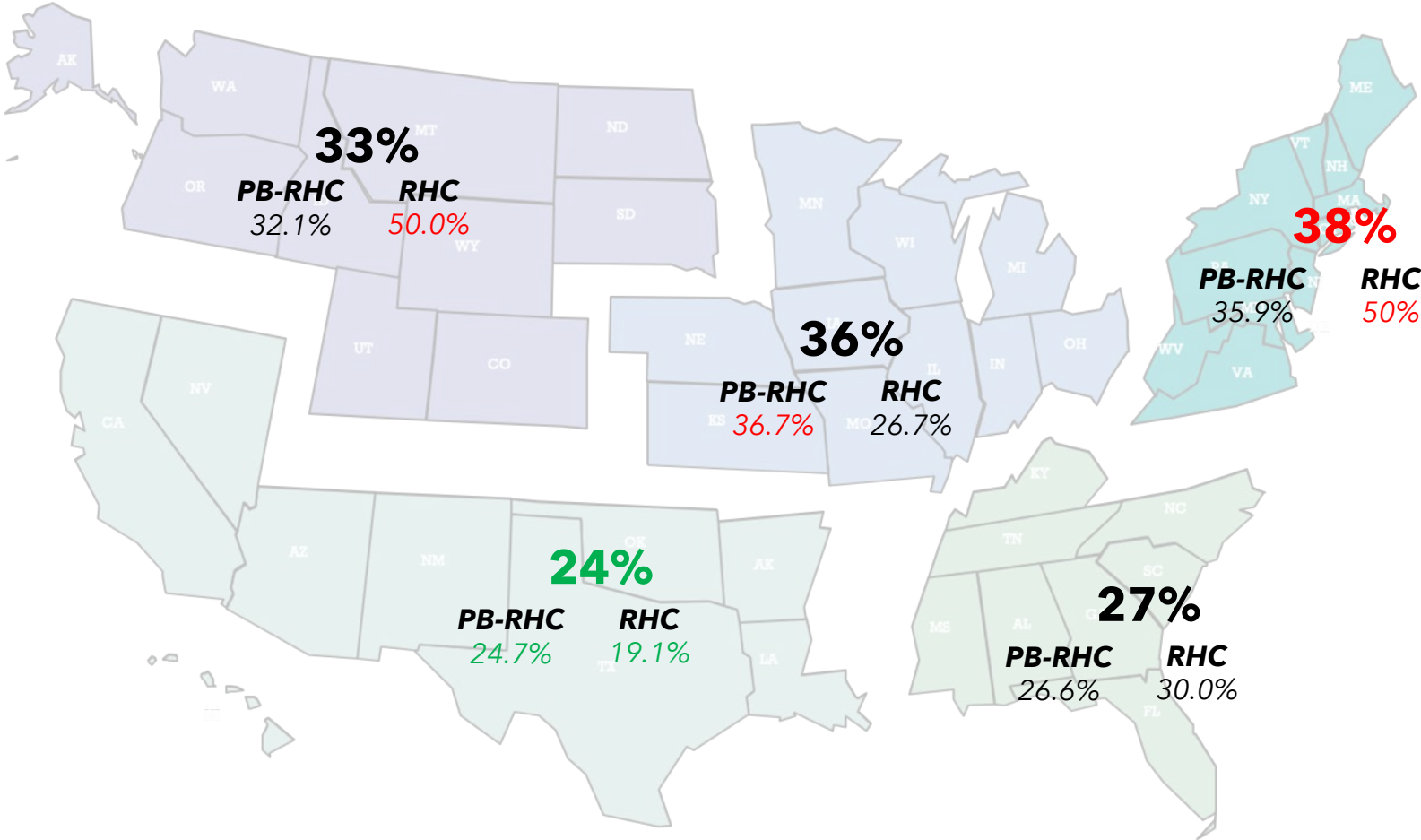
# RHC Fun Facts

Minimum Productivity Thresholds



# Minimum Productivity Thresholds

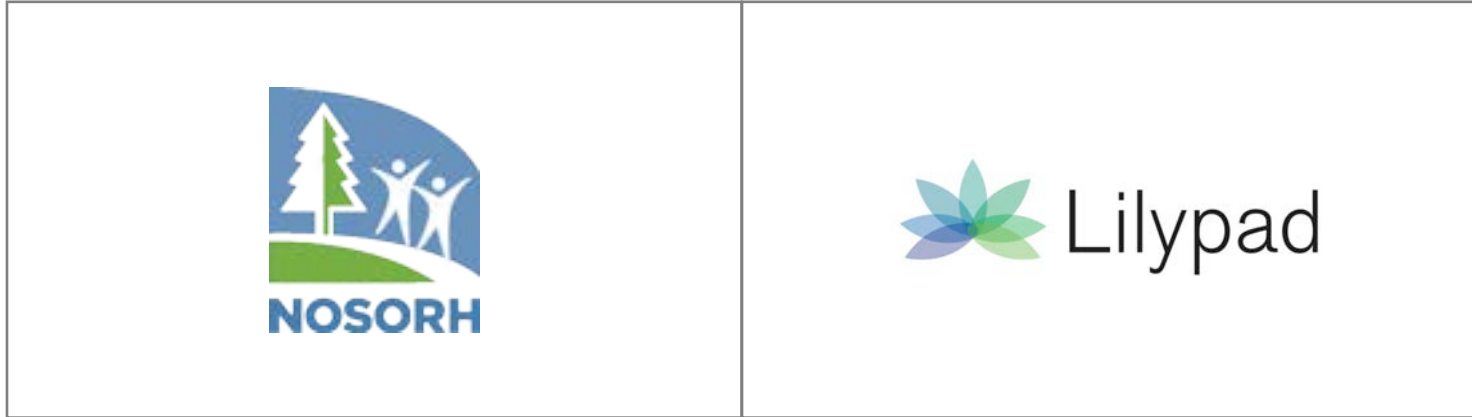
Percentage of Clinics Not Meeting Productivity Standard



