Managed Care Training Manual

Intro to Managed Care with Quiz Timelines Fact Sheets
Datamaps Infgraphics Advanced Topics Videos

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Version 18.0

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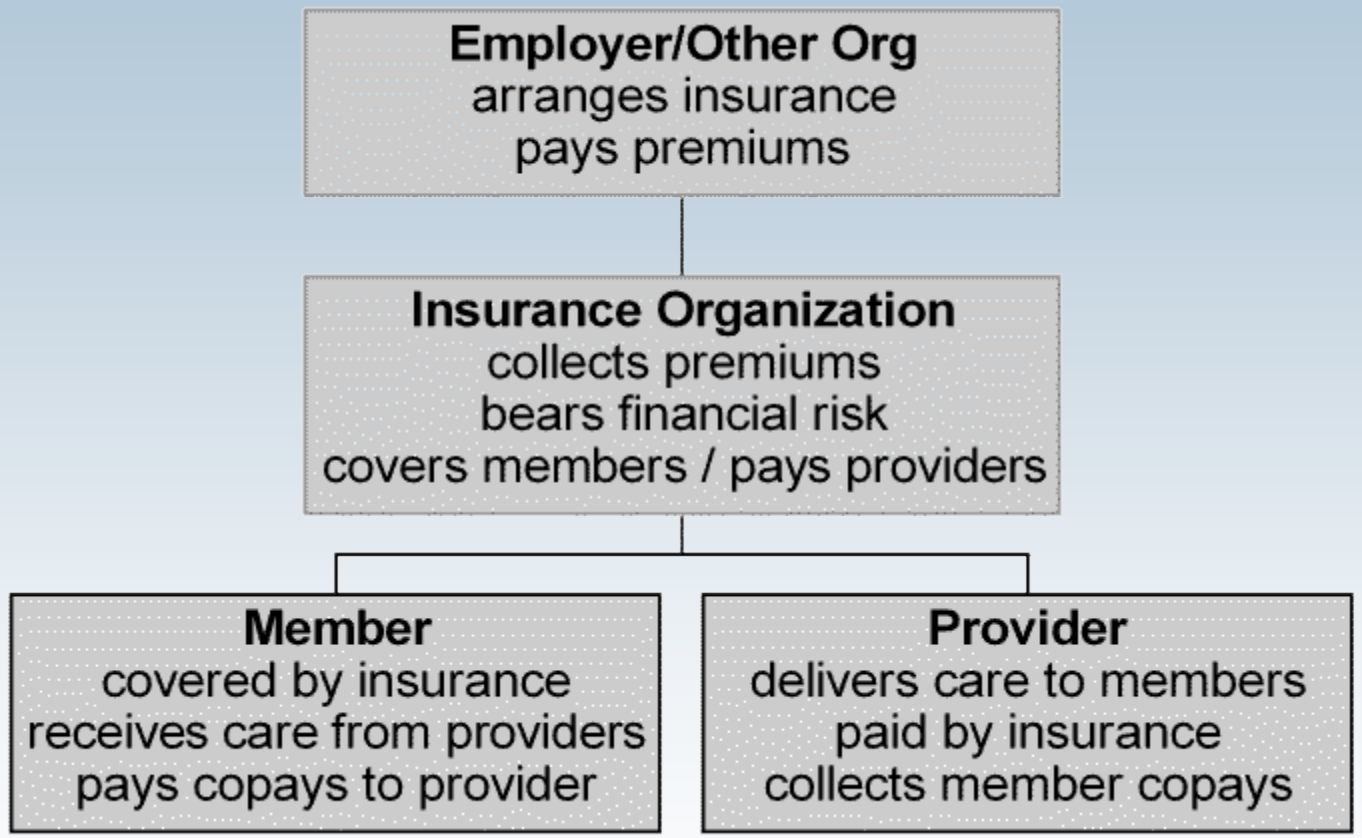
Members

In managed care each ***patient*** with insurance coverage under a health plan is called a ***member***. Other terms used include ***enrollees*** and ***covered lives***.

Each person who has the health plan policy in his/her name, whether the policy is bought just for the individual or for the whole family, is called the ***subscriber*** or the ***insured***.

