Slide 1

NEXT-GEN
HOME HEALTH V.2.0

COMPLIANCE
STRATEGIES

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Slide 2

Overview:
1997 - IPS to PPS
2005 - DRA & CARE Item Set
2007 - Pay 4 Performance
2010 - ACA
2014 - IMPACT Act
2016 - Pre-Claims Review
Predictive Modeling in Home Health Auditing
STARS Outcomes
Volume to Value - Re-Hospitalization Rates
Home Health in 2020
Utilization Review
Rapid RAP Submissions

NextGEN - Survive then Thrive

Slide 3

Medicare 1965 – 1998

- Program Established
- Definition of Services is Evolve
- Already Complaining about Costs
- Rigid Eligibility Standards
- Prior Hospital Discharge Only
- OBRA 1980
- Duggan V Bowen
- IPS to PPS

NextGEN - Pre-Claims Review & Value Based Purchasing
Although the initial impetus for establishing home healthcare was charitable, the Metropolitan Life Insurance Company (MetLife) discovered that by providing home health care, it could prolong life while collecting premiums and abstaining from death benefit payments.

Yet the model experienced a requisite shift in focus in the 1920s stemming from a decrease in contagious diseases coupled with the proliferation of chronic illnesses, such as heart disease, diabetes, and stroke (Buehler-Wilkinson, 2007).

MetLife and other insurers found that providing more care did not improve outcomes and sought to limit visits and eliminate the type of personal services offered.

Ultimately, MetLife discontinued home nursing services, determining it unprofitable (Buehler-Wilkinson, 2007).

In general, most of these studies did not find significance in either hypothesized direction (i.e., more home care, less potentially adverse outcomes or less home care, more potentially adverse outcomes) between the utilization of home care services and the incidence of these utilization-defined outcomes.

Shaughnessy, Schlenker, and Hittle (1994b) found significant differences in other outcome measures between Medicare care users in capitation and FFS, but not for the incidence of hospitalization, Schore (1994, 1995).
MedPac 2015

Re-Hospitalization Rate - 27.5%

Quality of care Performance on quality measures did not change significantly. The share of beneficiaries hospitalized during their home health spell was 27.5 percent, similar to the rate in prior years.

Incentives Change:
- P4P Now VBP
- Save CMS money, and they will share

Managing vs. Reporting Quality Metrics
- Proactive vs. Reactive

NextGEN – Must = 10% or less...

Compliance

In 1995, Operation Restore Trust, a joint effort by federal and several state agencies to identify fraud and abuse in Medicare and Medicaid, was launched. The campaign targeted home health services, among others, for investigation.

“Numerous reports have found very high rates of noncompliance with Medicare’s coverage conditions”.

For example, one OIG audit of Medicare home health services in California, Illinois, New York, and Texas found that 40 percent of the total services contained in 146 of 250 claims (selected randomly from each of the states) did not meet Medicare reimbursement requirements.

NextGEN – 15% or less error rate

Compliance

In a 1997 study, GAO asked the fiscal intermediary to perform a medical review of 80 high-dollar claims that had been processed but not reviewed. The Medicare claims-processing contractor, after examining each claim and supporting documentation, denied more than $135,000 in charges, about 43 percent of total charges, for 46 claims.

Predictive modeling in medical review.

CMS Vendors: General Dynamics
85i
Hewlett Packard

NextGEN – 15% or less error rate
Effects of the IPS on Agencies

Roughly one-fourth had to: reduce expenses because their costs exceeded the aggregate beneficiary cap (25.6%); lay off direct care or clinical staff (24.4%); reduce pay and/or benefits for staff (23.1%); or, lay off management staff (20.3%).

About one-fifth (19.2%) of the agencies reduced services to patients as a result of IPS.

Some (12.8%) discharged patients that they otherwise would have continued to serve, and about one-tenth (9.0%) refused admission for some newly referred patients they otherwise would have accepted.

