ASC - PPO Out of Network Payments are Not Dead!

ASC BILLING SPECIALIST, LLC

Kelly Webb - CEO

Webinar Outline:

1) Your ASC is not a Hospital! So why run your business strategy like a hospital.

2) ASC – Not compete for Medicare patients with the local hospital.

3) The Medicare margin is not for an ASC.

4) Why – PPO Insurance is a match.

5) Payer Mix is Crucial

6) Policy Policy Policy

Webinar Outline (cont'd.) :

7) Transition from In to Out in Phases.

8) The Patience of 90 day A/R is rewarding.

9) Your Cash Fee Schedule helps determine your reimbursements.

10) Fallacy = "You can make it up on volume".

11) Your Specialty gets paid in a range by different plans and policies.

Your ASC is not a Hospital

Business Revenue of Hospital

- 1) ICU
- 2) Cardiac Unit
- 3) Pediatrics Unit
- 4) Pharmacy
- 5)Emergency Room-Trauma
- 6) X-ray Dept
- 7) Patients Room overnight. Meals
- 8) Ancillary Surgery /General Surgery
- Cash register “Ka-ching” on admission.
- Multiple lines of Revenue based on Census.

ASC has ONE line of Revenue

- Low-risk Surgical and Diagnostic Procedures to Patients Who
- Do Not Require Hospitalization

Exhibit 1
Top 20 Surgical Procedures by Volume, CY 2009 ASC Claims

Rank	Procedure Short Descriptor	Volume	% of Total Volume
1	Cataract removal with IOL lens insert, 1 stage	1,150,342	20.6%
2	Upper Gastrointestinal (GI) endoscopy with biopsy	441,591	7.9%
3	Colonoscopy with biopsy	341,161	6.1%
4	Colonoscopy, diagnostic	290,385	5.2%
5	Laser surgery (lens)	272,248	4.9%
6	Colonoscopy with lesion ablation or removal	232,258	4.2%
7	Injection spine: lumbar, sacral (caudal)	229,137	4.1%
8	Injection foramen epidural: lumbar, sacral	207,053	3.7%
9	Inject paravertebral f jnt l/s, 1 lev	125,918	2.3%
10	Colorectal cancer screening; high-risk individual	92,715	1.7%
11	Cataract removal, IOL lens insert prosthesis, complex	76,136	1.4%
12	Colorectal cancer screening; low-risk individual	76,093	1.4%
13	Colonoscopy with lesion ablation or removal	74,091	1.3%
14	Upper GI endoscopy, diagnostic	73,003	1.3%
15	Cystoscopy	72,286	1.3%
16	Injection, lumbar or sacral, add-on	60,674	1.1%
17	Injection spine, single	53,220	1.0%
18	Destruction paravertebral by neurolytic agent	45,035	0.8%
19	Flaps with excessive skin weighting down lid	44,936	0.8%
20	Injection procedure for sacroiliac joint	41,499	0.7%
	Total Surgical Procedure Volume	**5,577,280**	**71.7%**

Source: derived from CMS analysis of ASC CY 2009 claims data

When stratified by specialty category, ASC volume for conditions related to Gastrointestinal, Eye, Nervous System, Musculoskeletal, Skin, and Genitourinary historically constitute the largest percent of total volume. These specialty categories, displayed in Exhibit 2 below, accounted for 98.5 percent of total volume in 2009.

Exhibit 2
Specialty Category by Volume, CY 2009 ASC Claims

Rank	Specialty Category	Volume	% of Total Volume
1	Gastrointestinal	1,823,520	32.7%
2	Eye	1,792,334	32.1%
3	Nervous System	1,059,304	19.0%
4	Musculoskeletal	370,195	6.6%
5	Skin	238,160	4.3%
6	Genitourinary	207,482	3.7%
	Total Volume	**5,577,280**	**98.5%**

Source: derived from CMS analysis of ASC CY 2009 claims data

CMS Has Observed Substantial Recent Growth in Medicare-certified ASCs. This Growth Has Increased the Role and Importance of the Ambulatory Setting in Providing Low-risk Surgical and Diagnostic Procedures to Patients Who Do Not Require Hospitalization. The Statistics Below Describe the Growing Role of ASCs in the Healthcare System3:

- ASCs served 3.3 million Medicare beneficiaries in 2008;
- The number of Medicare-certified ASCs totaled 5,175 in 2008;
- Spending on ASC services reached $3.1billion in 2008, an increase of 9.7 percent;
- Between 2003 and 2008, ASCs had a growth rate of 5.1 percent; and
- Between 2003 and 2008, physicians and/or investors opened 331 new facilities annually. An average of 59 ASCs closed or merged.

