Thank you for joining

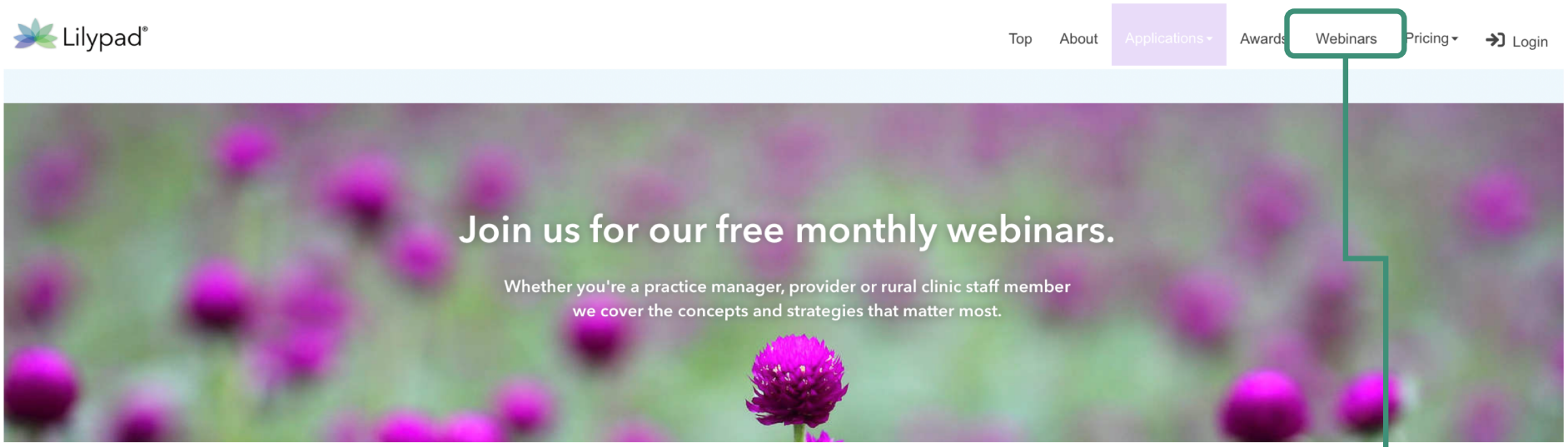
Lilypad Webinar #6

Optimizing RHC Cost Reports

Monday June 22, 2020 3:00 EST

We will record this 30-minute webinar and post a link to the recording as well as the slides after the webinar on our website

All participants will be muted



Lilypad® Webinars Are Free to Register, View or Download

Date	Webinar Topic	Registration	Video	Slides
~~October 16~~	Provider Productivity and Compensation		Watch	Download
~~November 21~~	Clinic Designations and Strategies		Watch	Download
~~December 16~~	Practice Management Best Practices		Watch	Download
~~January 20~~	Practice Alignment - Specialty Care		Watch	Download
~~February 17~~	National and State RHC Rankings		Watch	Download
~~March 23~~	Postponed due to COVID-19			
~~April 20~~	Postponed due to COVID-19			
~~May 18~~	Postponed due to COVID-19			
June 22	Optimizing Cost Reports for RHCs	Register		
July 20	Provider Contracting/Compliance	Register		
August 24	340B Drug Program	Register		
September 21	Clinic Spotlight B	Register		
October 19	Process and Outcomes Quality Measurement	Register		

What We'll Cover Today

Optimizing Medicare Cost Reports for RHCs
2020 RHC Telemedicine Survey

Lilypad®

Rural Health Clinic
Cost Report Opportunities

Monday, June 22, 2020

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Overview

- CMS requires RHCs, and PB-RHCs owned and operated by a hospital, to file a Medicare Cost Report
  - Independent RHCs must file a CMS-222-17
  - PB-RHCs must file a series of M worksheets as a part of the hospital CMS-2552-10 cost report
- The information and accuracy of the cost report can often improve reimbursements received

Opportunities

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1. Consider consolidating RHC for cost report purposes to reduce variation and remove reimbursement variances

	Clinic 1	Clinic 2	Clinic 3	Clinic 4	Clinic 5	Clinic 6	Clinic 7	Combined Totals	Consolidated Totals	Variance
RHC Allowable Cost	$ 397,089	$ 451,751	$ 309,335	$3,014,634	$4,326,832	$2,978,745	$ 349,383	$ 11,827,769	$ 11,827,769	$ -
Visits	1,432	1,883	1,761	15,845	23,906	8,967	1,731	55,525	55,038	(487)
Cost / Visit	$ 277.30	$ 239.91	$ 175.66	$ 190.26	$ 180.99	$ 332.19	$ 201.84	$ 193.61	$ 214.90	$ 21.29
Medicare Visits	395	498	512	4,061	6,260	315	249	12,290	12,290	-
Totals	$ 109,532	$ 119,475	$ 89,937	$ 772,637	$1,133,020	$ 104,640	$ 50,258	$ 2,379,499	$ 2,641,144	$ 261,645

