

Performance Measurement for Rural Primary Care Practices

Nebraska CAH and Clinic Conference
November 14, 2019



Handout

Lilypad® Cost Report Scorecard 2018 Medicare Cost Reports for Rural Health Clinics

How to Interpret the RHC Cost Report Scorecard

Data Management. Lilypad monitors Medicare Cost Reports for every Rural Health Clinic (RHC) in the United States by analyzing both provider-based and independent clinic reports. As part of the data management process, we evaluate the integrity of each Cost Report to determine if the data furnished by CMS is complete and accurate. Cost Reports that violate our integrity analysis are handled separately to prevent erroneous data from computing the final Scorecards. Thus, each Cost Report's data are evaluated on a field-by-field basis and data missing for our Scorecards are selected only if our integrity analysis confirms that the data are valid. Cost Reports with omissions or errors are considered "incomplete." Some selected data from these incomplete Cost Reports may be used in our Scorecards, or depending upon our analysis, they may be excluded entirely. We divide clinics into two categories: Provider-based (PB-RHC) and Independent (IRHC) clinics. For each Scorecard metric, we sum the values for the relevant data elements for all of the qualifying clinics in a given cohort (group of clinics) and perform a single, statewide calculation for the specified metric. Scorecards utilize the clinic's CMS-assigned annual reporting period (fiscal year).

Summary Statistics. The Count of Completed Cost Reports is driven by the methodology applied in Cost Report preparation; specifically, organizations have an option to report clinics individually or to consolidate clinics when filing their Cost Report. For example, a hospital that owns five PB-RHCs may elect to consolidate their clinics for Cost Report purposes into a single set of statistics as reflected in the Schedule M Worksheets. Those five PB-RHCs would be counted in the Scorecard as a single completed Cost Report. Therefore, in most cases the Count of Completed Cost Reports value will be fewer than the non-duplicated count of clinics in a State as enumerated in the Quality, Certification and Oversight Reports (CQOR) resource. "Incomplete" counts indicate the total number of Cost Reports Lilypad has flagged through the data integrity analysis process as containing erroneous data or omissions.

Minimum Productivity. Physicians and Advanced Practice Providers (APPs) are subject to minimum visit productivity standards, or thresholds (C200 and 2,100 visits per year, respectively) that must be met to enable the clinic to receive full cost-based reimbursement for care provided to Medicare and, in some states, Medicaid beneficiaries.

Actual vs Adjusted Visits. Actual Visits reflect the number of unique patient visits provided by the clinic while Adjusted Visits reflects the greater of the Actual Visits or the minimum productivity threshold for the clinic using a weighted average of FTE physicians and APPs. A greater count of Adjusted Visits relative to Actual Visits demonstrates a failure to meet minimum productivity standards within the State.

RHC Cap Rate. Independent RHCs and PB-RHCs that are owned by hospitals with greater than 50 beds are subject to an annual, capped per-visit rate established by CMS.

COST for Medicare Patients. The actual costs incurred to provide services by the state's RHCs.

REIMBURSEMENT for Medicare Patients. The dollar amount paid by CMS to the state's RHCs.

LOSS in Medicare Reimbursements. The difference between the cost and reimbursement paid by CMS for care in the State.

Visits and Cost Metrics (Actual). The Physician Visits per FTE and APP Visits per FTE metrics illustrate the ability of the State's provider community to meet minimum productivity standards while the Physician Cost per Physician Visit and APP Cost per APP Visit metrics reveal the variance between expenses related to visits managed by different provider types.

General Metrics (Actual). The Medicare Percent of Visits reflects the percentage of Medicare utilization relative to other payer classes and the three clinic cost metrics reflect the dollar amount related to Total Overhead metric indicates the per-visit dollar amount of overhead expenses for the cohort for the reporting period.

