Respite/Recuperative Care Partnerships with Managed Care Organizations

Ted Amann, MPH, RN

Director of Health System Development

Central City Concern

Portland, OR

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About Central City Concern

- Formed in 1979 as a 501(c)3 non-profit organization
- Provides housing, health and employment services to more than 13,000 unduplicated individuals yearly
- $41 million annual budget
- 600+ employees
- 46% of CCC employees self identify as being in recovery from substance abuse disorders. (650 employees)
- 25% of CCC employees are former recipients of our continuum of care.

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Terminology
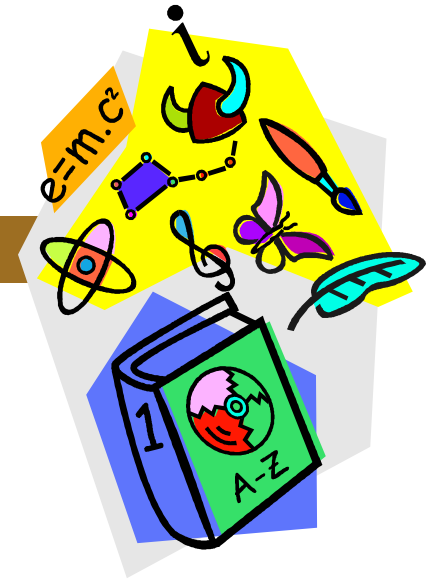
- "Respite" or "Recuperative"
- CCC's program = Recuperative Care Program (RCP)

- "HMO" = Health Maintenance Organization
- "MCO" = Managed Care Organization

Overview

- Reimbursement for Recuperative Care

- Building MCO Partnerships

- Formalizing Agreements

- Challenges

- Quality indicators

- Cost Savings

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Reimbursement for RCP

RCP's Standard Reimbursement Model

- Hospital pays case rate per accepted referral
- Same rate regardless of LOS
- Two-tiered rate for insured vs uninsured

RCP's MCO Reimbursement Model

- MCO pays case rate per accepted referral
- Prorated by week if LOS < 30 days
- Single rate because all are insured

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MCO Payments for RCP

- Billing Code = G9006 "Coordinated Care Fee, Home Monitoring"

- Billed at time of discharge on CMS 1500 Billing Form

- Case rate based on 30-day Length of Stay (LOS)
  - Prorated by week if LOS < 30 days

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Building Partnerships with MCOs

You might feel like the "little guy" compared to the "big insurance company"…

But you have something they don't…

A proven method to decrease hospital costs while improving health outcomes for vulnerable patients.

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RCP's MCO Partnerships

- Program was already succeeding with multiple hospital partners
- Targeted outreach & marketing to contacts inside MCO
- Data was available to demonstrate decreased hospital LOS and decreased hospital recidivism
  - "*It practically sells itself*", MCO's Medical Director
- Hospital d/c planners as references
- Invite them to see your program
  - "Dog & Pony Show"
  - Tour of facilities
  - Include hospital partner

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Formalize the Agreement

Get it in writing!

Contract + Fee Schedule
- Your responsibilities
- Their responsibilities
- Single point of contact
- Data exchange
- Billing & payment

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Challenges

- Not all referrals will be approved
  - Hospital might have referral "if MCO will pay" but not willing to spend their own money on that case
  - You might spend 2 hours working up the case and pitching it to MCO only to have them decline
  - You may have to help hospital look for other alternatives
- Invest in the relationship
  - Even if you don't get the referral the work and good will pays dividends down the road
  - Don't just butt heads – stay solution focused
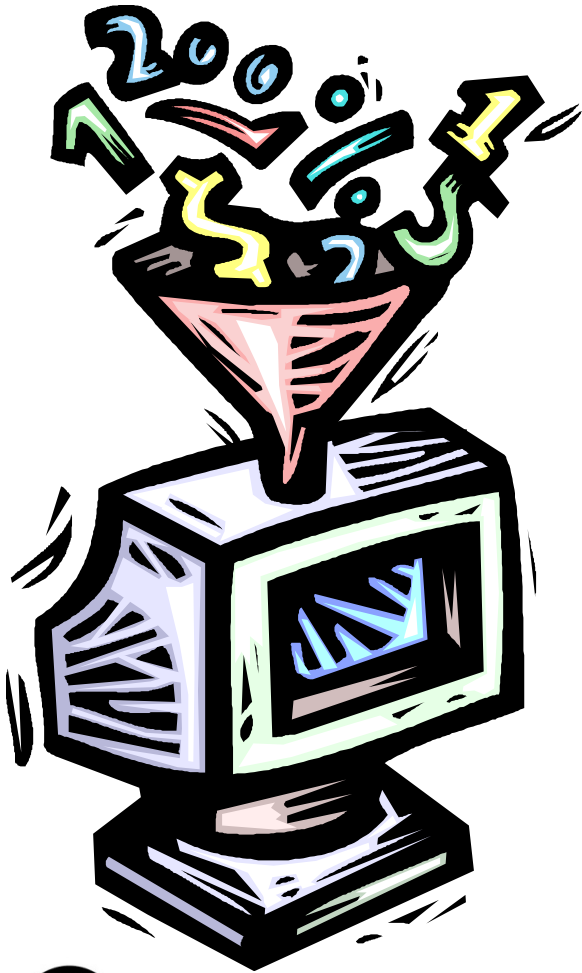 - Sometimes you have to let go