- Hospitals must receive approval to consolidate cost reports
- The consolidation of practice cost-reports can also improve the financial performance of the combined practices as seen above
  - Independents: S-1 Part I, Row 13
  - Provider-Based: S-8, Row 13

Consolidated Cost Report	
13	Is this RHC filing a consolidated cost report per CMS Pub. 100-02, chapter 13, §80.2? Enter "Y" for yes or "N" for no in column 1. If column 1 is yes, complete columns 2 through 4, and line 14, beginning with subscripted line 14.01. If column 1 is no, leave line 14 blank. (see instructions)

Opportunities

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2. Evaluate FTEs used for cost report purposes as Medicare uses the greater of actual or minimum visits to determine cost-based rates

VISITS AND PRODUCTIVITY

	Positions	Number of FTE Personnel	Total Visits	Productivity Standard (1)	Minimum Visits (col. 1 x col. 3)	Greater of col. 2 or col. 4	
		1	2	3	4	5	
1	Physicians						1
2	Physician Assistants						2
3	Nurse Practitioners						3
4	Subtotal (sum of lines 1-3)						4
5	Visiting Nurse						5
6	Clinical Psychologist						6
7	Clinical Social Worker						7
7.01	Medical Nutrition Therapist (FQHC only)						7.01
7.02	Diabetes Self Management Training (FQHC only)						7.02
8	Total FTEs and Visits (sum of lines 4-7)						8
9	Physician Services Under Agreements						9

- The following presents the net financial impact due to the failure to meet the minimum productivity threshold

	Actual Visits	Minimum Productivity	Variance
Fully Allocated Cost	$ 10,305,753	$ 10,305,753	$ -
Visits	59,589	70,645	11,056
Reimbursement per Visit	$ 172.95	$ 145.88	$ (27.07)
Medicare Visits	9,704	9,704	-
Medicare Reimbursements	$ 1,678,280	$ 1,415,628	$ (262,652)

Opportunities

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3. Evaluate integration of specialty providers into PB-RHCs to leverage cost-based reimbursement and pursue other revenue opportunities

Summary Data	Scenario #1 PB-RHC & PBC	Scenario #2 PB-RHC
Specialty Practice		
Medicare / Medicaid Average	$ 217.55	$ 235.57
Annual Visits	2,954	2,954
Reimbursements Received	$ 642,655	$ 695,874
Primary Care Practice		
Medicare / Medicaid Average	$ 174.30	$ 235.57
Annual Visits	7,378	7,378
Reimbursements Received	$ 1,285,949	$ 1,738,036
Variance w/ PB-RHC & PBC		**$ 505,306**

- The integration of specialty providers can impact reimbursements received and allow the expansion of specialty providers into rural communities due to the reimbursement methodology applied to RHCs

Opportunities

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4. Evaluate the charge structure of the RHC, particularly PB-RHCs, since the Beneficiary coinsurance for PB-RHCs is 20% of charges

	CALCULATION OF SETTLEMENT			
10.00	Program covered visits excluding mental health services (from contractor records)	0	15,622	10.00
11.00	Program cost excluding costs for mental health services (line 9 x line 10)	0	5,017,630	11.00
12.00	Program covered visits for mental health services (from contractor records)	0	0	12.00
13.00	Program covered cost from mental health services (line 9 x line 12)	0	0	13.00
14.00	Limit adjustment for mental health services (see instructions)	0	0	14.00
15.00	Graduate Medical Education Pass Through Cost (see instructions)			15.00
16.00	Total Program cost (sum of lines 11, 14, and 15, columns 1, 2 and 3) *	0	5,017,630	16.00
16.01	Total program charges (see instructions)(from contractor's records)		2,814,700	16.01
16.02	Total program preventive charges (see instructions)(from provider's records)		53,297	16.02
16.03	Total program preventive costs ((line 16.02/line 16.01) times line 16)		95,009	16.03
16.04	Total Program non-preventive costs ((line 16 minus lines 16.03 and 18) times .80) (Titles V and XIX see instructions.)		3,752,982	16.04
16.05	Total program cost (see instructions)	0	3,847,991	16.05
17.00	Primary payer amounts		0	17.00
18.00	Less: Beneficiary deductible for RHC only (see instructions) (from contractor records)		231,393	18.00
19.00	Beneficiary coinsurance for RHC/FQHC services (see instructions) (from contractor records)		505,934	19.00
20.00	Net Medicare cost excluding vaccines (see instructions)		3,847,991	20.00
21.00	Program cost of vaccines and their administration (from Wkst. M-4, line 16)		117,850	21.00
22.00	Total reimbursable Program cost (line 20 plus line 21)		3,965,841	22.00