Produced exclusively for Gregory Wolf on Saturday, May 25, 2019
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2017 Lilypad Cost Report Scorecard Commonwealth of Kentucky

Summary Statistics	Commonwealth of Kentucky			NOSDRH Region B		
	PB-RHC	RHC	TOTAL	PB-RHC	RHC	TOTAL
Completed Cost Reports / Incomplete	54 / 11	88 / 1	152 / 12	318 / 14	386 / 21	704 / 35
RHCs Not Meeting Min Productivity	13	0	21	66	45	111
% RHCs Not Meeting Min Productivity	24.1%	0.0%	13.8%	20%	11.6%	15.4%
Total Visits	526,810	1,362,494	1,889,304	2,138,238	4,637,269	7,375,507
Total Adjusted Visits	552,017	1,372,421	1,924,438	3,054,515	4,562,146	7,616,661
Variance	(24,207)	(10,426)	(34,632)	(116,277)	(64,127)	(180,404)
Cost per Visit	\$176.60	\$112.12	\$136.10	\$168.60	\$115.52	\$136.75
Cost per Adjusted Visit	\$168.54	\$111.37	\$127.49	\$163.37	\$111.87	\$132.67
Variance	\$8.06	\$0.75	\$8.41	\$5.43	\$3.65	\$4.68
Visits Subject to RHC Cap of \$82.30	205,946	1,185,424	1,391,370	528,642	4,121,247	4,649,889

\$46,734,351

COST

for Medicare Patients

\$30,913,444

REIMBURSEMENT

for Medicare Patients

\$15,820,907

LOSS

in Medicare Reimbursements

Visit and Cost Metrics (Actual)	Commonwealth of Kentucky			NOSDRH Region B		
	PB-RHC	RHC	TOTAL	PB-RHC	RHC	TOTAL
Physician Visits per FTE Physician	4,083	4,863	4,670	4,390	4,610	4,506
Physician Cost per Physician Visit	\$79.34	\$60.24	\$67.42	\$75.29	\$64.25	\$66.69
APP Visits per FTE APP	2,824	3,545	3,643	3,029	3,537	3,345
APP Cost per APP Visit	\$41.91	\$31.10	\$32.39	\$40.19	\$32.88	\$33.33
General Metrics (Actual)						
Medicare Percent of Visits	23.7%	17.3%	19%	23.9%	26.8%	25%
Total Overhead per Visit	\$28.25	\$55.46	\$47.87	\$23.52	\$51.95	\$40.43

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Lilypad is a Maine-based analytics firm that provides mobile and web-based strategies and improvement applications for healthcare provider organizations. We adhere to a core business principle that accountable physicians/clinical leaders and administrators require sound data and simple, innovative tools to be successful in their roles within the emerging value-based care delivery environment.

www.lilypad2017.com

RHC Checklist



Do you consolidate your clinics?



Do you meet minimum thresholds?



Are you linked to the right hospital?



Do you do 340B?

\$350 - \$450k per 10,000 visits



Have you maximized specialty care?



Do you do CCM and TCM?



Are your valuations defensible?