If the subscriber has coverage for other family members, they are called ***dependents***. ***Subscribers*** and ***dependents*** are all ***members***. A subscriber with a covered spouse and three children would equal five members.

Follow the Money



Sample Consumer Driven Plan Design

<table>
<tr><td colspan="3">First Dollar Coverage Preventive Care Benefit</td></tr>
<tr><td colspan="2">Deductible (HSA High Deductibles Health Plans must have at least $1,400 / $2,800 deductibles for 2022)</td><td rowspan="2">High Deductible Health Plan Coverage (PPO or HMO)
with percentage coinsurance or copays after deductible is met</td></tr>
<tr><td>Employer Funded HSA or HRA</td><td>Gap
(that employee must pay out of pocket before deductible is met)
or Employee FSA funded</td></tr>
</table>

How Managed Care Pays Providers

Salaries	Provider is paid a fixed amount, regardless of the # of members or the services delivered.
Capitation	Provider is paid a fixed amount per member enrolled, regardless of the # of services delivered to that member.
Bundled Payment	Provider is paid a fixed amount for defined group of services, regardless of the volume of services delivered.
Fee for Service	Provider is paid for each service provided, just like in traditional care. The difference is rates are contractually set.
Value Based Payments	Payment adjustments designed to reward excellence in health care delivery or share savings (or even losses) through reimbursement methodology.

Calculating capitation rates

Capitation based on total pay		
Desired Payment Per Month	$10,000	:Payments
Members to serve each month	952	:Divided by
Capitation Rate	$10.50	:Equals
Capitation based on utilization		
Visits per Member each month	0.25	:Visits
Desired payment per visit	$42.00	:Multiplied by
Capitation Rate	$10.50	:Equals

Medicare Quality Payment Program

The ***Medicare Quality Payment Program*** enacted by MACRA includes two major tracks that clinicians billing Medicare more than $30,000 and serving over 100 Medicare patients can choose from, in which they had the option to begin submitting data in 2017 and receiving payment adjustments in 2019:

1. the ***Merit-based Incentive Payment System*** (MIPS) that consolidates certain Medicare value based programs, involves traditional Medicare Part B participation, and provides performance-based payment adjustments.
2. The ***Alternative Payment Model*** (APM) which can apply to a specific clinical condition, a care episode, or a population for applicable participants.

Quiz!

Click the answer you think is correct

1. Value Based Care involves the relationship between all of the following except:

A) Quality of Care

B) Cost of Care

C) Quantity of Care

D) Applicable Timeframe for Care

Quiz!

Click here to go to the next question,
or to return to the menu: click here

You're so smart! That was correct.

Time Lines
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1917
Western Clinic in Tacoma provides prepaid physician services for the lumber industry [3]

1929
Dr. Justin Ford Kimball at Baylor Hospital in Texas establishes The Baylor Plan, a prepaid hospitalization plan that first uses the Blue Cross logo [3]

Ross-Loss prepaid medical clinic started by Drs. Donald Ross and H. Clifford Loos under contract with Los Angeles Dept. of Water and Power for its employees [1]

Rural Farmers' Cooperative Health Plan started by Michael Shadid in Elk City, OK [1]

1933
Sidney Garfield MD establishes prepaid plan to fund care for his Contractors General Hospital and clinic providing care to workers on Los Angeles Aqueduct [2]

1937
Group Health Association (GHA) started in Washington, DC to serve employees of Federal Home Loan Bank [1]

1938
Henry J Kaiser recruits Dr. Garfield to establish prepaid clinic and hospital care for his Grand Coulee Dam project in Washington [2]

1939
Blue Shield program adopted for participating prepaid physician plans [3]

1942
At the request of Henry Kaiser, Dr. Garfield expands program to Kaiser-managed shipyards and Kaiser steel mill [2]

1945
Group Health Cooperative of Puget Sound established in Seattle, WA [1]

Permanente Health Plans opens to the public in California, in addition to serving Kaiser employees [2]