PPO Insurance *is* Americans Choice

- Increase in Health Saving Accounts/Flex Accounts
- Consumer Directed Health Plan (CDHP) jumped to 32% in 2011
- Health Savings Account (HSA) 27% of large employers
- Health Reimbursement Account (HRA)
- Informed patients call ASCs about infection rates

As Americans seek a more active role in their health care, they demand more choice and greater flexibility in accessing provider services.

- additional choice in provider selection,
- greater access to medical services,
- tremendous flexibility in obtaining benefits,
- long-term doctor-patient relationships are solidified.

158 million individuals enrolled in PPOs become even clearer on realization that of all Americans having health insurance, 64 percent are enrolled in PPOs.

- Take control in selecting the provider of choice,
- Receive benefit coverage when selecting a provider,
- PPOs provide consumers exactly what they want.

Consumer Directed Health Plan (CDHP) is Largest Growth area in 2011
Greater access, choice and flexibility.

203 Million Americans enrolled in PPOs
69% of all Americans have PPO healthcare.

CDHP
\+ 33 million enrolled 97% are in PPO's

HMO benefit cost average $8,892 per employee.

PPO benefit cost average $8,781 per employee.

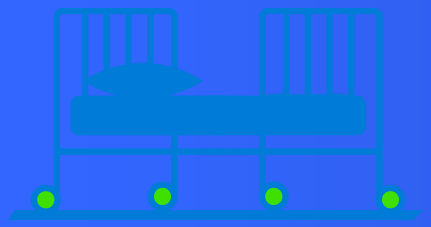
Demand for PPO & out of network Increasing.

Source: American Association Preferred Provider Organizations. April 2011

Why - Payer Mix is Crucial

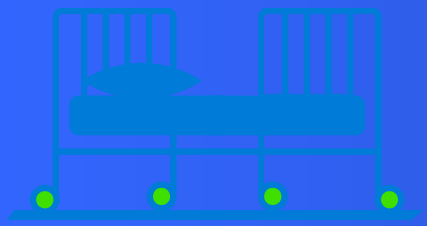
Where does your ASC get it's money from?

Analyze the mix of Insurance in local area
Florida – 55% to 65% Medicare
3 Commercial Plans



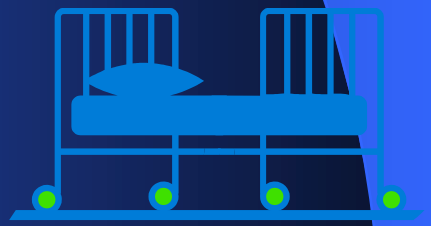
What % of Providers business is Commercial vs. Medicare?

Who are Ancillary Provider Specialists in area?



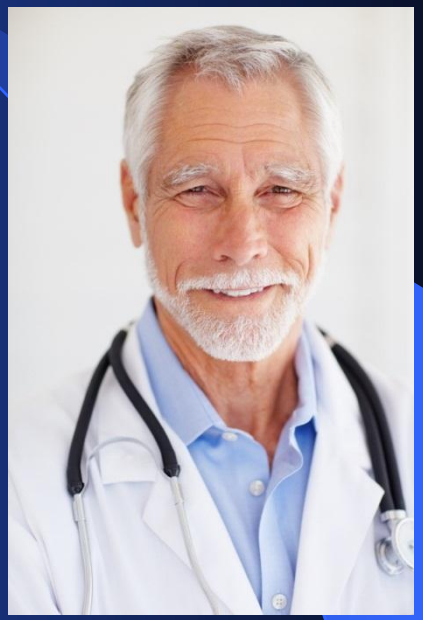
How many other ASC?

How many Hospitals?



Are Out of Network Benefits Dead?

- No … Not yet
- Many Rumors & Myths
- Fear /Concern
- Is it Legal to Bill Out of Network?
- Unsettled Times
- Will the Government Run Healthcare?