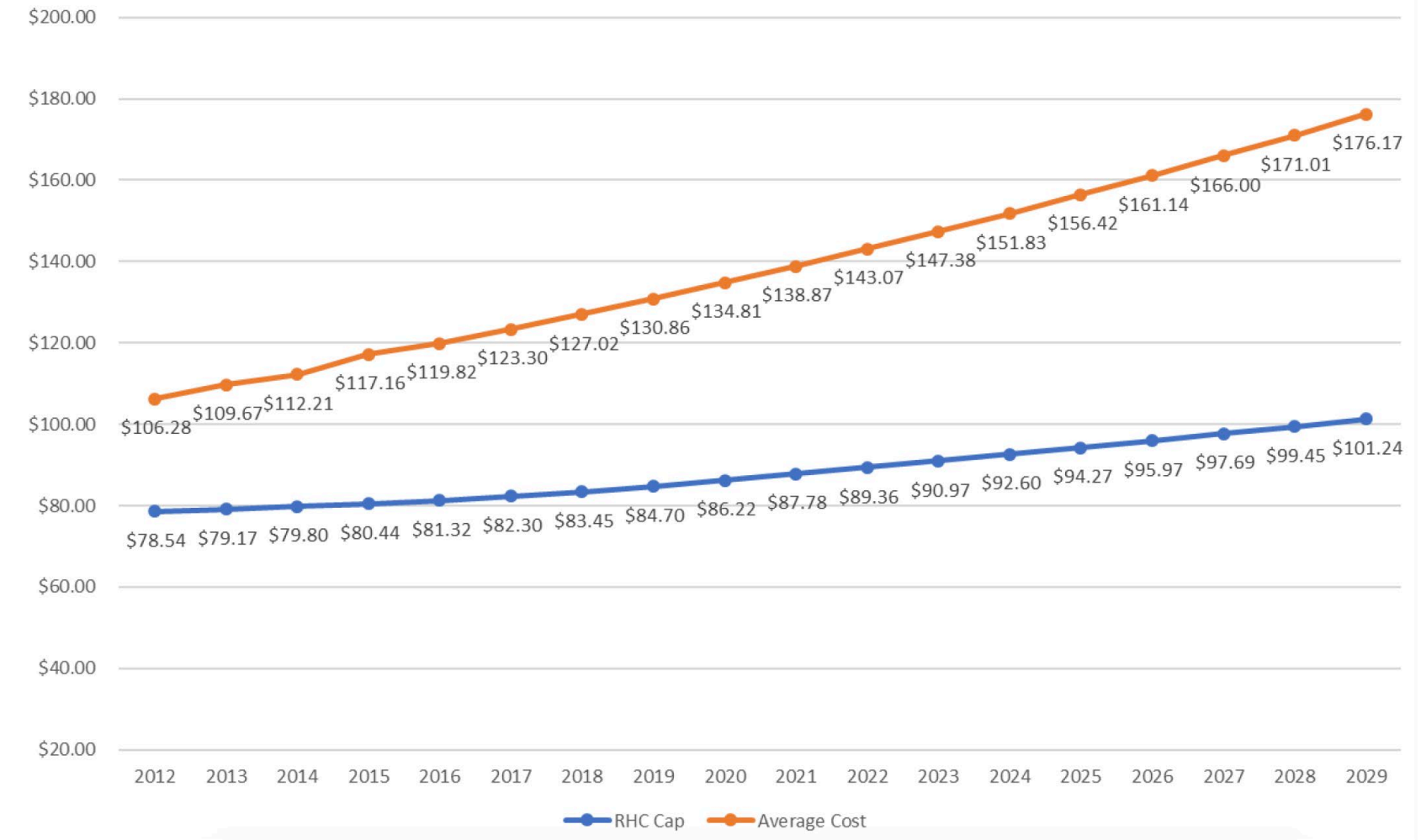
Context



Primary Care is the cornerstone of the delivery system but it has been undervalued and ignored in rural

- Federal grants focus more on small rural hospitals
- Increasingly SORHs want to engage RHCs – but how?
- Public reporting exemptions are a net liability
- Not much is known about RHCs – **Let's fix that**