Managed Care Fact Sheets

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Fact Sheet Menu

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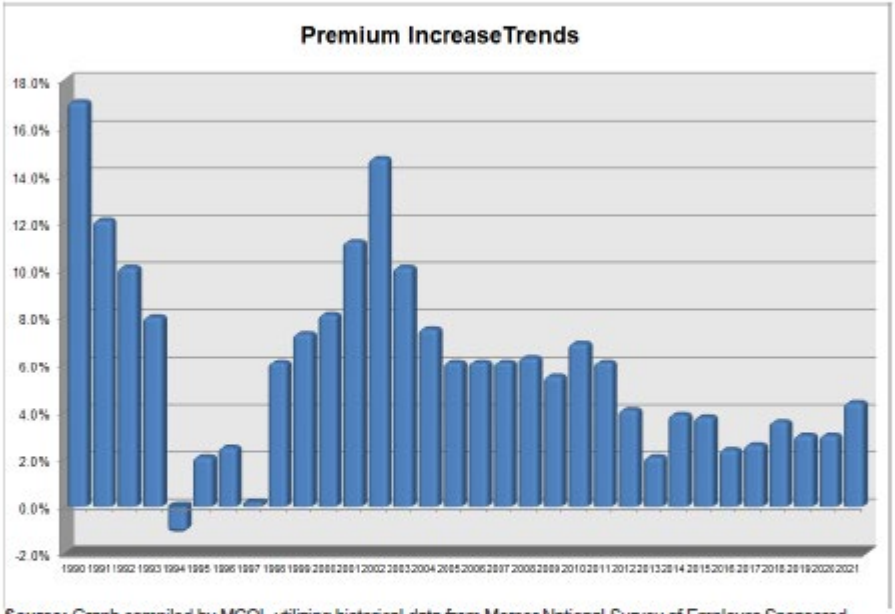
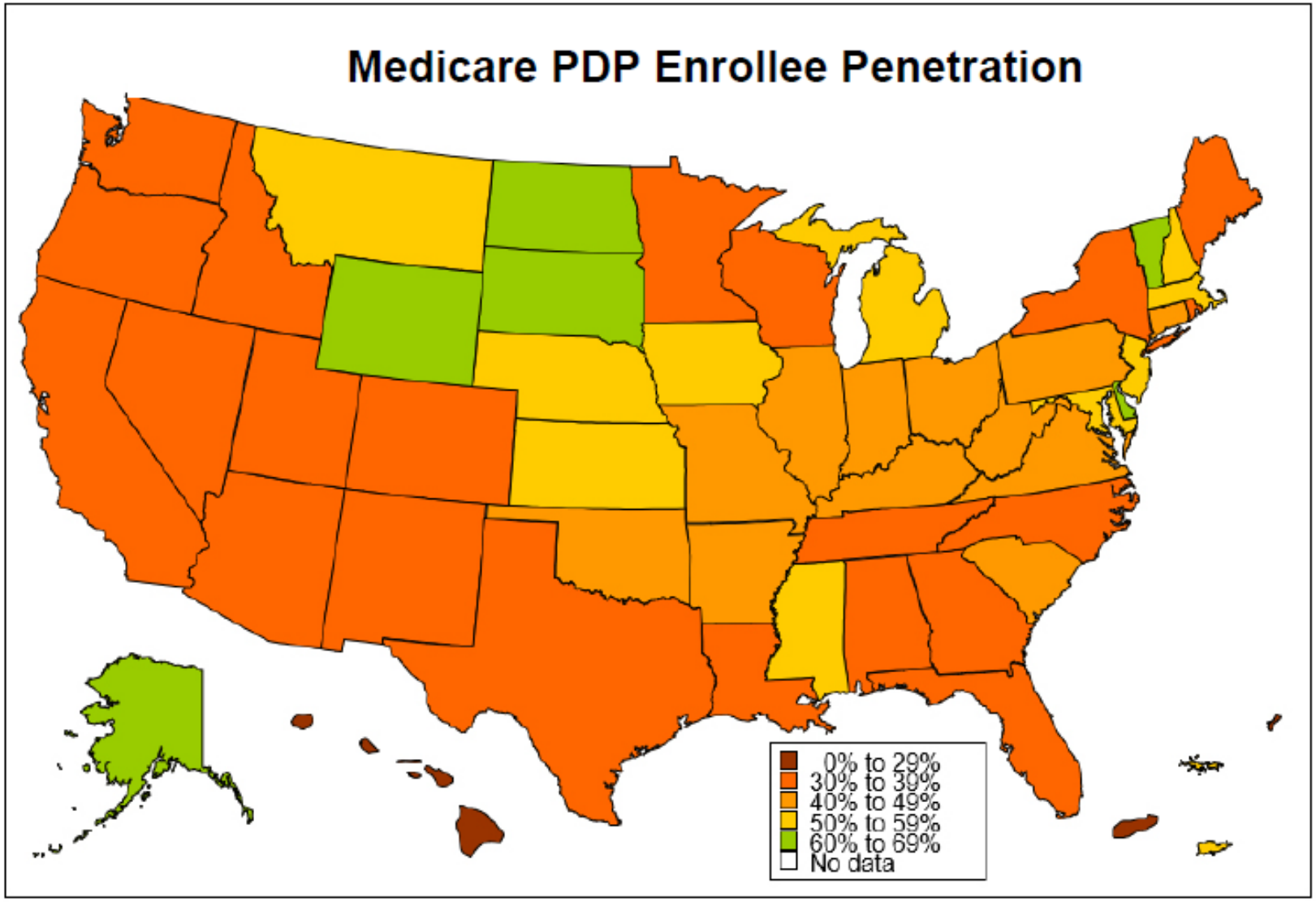
Premium Rate Increase Trends