Benefit Policy - Policy - Policy

Ask your patients to bring in the Provider Policy manual.
Read it.

Blue Cross may have 18 different payment plans
by policy in your city.

Blue Shield OON policy sends checks to patients.
They should pre-pay the ASC
Liens?

Patient Insurance Premiums paid by Employer and Employee.
Contract with the patients for coverage.

The service of billing and patients a service of courtesy to assist the patient.

Providers and Ancillary services that don't collect deductibles, copay
and co-insurance go out of business.

Transition from In to Out in Phases.

Know your payer mix

Check Contract for 90 day out clause

Where do your patients come from?

- Internet
- Friends
- Family
- Social Networking
- Referring Doctors

Many doctors become cash only providers

Your ASC Procedure expenses determine your baseline for reimbursement per case.

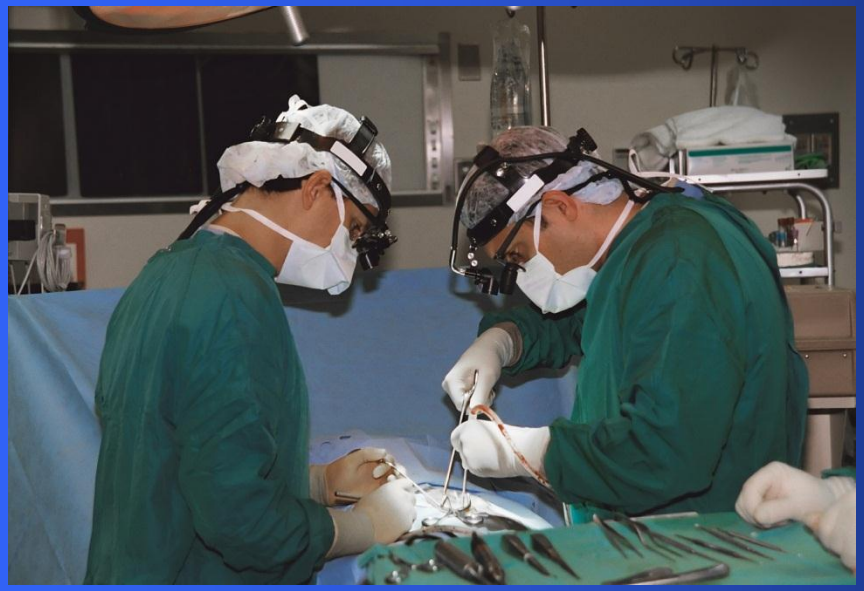
How do I do Out of Network?

How much am I going to get paid?

Policies vary across plans per employer group

Need to know your expenses – lights – scalpel – FTE

Establish your cash price with profit margin



The Patience of 90 day A/R is rewarding.

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- Why does the medical industry allow the most important business aspect of cash flow be conducted by a $9/hr six week certificate employee?
- Line item denials
- More than 3 cpt codes additional lines unpaid.
- Re-opened claims with claims department not appeals.
- UHC – Reopen appeal claims form Sign by patient upon admission to ASC

UnitedHealthcare
PO Box 30555
Salt Lake City, UT 84130

Member Authorization Form for a Designated Representative to Appeal a Determination

DATE: _____

Member Name: _____

Member#: _____

I hereby authorize _____ to appeal UnitedHealthcare's determination concerning _____

on my behalf, as my Designated Representative, and, as part of the appeal, I hereby authorize UnitedHealthcare in its decision letter and in connection with the processing of my appeal, to communicate with my Designated Representative in all aspects of the appeal. I understand that these communications may contain the following:

> All medical and financial information contained in my insurance file, including but not limited to treatment for venereal disease, alcoholism and drug abuse, abortion, mental disorder and HIV status relating to my examination, treatment and hospital confinement in connection with the determination which is being appealed.

I understand this information is privileged and confidential and will only be released as specified in this authorization, or as required or permitted by law. This authorization is valid for a period of one year.

_____
Signature of Member or Legal Guardian/Representative

_____ Signature of Witness _____ Designated Representative (Check one)

_____
Name of Witness/Designated Representative (Please Print)

_____
Title (if an provider's staff) or Relationship to Member

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