RHC Cap vs. Average Cost

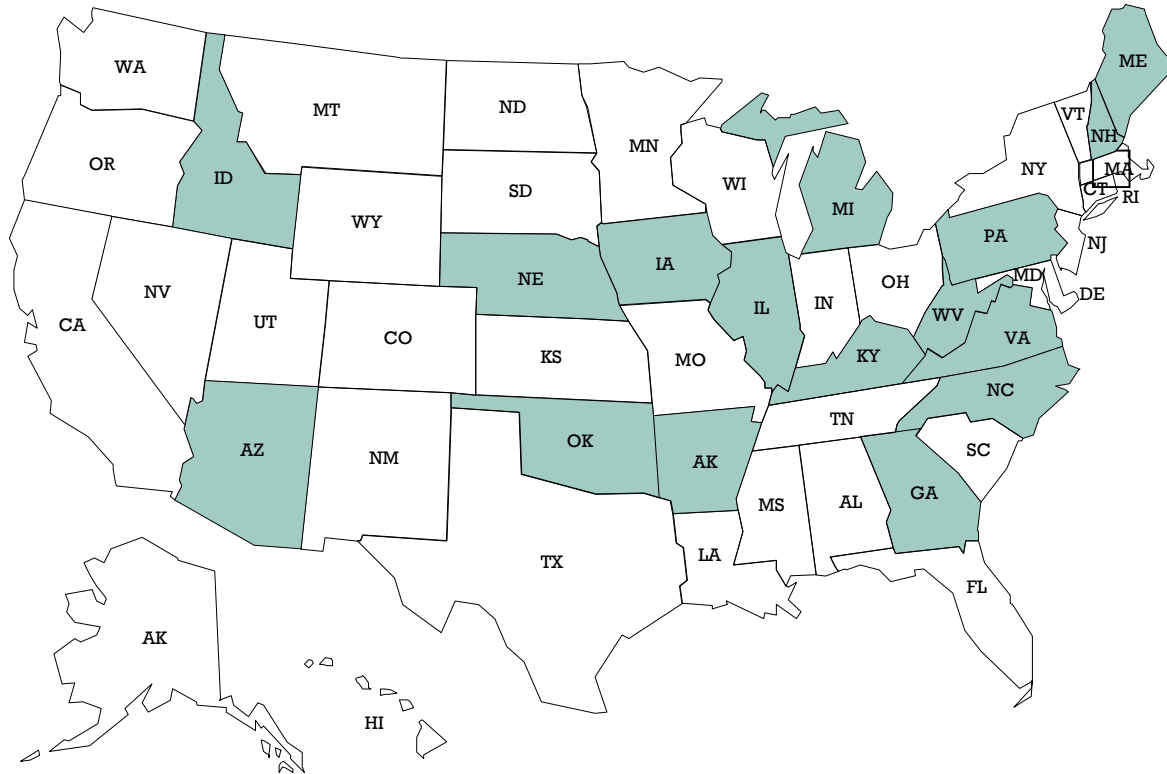


**Primary care clinics are the
nucleus of the new rural
healthcare delivery system**

**Hospitals have different
objectives and metrics than
primary care practices**

**CAHs have performance
improvement networks –
most RHCs don't**

Our Current States



If you are located in one of these states you have access to the POND program right now

Staffing

Performance

Compensation

Productivity

Quality

NEW

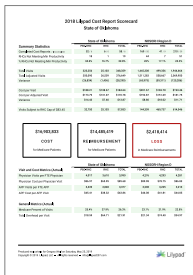


Lilypad partners with the **National Organization of State Offices of Rural Health**, individual State Offices of Rural Health and national rural researchers to offer this unique performance improvement program.

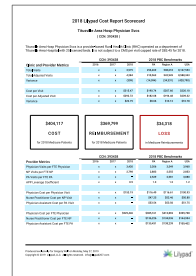
Information

Cost Report Scorecards

State Scorecards

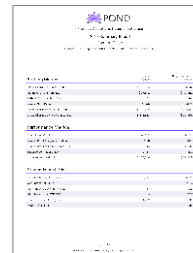


Clinic Scorecards

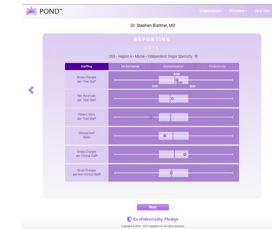


POND Analytics

Clinic Scorecard



Interactive Tools



To gain access to these reports and tools the required data must be entered into the POND web application