Agency Closures

GAO’s analysis of agency closures found that half of the recent voluntary closures nationwide were concentrated in four states (California, Louisiana, Oklahoma, and Texas) three of which had experienced agency growth well above the national average.

Closed agencies had provided on average more visits per beneficiary—65.2 compared with 60.2.

According to GAO, these findings suggest that less efficient agencies have had the most difficulty adjusting to the new payment limits.

NextGEN

Admissions done in 2 hours or less
Same day RAP Submission

Closings & Changes1996 -1999

The IPS established lower per-visit payment limits, as well as a per-beneficiary limit on HHAs. In general, the per-visit limits were reduced from 112% of the national mean cost per-visit to 105% of the national median cost per-visit.

After the IPS went into effect, utilization of Medicare home health dropped dramatically from 78 visits per user in 1997 to 46 visits per user in 1999 (McCall, Komisar, Petersons, et al. 2001).

The use rate declined from 107 per 1000 enrollees to 85 per 1000 enrollees during the same time period.
Slide 13

Closings & Changes 1996-1999

Approximately, 40% of the agencies that closed were located in three states (i.e., Louisiana, Oklahoma, and Texas), which were among those with the highest recent growth in number of agencies.

Consistent with this trend, many agencies that closed were among those with under five years of participation in Medicare.

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Industry Responses

- OASIS Scrubbing & OASIS Accuracy
- Benchmarking Outcomes & Financial Metrics
- Development of EMR – EHR
- Productivity Redefined
- Care Pathways
- Maximize labor efficiency
- Turned OASIS events into documentation marathons
- 2w9, 1w9, Re-Cert

NextGEN - Pre-Claim OASIS Analytics

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Slide 15

Point of Service Technology

- The majority (76.9%) of agencies surveyed did not use computerized technology (such as laptops or hand-held devices) for recording patient information in the field.
- In a small number of cases (2.6%), all visiting staff used this technology, and about one-in-four (20.5%) of the agencies used this technology, some of the time, or some staff used computers and some did not.

NextGEN - Pre-Claim OASIS Analytics
OASIS used like DRG's
Medical Scribes & Voice Recognition
Activities on the First Patient Visit

"Agencies were asked about activities that took place regularly on the first visit with a patient. The activities reported as most likely to happen with a patient on the first visit included: coverage criteria and benefits of payer for the services provided (100.0%); education relating to managing the patient’s condition with greater independence (98.7%); assessment (94.7%); and, discussion of discharge (82.7%)."

"Discussion about discharge on the first visit was reported more often by agencies that achieved a 25% or greater reduction in visits per patient than for other agencies (86.8% vs. 77.5%), although it is clear that nearly all agencies were for the most part discussing discharge on a regular basis."

Top 10 Recommendations

# 1
Reduce utilization to under 40 visits per patient.

"The average utilization for agencies in this study in their most recent cost reporting year was 35 visits per patient. The group with the highest utilization averaged 37 visits and the group with the lowest utilization averaged 27 visits."

"These are likely to be the utilization levels for the future, especially under the Prospective Payment System (PPS)."

# 2
Reduce utilization of home health aides so that there are fewer visits per patient on average by home health aides than nurses.

There were 1.23 nurse visits for every home health aide visit for all agencies in the study. If the group with the highest utilization (agencies that decreased utilization by 25% or more) is not included, the remaining agencies averaged over 1.55 nurse visits for every home health aide visit.

This utilization pattern is also consistent with the findings in the PPS Demonstration Project.

NextGEN – Increase Home Health Aide utilization

Chaplain Services & Volunteer Services
Top 10 Recommendations

# 3
Use the RN or Therapist who has the primary responsibility for providing direct care to patients to develop the plan of care.

This was the strategy used by nearly every agency in the study. Invest in education to ensure that these staff have the skills to develop care plans that both meet regulations and effectively address patient needs with the fewest visits.