# About POND®



# About POND®



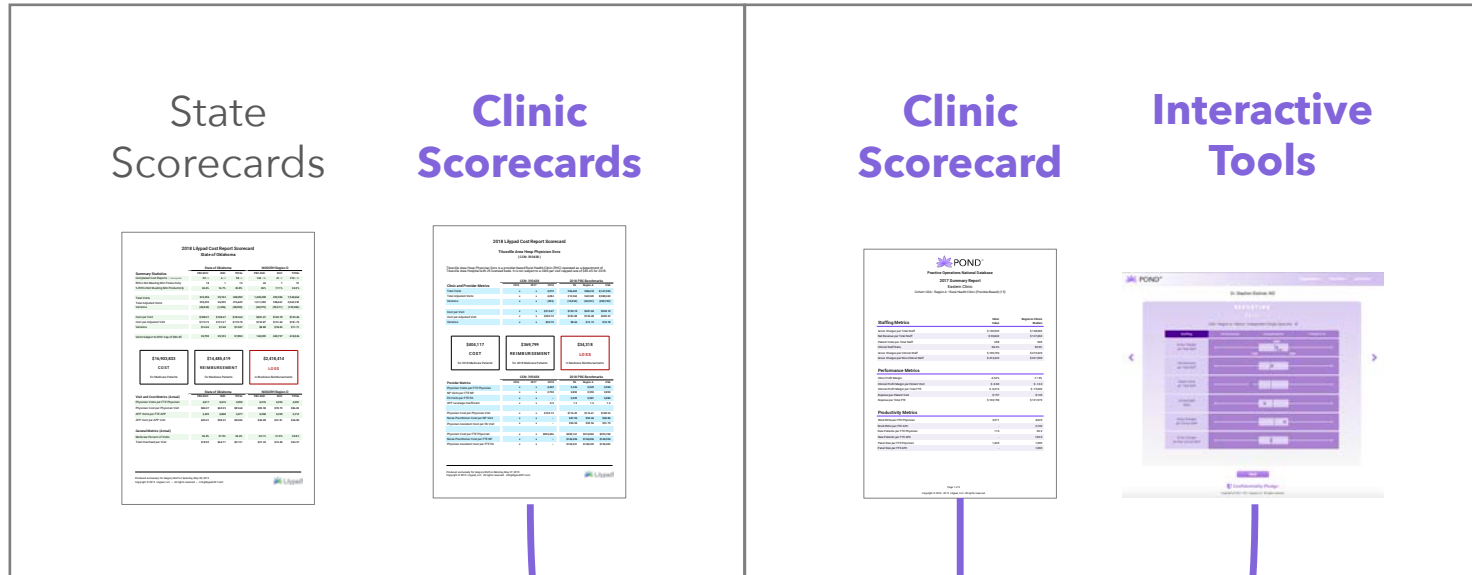
Developed by Lilypad, POND® is the only analytics and benchmarking system dedicated specifically to rural primary care practices