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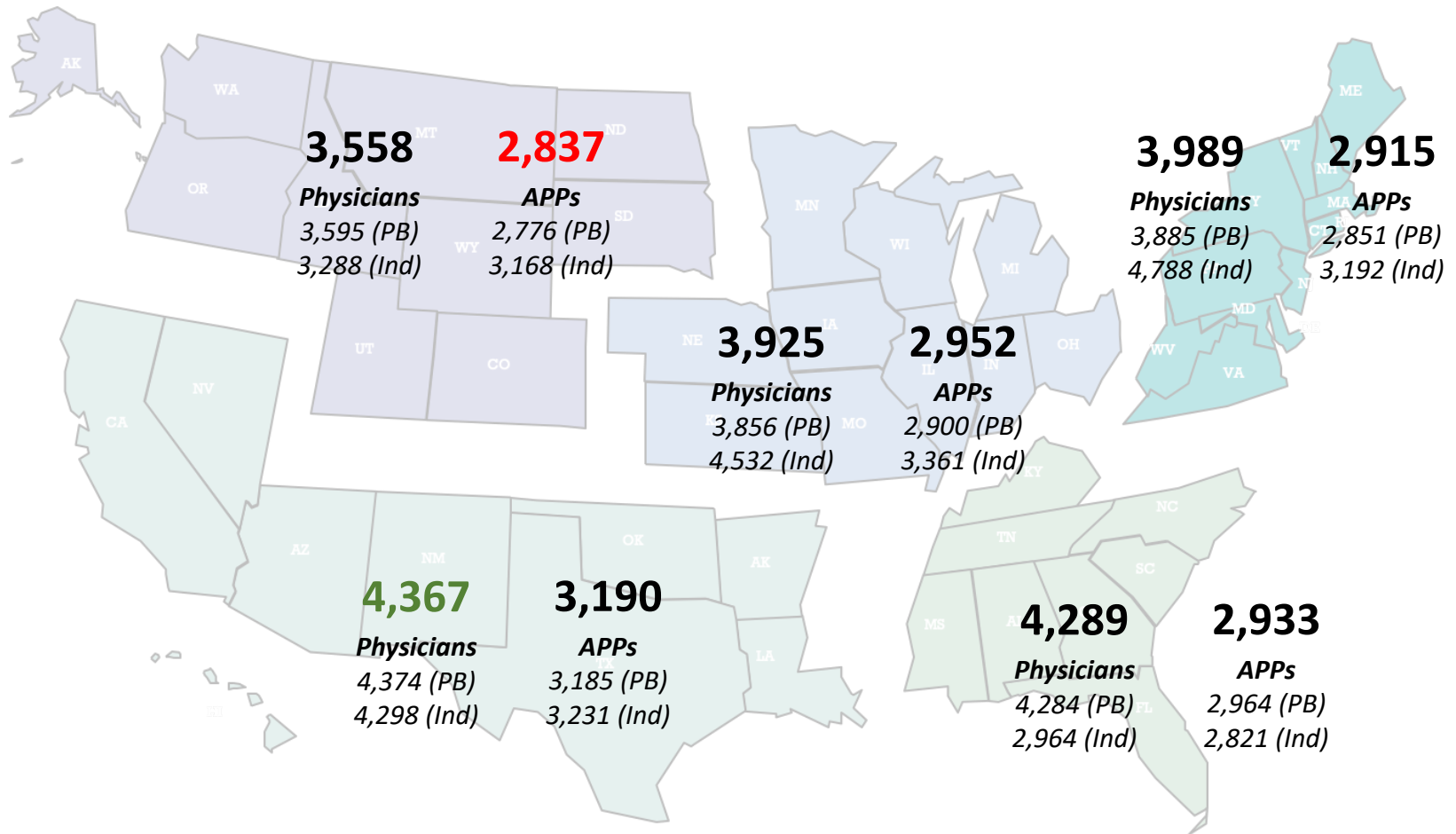