Next Gen - Team approach with all OASIS events

Top 10 Recommendations

# 4
Use standardized care plans, care maps, pathways or disease management protocols.

Nearly three-fourths of the agencies in the study used these tools for some or all of their patients. These tools help to reduce utilization while facilitating consistently appropriate care.

NextGen - Acuity based staffing - Interactive care plans
POC - Specific to each patients
Care plan Templates LESS relevant

Top 10 Recommendations

# 5
Use the RN or therapist who has the primary responsibility for providing direct care to patients to perform case management.

This was also the clearly preferred strategy for case management by most agencies in the study. It is cost effective but requires an investment in education and in some instances, close supervision to ensure appropriate utilization levels.

NextGen - Increased use of Professional vs Vocational
Use salaried staff (as opposed to pay per visit staff) to develop plans of care, to perform the case management function, and to conduct utilization review.

The agencies in the study seldom used pay per visit staff to perform these important control functions. One reason is that while reducing utilization is in the best interests of the agency, it is not in the best interests of staff paid on a per-visit basis.

NextGEN: Utilization review done during OASIS visits

Educate patients to manage their condition and discuss discharge with patients on the first visit. Nearly every agency in the study reported that they began education with patients on the first visit. Over four-fifths of the agencies in the study discussed discharge on the first visit with patients.

Both of these activities were seen as important for establishing patient expectations and shaping staff attitudes toward the goal of maximizing the independence of patients and their caregivers.

NextGEN: Discharge Goals Established during OASIS visit.

Consider organizing clinical services by interdisciplinary teams. While two-fifths of the agencies in the study structured and managed their clinical services by interdisciplinary teams, the interdisciplinary team structure was a characteristic of those agencies that had the lowest levels of utilization.
Slide 25

Top 10 Recommendations

#9

Measure clinical and patient satisfaction outcome data.

While measuring outcome data is useful for helping to determine appropriate levels of utilization, it is also essential for determining the impact of changes that are being implemented to reduce costs and utilization.

Systems that allow comparison of outcomes with other agencies are especially powerful for determining an agency’s strengths and weaknesses.

It is strongly recommended that agencies take full advantage of the OASIS data by subscribing to a program that will provide comparative data.

NextGEN - Pre-Clinic OASIS validation for medical necessity

Acuity Based Staffing

Comparison Standards realigned with CMS

Re-Certifications decrease

LUPA’s Increase

Top 10 Recommendations

Slide 26

Top 10 Recommendations

#10

Establish clear “survival goals” and broadly disseminate utilization and outcome data throughout the agency.

A requirement for all effective change efforts is the establishment of measurable goals and the provision of regular feedback to the people expected to change their behavior and those who supervise them.

Agencies seeking to reduce utilization must set realistic goals and monitor them in real-time.

NextGEN - Proactive data monitoring and management

Mirror CMS contractor monitoring activities

Embrace new Contract Parameters

Slide 27

Providers Responses

Primary Focus - Recover lost margins

Measure performance against each other

Ignored the norms & averages

Rationalized actions

Created Tools for Benchmarking

Assimilated to a “New Norm”

NextGEN - Early identification of MNI

Data Driven Re-Certs

Curative, Palliative, Chronic, Maintenance
Slide 28

**2010- ACA**

- CMS puts “Fraudsters on Notice”...
- Pay and Chase replaced with Predictive Modeling
- Mandated Compliance Programs
  - Conduct Internal Monitoring
  - Billing for medically unnecessary services
  - Over and Under Utilization
  - Insufficient Documentation to support claim
  - Inadequate oversight of contracted services

NextGEN- Independent third party monitoring

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Slide 29

**Contractors Response...**

Predictive modeling in claims auditing

- The Players:
  - General Dynamics
  - Hewlett Packard
  - Safeguard Services, LLC
  - A+ Government Services, LLC
  - CMS Data Analytics Team

MAC & ZIPIC Edits = Greater than 80% denial

NextGEN- Pre-Claims OASIS Validation vs. OASIS Scrubbers

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Slide 30

**Software Advertisement**

Every hour this country loses $28.5 million to healthcare Fraud, Waste and Abuse - over ten times the amount an average American will earn in their entire lifetime.