# How Does It Work?

## Cost Report Scorecards

## POND Analytics



To gain access to these reports and tools the required data must be entered into the POND web application



# 2020 SHIP Grant



# SHIP Grant



SHIP allowable investments include activities to assist small rural hospitals with their quality improvement efforts and with their adaptation to changing payment systems through investments in hardware, software and related trainings. This includes aiding with value and quality improvement.

## **Value-Based Purchasing (VBP) Investment Activity**

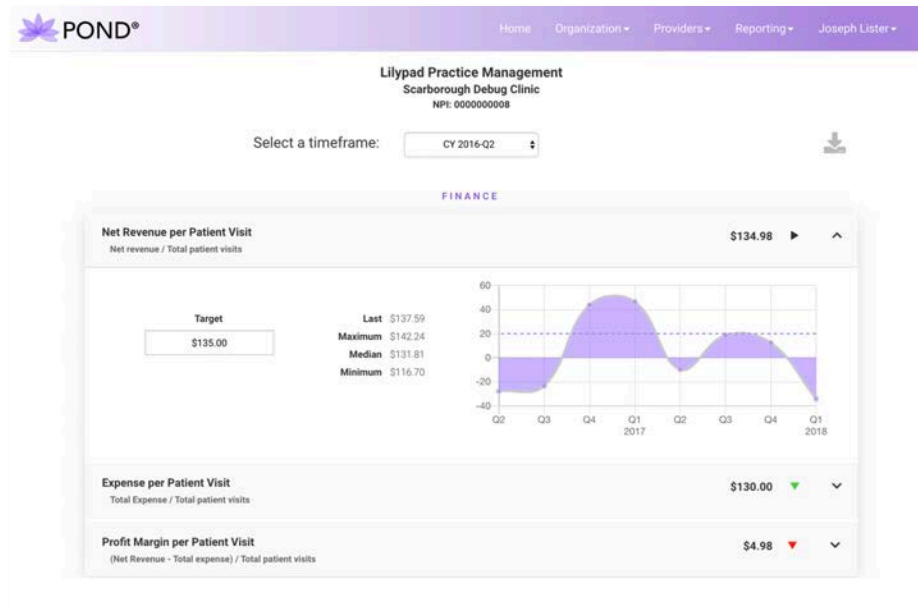
D. Provider-Based Clinic Quality Measures Education

*Any activity that supports educational training for provider-based clinic quality improvement reporting and scores*

**\$12,000**

**Annual per Hospital funding**

# Lilypad's SHIP Grant Offering



**POND<sup>®</sup> Practice Management**  
+  
**Rural Health Clinic Educational Resources**

# Lilypad's SHIP Grant Offering

Lilypad's new Practice Management web application enables RHCs to collect, report and benchmark rural relevant financial, operational and quality metrics every quarter. The tool helps clinical teams set targets, build dashboards and share information among all of your clinic staff and providers. The new Practice Management web application integrates diagnostic and educational resources to ensure your clinic optimizes :

- |   |                            |    |                                 |
|---|----------------------------|----|---------------------------------|
| 1 | PB-RHC Consolidation       | 6  | Patient Panel Development       |
| 2 | Productivity Standards     | 7  | HCC Education and Monitoring    |
| 3 | Optimal Hospital Linkage   | 8  | CCM, TCM and BHI Implementation |
| 4 | 340B Optimization          | 9  | Fair Market Valuation Basis     |
| 5 | Specialty Care Integration | 10 | Quality Measurement/Benchmarks  |

# Join Us Next Month

**Practice Management Best Practices**

Monday, December 16<sup>th</sup> at 3:00 EST



# Thanks for Joining

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