RHC Fun Facts

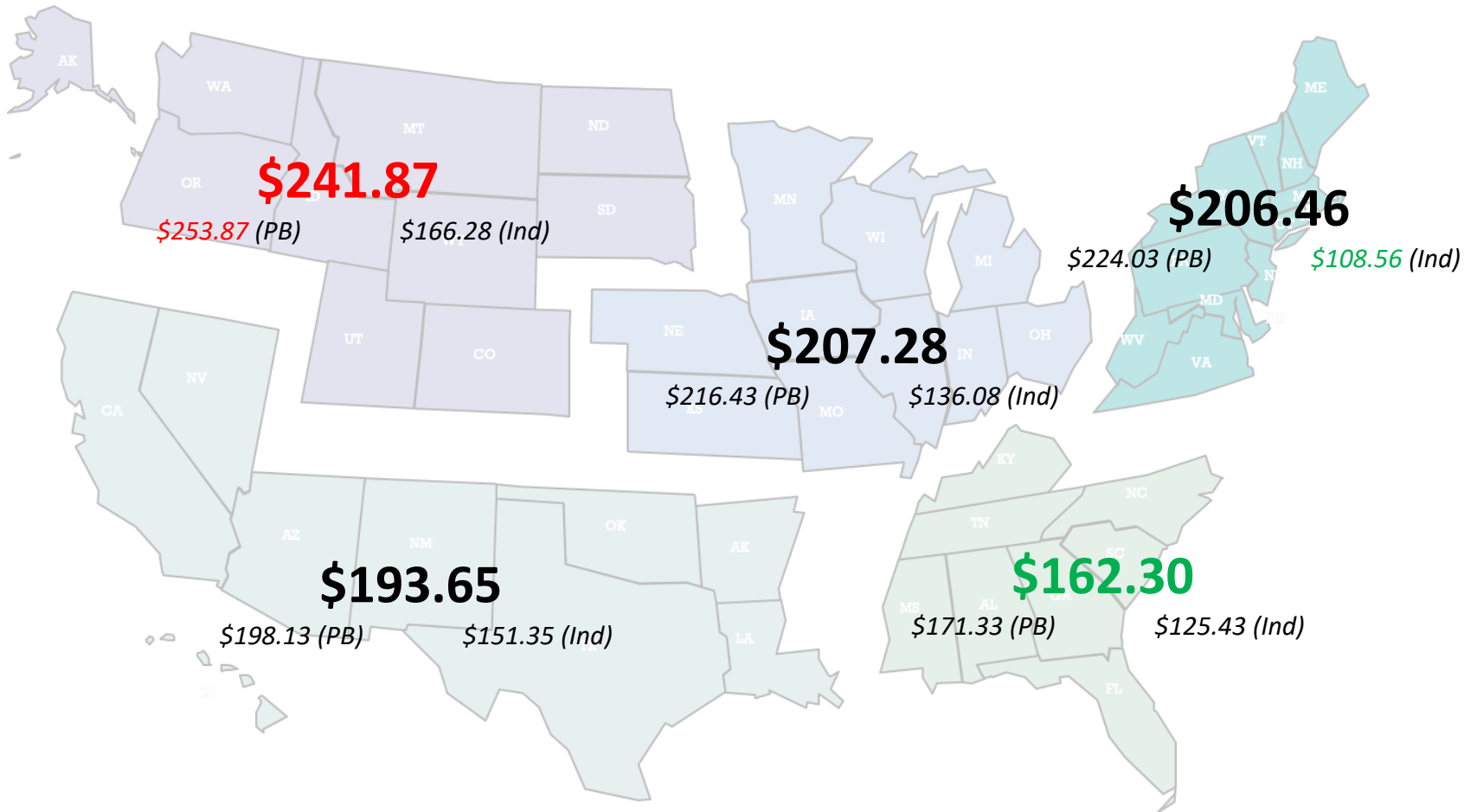
Visits per FTE Provider
Cost per Adjusted Visit



Visits per FTE Provider



Cost per Adjusted Visit



Strategies



Improvement Requires Information

- How does the Clinic currently perform?
- What are the relevant measures?
- Who manages the data?
- How are decisions made?
- How are initiatives managed?

Reporting Infrastructure

Operations
Dashboard

Monthly
Operations
10 Metrics

Practice
Scorecard

Quarterly
Strategy
10 Metrics

Physician
Scorecard

Quarterly
Value Performance
6 Metrics per

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