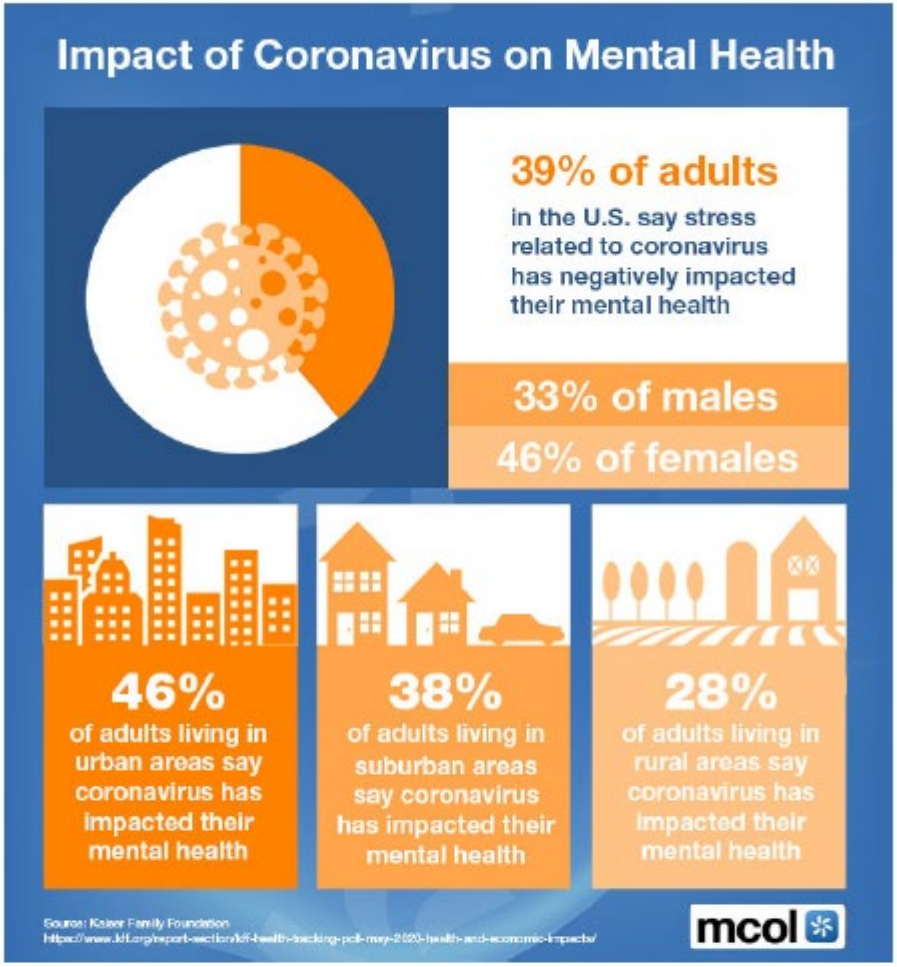


Source: Graph compiled by MCOL utilizing historical data from Mercer National Survey of Employer-Sponsored Health Plans. www.mercer.com