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Communication

- Communicate, Communicate, Communicate….
  - Then communicate some more ☺
- Maintain regular contact with MCO while pt is in program
- You are both "invested" in this pt now
- No surprises if patient ends up "unsuccessful"
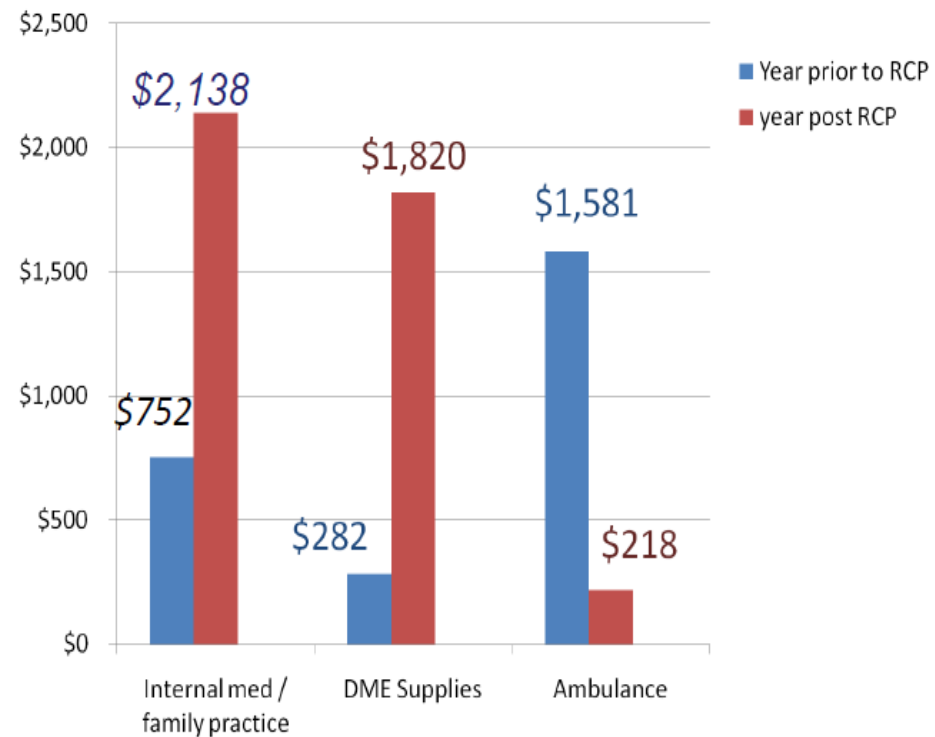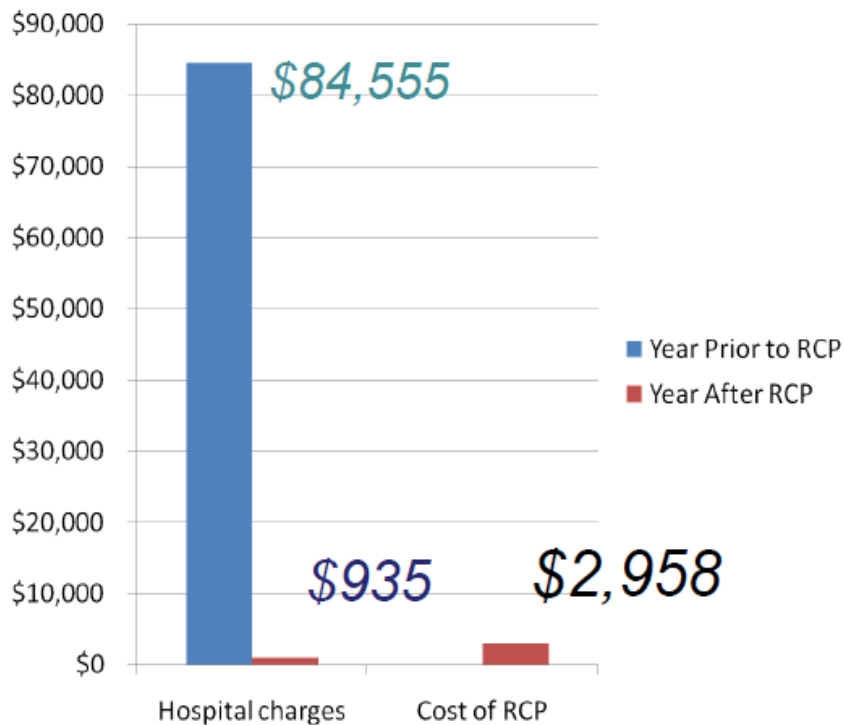- Regular positive feedback when patient's doing well

Data Tracking

- # of pts accepted
- Referral Source
- Payer (Pt could be referred by Hospital X but paid by MCO)
- Admit Date
- Primary Dx
- Discharge Date
- Status of Primary Dx at d/c
- Engaged in Primary Care?
- Housing at d/c
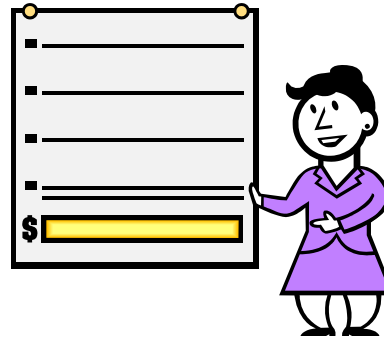
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Cost Savings

Cost Savings

- Reduced Length of Stay
- Fewer re-admissions
- Fewer Emergency Dept visits
- Fewer ambulance transports

The Bottom Line

If they renew the contract then you know it's saving them money.

Summary

- Be confident and professional
- You have a valuable product – people will want to buy it if you market it well
- Hospital partners are your allies – if you get the MCO contract then they get someone to pay for their referrals!
- Simple financial models are easier for everyone
  - Remember: billing requires infrastructure
- Get it in writing
- Communicate

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Thank you!

Providing comprehensive solutions to ending homelessness and achieving self-sufficiency.

Ted Amann, MPH, RN
Director of Health System Development
Ted.Amann@CCConcern.Org
503-200-3917 office | 503-481-2412 cell

www.ccconcern.org