Totaling as much as $234 billion annually, medical FWA is a problem that is simply too large to ignore.

Effectively combating a problem of this magnitude requires an innovative, multi-disciplinary approach to FWA detection.

NextGEN- Pre-Claim OASIS identification of audit risks - Balancing data transmission and claim submission
Slide 31

Investigation Template-
Push-of-a-button, formatted report of everything known about a suspect: demographic/credentialing information, payment summary, variance scores, detected algorithms and patterns, amounts at risk and English-language explanations for each area of concern.

Used as the starting point for investigations and provider education programs.

Slide 32

Preset Threshold Alerts-
Index of suspicion
Preventable misuse
Dollars at risk
Contradictory behaviors
Impossible behavior patterns
Outlier variance scores

NextGEN- Agency tools Mirror Functionality
Stop inviting CMS into your business

Slide 33

FWA WHAT IS IT?

NextGEN- Pre-Claim Identification of Waste
The IMPACT Act of 2014

Requires The Secretary to implement specified clinical assessment categories using standardized (uniform) data elements to be nested within the assessment instruments currently required for submission by LTCH, IRF, SNF, and HHA providers.

CARE Assessment

CARE Tool: This instrument uses the phrase “2-Day assessment period” to refer to the day of the admission and the next calendar day (ending at 11:59PM), or, if the patient is admitted after noon, add an additional day.

NextGEN - OASIS completed in 2 hours or less

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Legacy thinking is sinking you-

I Scrub
My Data
Before Transmitting

Medically Unbelievable Edits
Pro-active vs. Reactive
Cumulative data profiles
OASIS-driven re-certifications
OASIS-driven changes to the POC
Intra Episode Outcome Monitoring

NextGEN - OASIS analytics does all of the above

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OASIS Analytics & Survey Sanctions

Improper provision of Care
Immediate Jeopardy
Conditions of Participation
Driver of Complaint Surveys

NextGEN - OASIS analysis does all of the above
Protecting Provider Revenue

NextGEN v2.0

STARS Outcomes

Benchmarking is inefficient
- Pro Actively not reactively Created
- Manage your staff
- React to patient’s improvements

Intra-Episode outcome monitoring

NextGEN: Manage staff, manage outcomes.

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Pre-Claims Review

A process through which a request for provisional affirmation of coverage is submitted for review before a final claim is submitted for review before a final claim is submitted for payment.

Pre-claim review helps make sure that applicable coverage, payment, and coding rules are met before the final claim is submitted.

NextGEN: Pre-Claim Analytics

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Prior Authorization

For prior authorization, a request must be submitted prior to services beginning and providers should wait until they have a decision before they begin providing services.

With a pre-claim review, services have already begun and the request is submitted after all of the initial assessments and intake procedures are completed and services have begun.

NextGEN: Pre-Claim Analytics

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Pre-Claims Review

Submit to MAC and wait 10 Days
HH Pre-Claim review starting 3-year demonstration
IL, MI, TX, FL, MA – Starting by 1/1/17
Five states announced for Demonstration Project
Pre and Claim not reducing Waste, Abuse, & Fraud
Billing error rate 55%
Prior Authorization and Pre-Claim not the same
Mandatory for all eligible HH Beneficiaries

NextGEN- Pre-Claim OASIS Analytics

Pre-Claims Review

Initial Claim Turnaround time = 10 days
Initial Pre-Claim Review required for EVERY Episode
Signed 456 & F2F Required
Required at Recertification and MBPM 30.5.2 Attestation
Submitted after or during care – ALWAYS before billing
Only affects final payment not RAP payments
Affirmed vs. Non-Affirmed Pre-Claim Submission
Non- Affirmed? – correct and resubmit
Requests submitted fax, mail, e-mail submit to MAC

