3.05 The Community Wide Benefit of Medical Assistance Outreach for the Un and Under Insured:

What hospitals can do and are doing in the current healthcare environment.

Corey Shank and Greg Moga
Outreach Services
Outreach Services Background

• Work for Community Hospitals since 1987
  – Over 200 hospital clients in 10 states
  – So far in 2007, referred $740M in hospital bills for patients that would otherwise go unpaid
  – Have converted $491M to be covered 66%

• Help hospitals and their uninsured patients navigate medical assistance programs
  – From Idaho to Hawaii (in terms of comprehensiveness of programs)
  – Also, Crime Victims funds, accident insurance policies, COBRA, etc.
Outreach Services Background

• Mission of patient advocacy and community service, while using best business practices to conduct our work
  – Social Health: Provide outreach and advocacy services to uninsured and underinsured patients
  – Fiscal Health: Provide revenue to Community hospitals via our patient advocacy that often times is the difference between red and black
• First three quarters of 2007
  – Have helped nearly 25,000 patients and families get covered for
  – Over $560M in hospital bills
  – Not including ancillary bills from community providers
System Overhaul

• According to CMS $2.2 Trillion spent in the U.S. for healthcare
  » Kaiser Family Foundation, September 2007

• 47 Million uninsured Americans
  » Kaiser Commission on Medicaid and the Uninsured, October 2007
Cascaded Impact of Uninsured

• Impact to the uninsured themselves
  – Know the high costs and don’t seek preventative care, and
  – Do not seek treatment for early symptoms, instead
  – Seek first treatment in Emergency Department when severity increases

• Impact to the community hospitals who treat the uninsured
  – No payment for treatment provided
  – Higher cost to treat since symptoms have escalated and severity increased
  – Overcrowded E.D., overcrowded hospital

• Impact to the insured Americans
  – Cost-shifting, hospitals recover costs from treating uninsured by collecting more from insurance companies whose members pay higher and higher premiums
  – Access to Emergency care inhibited by overcrowded E.D.
Cascaded Impact of Uninsured

- Impact to America’s Healthcare Delivery System
  - Access to care, in general, limited by physician practices and specialists concentrating in areas of high affluence…taking less call…taking less risk (financial).
  - Two-Thirds of Medicare expenditures go toward the care of 10% of its beneficiaries.
    » Kaiser Family Foundation
  - Postponed treatment means more chronic illness and higher costs to continue the maintenance of America’s health.
Changes Obviously Necessary

• We are here to learn about reform, and
• The implications of that reform in order to
• Shape the framework of a successful healthcare system in America
What about today?

• That is the point of our topic
• What is being done today, by our community hospitals, to maximize the utilization of already existing programs available for the uninsured?
• And, how the results of those efforts benefit communities both socially and economically
Hospital Challenges

• Due to heavy regulation, are practically mandated to operate on margins of no more than 3-4%  
  – The better a hospital does, the more scrutiny, criticism and bad PR it gets  
  – The more a hospital loses, the more likely it closes its doors

• Losses from *covered* patients (Medicaid, e.g.), lower reimbursement

• Increased uninsured, more write-offs  
  – Hospitals are perhaps as equally impacted by uninsurance as the uninsured themselves  
  – Uninsured that don’t need treatment are not the community’s problem  
  – Impact operations, revenues, availability for care

• No respect for being the cornerstone of every community’s healthcare delivery system
Hospital Community Benefit

- In order to support tax-exempt status hospitals must provide extensive community benefit
- Until recently, just being a hospital was enough proof to justify tax-exempt status, however
- More and more scrutiny is being made on hospitals to justify their community benefit
- “Nonprofit hospitals routinely overcharge or deny care to patients least able to pay, Senate investigators have found, raising questions about whether the institutions should be eligible for tax exemptions that cost the U.S. Treasury billions of dollars a year.” Kathleen Day, Washington Post
- Illinois Attorney General, Lisa Madigan (D) tries to pass law requiring Illinois hospitals to devote 8% of charges for free care. Also, Cook County audits hospitals and intimates that hospitals could lose tax-exempt status and be liable for $241M in property taxes.
- Sen. Grassley (R) of Iowa leads Senate Finance Committee Hearings charging hospitals do not provide adequate Community Benefit to warrant Tax Exemption.
Community Benefit Reporting

