



Three Steps to Prepare for Managed Care

eBook

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Managed Care Organizations are here.

The Long Term and Post-Acute Care (LTPAC) industry is familiar with what Medicaid Managed Care is as it isn't a new model. Simply stated, Medicaid Managed Care means that there is no one reimbursement source as is typical of Medicaid structure. For example, a Skilled Nursing Facility (SNF) would create a claim for resident services rendered and bill Medicaid for payment. Now multiple insurance companies are competing to be accepted to the state in order to become part of the reimbursement model narrative. This means that in certain states where Medicaid was the only source of payment, now multiple insurances are reimbursing for Medicaid as part of a Managed Care Organization (MCO).

This shift in the model affects SNFs in many ways. Firstly, this means that MCO payers are part of the case mix. Now SNF providers are required to negotiate contracts with MCOs that have been selected by states to manage their patient populations. Instead of having a single contract with the state, SNF providers may have contracts with multiple MCOs. These changes in the LTPAC market are putting pressures on SNF providers to change their business practices or even their entire business models.

So how does a SNF prepare to accommodate both what an MCO needs as well as assist the clinical and financial teams within a facility? Check out these three easy steps to help your facility prepare for the Managed Care model.

1. Create a new culture for your facility

As with any change management effort within an organization, communication is essential. Schedule educational sessions with your clinical and financial teams to learn how the MCO contracting system works. Identify the plan requirements; the business process reengineering needed to accommodate case management or billing systems; and the new culture that will enhance clinical and financial teamwork.

2. Enhance facility staff systems, technology, & business processes

Consider how the staff in your facility is structured. The introduction of a dedicated Managed Care Administrator to the staff is beneficial to managing the contract negotiation with an MCO as well as ensuring

that all plan requirements are met in both clinical and billing processes. A single point of contact to manage MCO contracts, plans, and communication will go a long way toward ensuring timely reimbursement.

Ensure that your technology vendor is automating the everyday tasks to manage MCO requirements of patient eligibility and benefits verification from candidate to resident intake, during length of stay, and prior to billing post discharge. Confirm that your billing system has the ability to manage multiple payers and plan requirements. Conduct practice billing sessions to test billing practices, edit checks, eligibility and audit procedures. These practice billing sessions should be structured to accommodate payer-specific claim requirements.

Safeguard against business interruptions with a cash reserve to reduce risk in cash flow. Some MCO programs have longer reimbursement schedules than traditional Medicaid reimbursement. The foresight to address possible cash flow pauses will benefit the business overall.

3. Strengthen your business value

Be sure to define the value proposition of your facility to the MCO. Telling your story of care delivery in the community will assist in contract negotiations with MCOs. Explain what services you provide as well as the types of residents and the geography you serve. Describe your model of care and how your staffing model supports the care delivery. Describe your approach to providing person-centered care and your care transition model that you offer today.

Regarding care quality and performance, you should describe your continuous quality improvement process and how you resolve issues. Be sure to share your performance on key quality metrics such as resident satisfaction scores, readmission rates to the hospital, fall rates, medical error rates, and occurrences of pressure ulcers, weight loss, and infections.

By including these three easy steps in your strategy to prepare for the Managed Care model, you will be set up for success. Get your staff focused on how the Managed Care model works and the value they bring to the business; ensure that your business processes and technology systems enable program compliance; become skilled in describing your business value position.

About the Author

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Lorraine Lodigiani manages the financial and revenue cycle solutions at American HealthTech to help Long Term Post-Acute Care providers have a seamless product experience when managing their billing, financial, and business operations. Her articles have appeared in a number of healthcare financial news articles and blogs, including Provider magazine and McKnight's, with a focus on the latest technology innovations, best practices of revenue cycle management, and financial management.

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