- The average coinsurance per Medicare beneficiary visits was roughly $32 based on the charge structure
  - RHCs must ensure they remain competitive since no direct correlation exists between the beneficiary cost and the total cost of the program

Opportunities

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5. Evaluate the number of vaccines given and make a strategic priority for the clinic to offer vaccines to patients in need

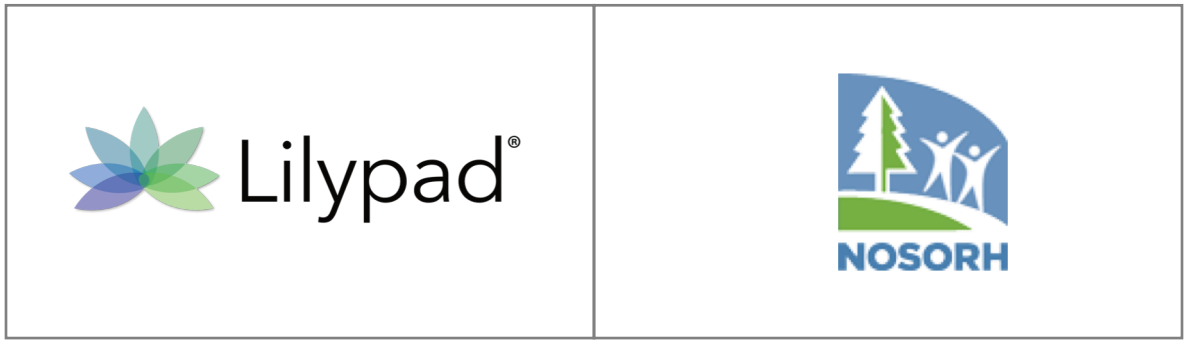
		Pneumococcal	Influenza	
		1.00	2.00	
1.00	Health care staff cost (from Wkst. M-1, col. 7, line 10)	5,256,191	5,256,191	1.00
2.00	Ratio of pneumococcal and influenza vaccine staff time to total health care staff time	0.000711	0.002058	2.00
3.00	Pneumococcal and influenza vaccine health care staff cost (line 1 x line 2)	3,737	10,817	3.00
4.00	Medical supplies cost - pneumococcal and influenza vaccine (from your records)	49,134	13,051	4.00
5.00	Direct cost of pneumococcal and influenza vaccine (line 3 plus line 4)	52,871	23,868	5.00
6.00	Total direct cost of the hospital-based RHC/FQHC (from Worksheet M-1, col. 7, line 22)	6,725,627	6,725,627	6.00
7.00	Total overhead (from Wkst. M-2, line 19)	5,153,928	5,153,928	7.00
8.00	Ratio of pneumococcal and influenza vaccine direct cost to total direct cost (line 5 divided by line 6)	0.007861	0.003549	8.00
9.00	Overhead cost - pneumococcal and influenza vaccine (line 7 x line 8)	40,515	18,291	9.00
10.00	Total pneumococcal and influenza vaccine cost and its (their) administration (sum of lines 5 and 9)	93,386	42,159	10.00
11.00	Total number of pneumococcal and influenza vaccine injections (from your records)	353	602	11.00
12.00	Cost per pneumococcal and influenza vaccine injection (line 10/line 11)	264.55	70.03	12.00
13.00	Number of pneumococcal and influenza vaccine injections administered to Program beneficiaries	311	508	13.00
14.00	Program cost of pneumococcal and influenza vaccine and its (their) administration (line 12 x line 13)	82,275	35,575	14.00
15.00	Total cost of pneumococcal and influenza vaccine and its (their) administration (sum of cols. 1 and 2, line 10) (transfer this amount to Wkst. M-3, line 2)		135,545	15.00
16.00	Total Program cost of pneumococcal and influenza vaccine and its (their) administration (sum of cols. 1 and 2, line 14) (transfer this amount to Wkst. M-3, line 21)		117,850	16.00