Medicare PDP Enrollee Penetration



Source: CMS, Medicare Advantage / Part D Contract and Enrollment Data, Monthly Enrollment by State, October 2020



Advanced Topics
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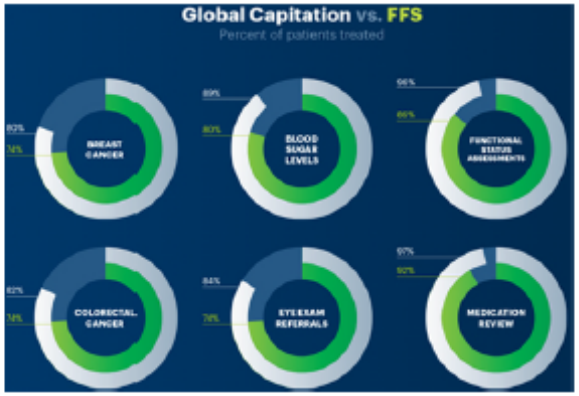
Contents

The Pandemic Driven Push Toward PCP Capitation

Where is primary care physician payment structuring headed as doctors and physician networks navigate through the pandemic, and what will the payments look like on the other side when the worst is behind us? UnitedHealth Group just released a report that advocates global capitation. They state "primary care physicians paid under global capitation, which pays a set amount per month per patient, achieve key quality metrics at higher rates than those paid under fee-for-service" and that their study "findings indicate that capitation provides the right incentives for value-based care, including delivery of the right care, at the right time, and in the right setting."

The study "of more than 5 million UnitedHealthcare Medicare Advantage enrollees and tens of thousands of primary care physician practices" used HEDISmetrics related to preventive care and chronic conditions, and compared patients treated under global capitation compared to FFS, touting the following comparison results: - patients were screened at higher rates for breast cancer (80% vs 74%) and colorectal cancer (82% vs 74%) - higher controlled blood sugar levels (89% versus 80%) and were given more eye exams (84% vs 74%). - higher rates of functional status assessment (96% vs 86%) and medication review (97% vs 92%). UnitedHealth concludes that "physicians paid under capitation are better positioned to: Prioritize preventive services and care management programs; Spend more time engaging with patients; Use evidence-based clinical guidance; Avoid unnecessary patient interventions; and Focus on keeping patients out of the hospital.



Meanwhile, a new Kaiser Health News article: "Primary Care Doctors Look at Payment Overhaul After Pandemic Disruption" by Steen Findaly, after citing a number of situations around the country, states "physicians and health policy experts say the pandemic is accelerating efforts to restructure primary care — which accounts for about half the nation's doctor visits every year — and put it on a firmer financial footing. The efforts also aim to address long-festering problems: a predicted widespread shortage of primary care doctors in the next decade, a rising level of physician burnout and a long-recognized underinvestment in primary care overall."

After citing the significant financial and staffing impact of the pandemic on PCPs, the article states that "the remedy being most widely promoted is to change the way doctors are reimbursed — away from the predominant system today, under which doctors are paid a fee for every service they provide (commonly called "fee-for-service"). Health economists and patient advocates have long advocated such a transition — primarily to eliminate or at least greatly reduce the incentive to provide excessive and unneeded care and promote better management of people with chronic conditions. Stabilizing doctors' incomes was previously a secondary goal. Achieving this transition has been slow for many reasons, not the least of which is that some early experiments ended up paying doctors too little to sustain their businesses or improve patient care."

The article concludes citing new fixed payment reforms, including Medicare's Primary Care First program launching in January, as well as changes in various health plan payment programs, and quotes a medical director for outpatient services for a Central Ohio primary care firm serving 450,000 patients: "Primary care docs would have been better off during the pandemic if they had been getting fixed payments per month."

Support Information

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Program Requirements

- Operating systems and hardware compatible with running current version of items below.
- Adobe Acrobat Reader v9.0 or higher (current version recommended)
- Current compatible media player and speakers to view videos
- Approximately 713 MB memory if you wish to copy files (including video) onto your computer or storage device

Instructions for Use

- If you are receiving the Training Manual via the MCOL Download Center, download instructions will be emailed to you. During the download, you will need to decide upon the location in your computer where to download the files.
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