



Your Emergency Department as a Revenue Source



John G. Holstein
Director of Client Development
Medical Management Professionals, Inc. (MMP)

May 11, 2013

Important Assumption

Contracting with Non-Governmental Payers



2

3 Important Goals

- ❑ Secure fair reimbursement
- ❑ Educate payers for the future
- ❑ Preserve EM-specific issues

3

Let's Check the Pulse



4

Many Issues Impacting Your EDs



5

The Macro View



Emergency Department Visits

- Number of visits: 136.1 million
- Number of injury-related visits: 45.4 million
- Number of visits per 100 persons: 45.1
- Percent of visits with patient seen in fewer than 15 minutes: 21.7%
- Percent of visits resulting in hospital admission: 12.6%
- Percent of visits resulting in transfer to a different hospital: 1.4%

6

NEWS ITEM: AVERAGE EMERGENCY ROOM WAIT NEARS ONE HOUR, C.D.C. SAYS.



Preparing to Go For It



You plan includes the following:

1. Proper legal advice
2. ED Director is your educator
3. The payer has the upper hand

Your Practice Issues

Practice issues:

- Know the data and your market
- Volume and acuity of patients by plan
- Is there a Medicare plan? A Medicaid plan?
- Evaluate the potential revenue loss in the deal
- Know your current collection, including self-pay
- That's collection...cash/patient visit

ED Physician Educator

- ☐ This is your opportunity to define EM
- ☐ Opportunity for better understanding of EM
- ☐ This is your chance to justify your rates



10

Highlight Your Practice

- ☐ Expertise unique to your ED
- ☐ Door-to-doctor times
- ☐ Door-to-balloon times
- ☐ Patient satisfaction scores
- ☐ Communication with their specialists
- ☐ Pediatric attendings, etc., etc., etc.
- ☐ *ED observation

11

*Special Case of ED Observation

- ☐ Who benefits?
- ☐ Their patients
- ☐ Your hospital
- ☐ Payer's attendings
- ☐ **Payer - You are saving them \$\$\$**

12

You Are Prepared With...

- ☐ Your acuities for this payer(s)
- ☐ Procedure volumes for every code
- ☐ Current payments for every code
- ☐ Current rejections from this payer
- ☐ **This is your opportunity for refusing to accept inappropriate denials**

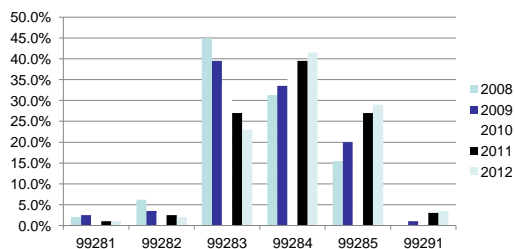
13

Remember

- ☐ In the last 12 years virtually every major payer has been involved in a class action and settlement particularly for inappropriate payment bundling practices
- ☐ Resource for you: Fair Health, Inc Database
- ☐ www.fairhealth.org


14

Your Practice Data Shows Their Patients are Sicker!!!



15

Determining Your Acceptable Rates

- ☐ Gut-check: How low is the offer? 
- ☐ Your market parameters are:
 - Non-contracted, non-governmental payer rates
 - Remember to include the self-pay payments also
- ☐ Use Medicare as a frame of reference only
- ☐ **Never actually mention Medicare!!!**

16

You Have Reviewed Everything

- ☐ E/M-Visit Codes: 99281 through 99291
- ☐ All non-E/M codes; especially high volume
- ☐ Observation services
- ☐ Bedside ultrasounds
- ☐ X-Rays and ECGs
- ☐ Sedation
- ☐ **Even if you are not billing these today!!!**

17

Flat Rate vs. Procedure Based?

- ☐ **Pursuing a flat rate deal**
 - Absolutely must have quality payment data
 - Assess revenue for "all" procedure codes
 - Don't overlook planned, new procedures
 - Revenue for E/M vs. non-E/M codes
 - You must assess the impact of non-E/Ms
 - Don't forget the self-pay (i.e. balance bill \$\$\$)
 - What is your current cash/visit total?

18

Flat Rate vs. Procedure Based?

☐ Pursuing a procedure Based deal:

- Know your payments for "all" procedures
- **Remember upwards to 85% of revenue - E/Ms**
- Narrow the gap between total cash/visit and current E/M revenue; maximize your E/M demand
- Adjust your non-E/M rate proposal based on the gap
- Can you live with lower non-E/M \$, if E/M rates are acceptable?
- Always include "all" procedures in existence and planned

19

Timeout - Can You Walk Away?



Thank you, but our answer is:

NO DEAL

20

If You Are Moving Forward

☐ You have agreement on rates

- Not so fast, just yet...
- There is a lot left...
- EM-specific issues

21

ED-Specific Issues

- ✧ Preservation of issues central to EM
- ✧ EM is unique, and it is necessary to establish this fact in the negotiation
- ✧ EM has its own identity and dimensions

22

Here They Are...

- ✧ EMTALA
- ✧ Prudent Layperson Definition of an Emergency
- ✧ Insistence on plan specificity to avoid silent PPOs
- ✧ No favored nation clauses in the contract
- ✧ Be very careful about moonlighting physicians
- ✧ The special case of payment bundling
- ✧ Credentialing: You want a delegated process
- ✧ How is the "provider" defined in this contract?
- ✧ Documentation requirements: Medicare or CPT?
- ✧ Claim submission parameters: The ED is a special case
- ✧ Do not allow contract assignment without your review
- ✧ Term: How long are you willing to live with this deal?
- ✧ Appeal process and your Medical Director's involvement

23

Never Forget This Step!

- ✧ De-contracting with a payer
- ✧ The rates are simply unacceptable
- ✧ Their rejections and policies are unacceptable
- ✧ Strategize with hospital administration
- ✧ Gauge the impact of patient balance billing
- ✧ Gauge the impact of patients getting the payments
- ✧ ED Practice/Administration partnership press release
- ✧ Pull the plug

24

Why is This Important Again?



"You have to learn the rules of the game, and then you have to play better than anyone else."

—Albert Einstein

25

**Great Success to You All!
Thank You.**

John G. Holstein
Director of Client Development
Medical Management Professionals, Inc. (MMP)
610-668-6473
jholstein@cbizmmp.com
<http://www.linkedin.com/in/johngholstein>



26