Pre-Claims Review

Resubmission = 20 day turnaround
No Pre-Claim Authorization – deduct 25% of claim
Grace Period before 25% Reduction= 3 months
Unlimited number of re-submissions
Pre-Claim Decision letter to describe denial reasons

NextGEN- Pre-Claim OASIS Analytics
**Slide 43**

**Pre-Claims Review**

Pre-Claim Submission must demonstrate covered services

- Medical Necessity
- Homebound Status
- FCD reasonable and necessary to CMS
- Certifying MD POC & F2F
- Significant increase in LUPA
- Re-Certifications dramatically reduced

Legacy processes are outdated

NextGEN: Pre-Claim OASIS analytics CRITICAL

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**Slide 44**

**NextGEN v.2.0 Home Health in 2020**

Bundled payments with shared savings

Home care visits purchased as needed by ACOs & hospitals

- 6,000 to 8,000 HHAs instead of 12,000
- 20,000+ private duty home care agencies

Baby Boomers turning 74, early home care age

Medicare much less of a factor

Your Response

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**Slide 45**

**NextGEN v.2.0**

**Home Health - 2020**

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NextGEN v.2.0

By 2020, half of today’s home care companies will no longer exist:
- Audited into bankruptcy
- Merger/Acquisition
- Out of business

HNAs:
- 12,611 total Medicare
- 6,500 of them gross < $2 million / year
- 5,100 of them gross < $1 million / year

NextGEN: New Startups have a great advantage

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NextGEN v.2.0

Abt Associates’ Finding:
At the moment of home health admission, relative mortality risk has been changing:
- 4.45% fewer arrive with Mortality Risk Level 1 (minor)
- 10.57% fewer arrive with Mortality Risk Level 2 (moderate)
- 14.09% more arrive with Mortality Risk Level 3 (major)
- 77.46% more arrive with Mortality Risk Level 4 (extreme)

NextGEN: We’re going to be very busy...

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NextGEN v.2.0

Survivors Guide -
Slide 49: Abandon Legacy Thinking
- Examine historical behaviors
  - Agency Centric Silo Behaviors
  - Getting Paid Always done it this way
  - Fear of failure PEP’s all but gone
  - Protect the episode

Sources:
NextGEN – Elimination of Silo Behaviors

Slide 50: NextGEN v2.0
- Pre-Claims Authorization & Review
  - Identification of Viable home health cases.
  - Utilization Review during the OASIS admission.
  - Identify ADR Risks Before RAP & OASIS submission
  - Identify Re-Certification during the SOC visit
  - Track trend and recalculate the PRI's with each OASIS visit
  - Complete every OASIS in the home every time.
  - Implement and utilize Acuity Based Staffing
  - Bill the RAP, and Submit the Pre-claim

Benchmark proposed vs performed labor costs every week

Slide 51: NextGEN v.2.0
- Clinical Record a Product
- But I’m Not Clinical
- Examine for Value
- Benchmarked against CMS Cbc’s
- Would You Pay for It?

NextGEN-
Slide 52

NextGEN v.2.0
OASIS Accuracy-
We train on OASIS
We do QA
We educate and our clinicians still don’t get it right!
Legacy process NO LONGER work
If it’s important to you, get involved.
NextGEN- Team approach OASIS

Slide 53

NextGEN v.2.0
Utilization Review
OASIS done in the home
Automated QA tools.
Data Driven Staffing
Acuity Based Census management
Benchmarking Proposed vs. Performed labor
Efficiencies return 5-15% back to cost centers.
NextGEN- Agency practices Mirror hospital Practices

Slide 54

NextGEN v.2.0
Improve your clinician’s quality of life.
See more patients in less time
Your patients will love you for it
Your Claims will be paid
Costs go down & Productivity increases.
Employee retention rises
If your case-mix, cash flow, audit risks, and outcomes are important to you- Lend a Hand
NextGEN- No Nurse Left Behind