- The practice evaluated had over 36K visits; however, provided fewer than 1K total vaccines
  - The average cost per Pneumococcal vaccine $264.55 and Influenza vaccine was $70.03: significantly higher than non-cost-based payors reimburse

About POND®

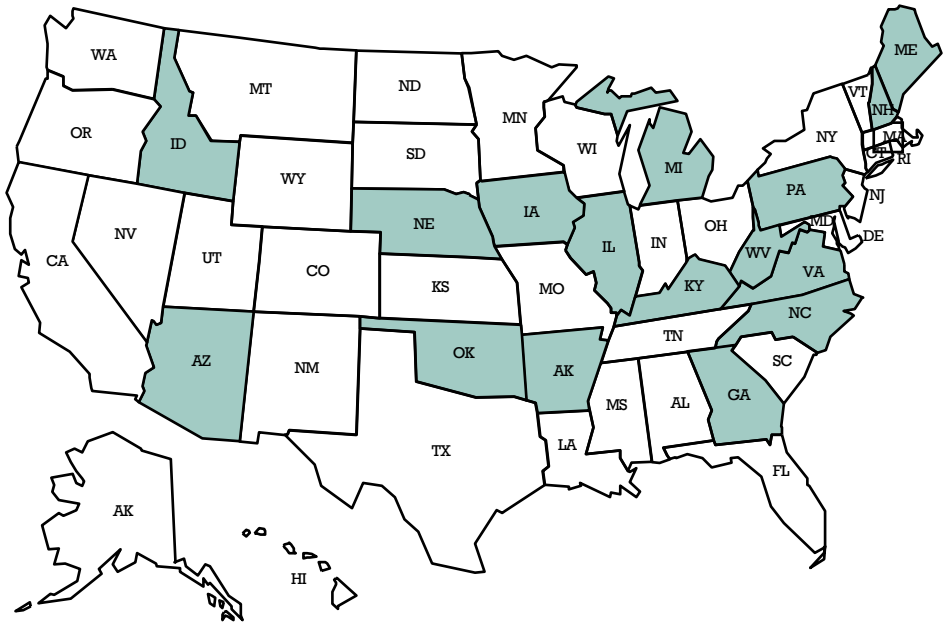
Lilypad®

Practice Operations National Database®



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

Our Current States



If you are located in one of these states you have access to the POND program right now

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How Does It Work?

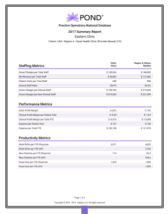
Cost Report Scorecards

State Scorecards

Clinic Scorecards

POND Analytics

Clinic Scorecard



Interactive Tools

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

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2020-2021 SHIP Grant

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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

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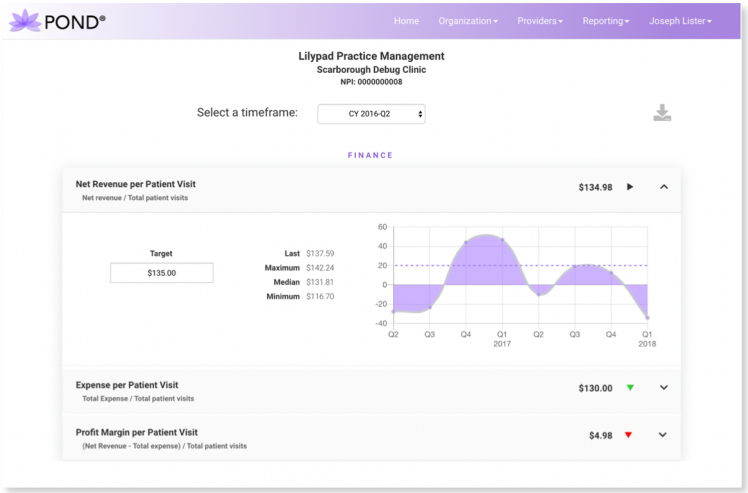
Lilypad's SHIP Grant Offering



POND® Professional
+
Rural Health Clinic Educational Resources

Lilypad®

Lilypad's SHIP Grant Offering

Lilypad's new POND Professional 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 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
2. Productivity Standards
3. Optimal Hospital Linkage
4. 340B Optimization
5. Specialty Care Integration
6. Patient Panel Development
7. HCC Education and Monitoring
8. CCM, TCM and BHI Implementation
9. Fair Market Valuation Basis
10. Quality Measurement/Benchmarks

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Join Us Next Month

Provider Contracting/Compliance

Monday, July 20th at 3:00 EST

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Thanks for Joining

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