• So, hospitals prepare Community Benefit reports
• Traditionally include:
  – A guide for Planning and Reporting Community Benefit, CHAUSA, p. 38
  – Community-building activities
  – Financial and in-kind contributions to community groups
  – Health professions education
  – Unreimbursed costs of public programs (losses from Medicaid, e.g.)
  – Charity Care
Community Benefit Reporting

What’s Missing

• Catholic Health Association published *A Guide for Planning and Reporting Community Benefit*
  – AHA
  – HFMA

• Report:
  – Programs that respond to an identified community need
  – Programs and services to at-risk persons, such as uninsured and underinsured
  – Programs offered to the broad community designed to improve community health
Medical Assistance Outreach for the Un and Under Insured

Writeoffs (Charity/Bad Debt) → Medicaid Enrollment → Full-on Uncompensated Care Management
Medical Assistance Outreach for the Un and Under Insured

• Bad-Debt
• Charity
  – No doubt fundamentally necessary
  – Increased uninsured
  – Decreased medical assistance programs
  – No coverage for non-hospital treatment

• Medicaid Enrollment
  – Core of any outreach and advocacy program
  – Makes up 80% of our outcomes
  – Family Coverage
  – Payments for community providers
  – Easily impacted by budgets and politics
  – Paid for by the tax-base
Full-on Outreach Program

• The goals are to serve as many uninsured and underinsured as possible and to mitigate the exposure to hospitals caused by treating them
• For all the uninsured and underinsured (hospital patients)
  – Not just the kids
  – Not just the homeless
  – Not just the pregnant mothers
  – But also the elderly,
  – The unemployed fathers
  – The *Underinsured*
  – Every uninsured and underinsured
Full-on Outreach Program

• Access programs and appropriate funds correctly
  – Access more programs and services, conserve more funds
  – We’re learning all the programs, all the possibilities for coverage, hospitals must learn to look for (program) liability
  – Liability
    » COBRA
    » Insurance Companies
    » Indemnity Policies
    » Workers’ Compensation
    » Crime Victims Funds
    » Veterans Assistance (Mill. Bill)
    » Public Assistance
Full-on Outreach Program
Financial Triage

• Triage - “...in battlefield medicine the principle of triage involves dividing patients into three groups: 1) those who will die anyway whether they receive medical attention or not, 2) those who will survive anyway whether they receive medical attention or not, and 3) those who will survive only if they receive timely medical attention.”

  – Personal Development for Smart People, Steve Pavlina
Full-on Outreach Program
Financial Triage

• Grouping
  – Patients not eligible for any programs, services, policies or funds (Self Pay)
  – Patients who are eligible for hospitals’ programs and funds (Charity and Financial Assistance)
  – Patients who are eligible for funding from a third party program or policy

• Purpose
  – Tracks and categorization
    » Until universal healthcare, there aren’t enough programs, services and funds to cover everyone
    » Predictive analysis for most efficient service
    » Believe it or not, very time sensitive
  – Rule in, Rule Out
  – Best results, more successes, more people helped

• Establishes reporting bases
Reporting the Effort

Background

• Is it that hospitals don’t do it, or is it that they don’t report it?

• How many of us know for sure, whether or not our community’s hospitals have a process in place to help uninsured patients get eligible for medical assistance programs…how many of us know how they do it and the quantifiable impact it has?

• (Not) Reporting it has indeed been a hospital failure
The Importance of Reporting

• Transparency
• Accountability
• Definition and demonstration of purview
• Internal audit and review
• Public Relations
Defining the Process,
Scientific Approach

1. Define the question
2. Gather information and resources
3. Form hypothesis
4. Perform experiment and collect data
5. Analyze data
6. Interpret data and draw conclusions
7. Publish results
8. Retest

1. How are we going to help the uninsured and underinsured patients that we treat with their medical bills?
2. Identify the sources for coverage
3. Define and design a set of processes to appropriate the sources of coverage to the uninsured and underinsured, and install tracking mechanisms to measure the processes
4. Do the work
5. Create queries and audits for data analysis of the programs utilization
6. Create summary reports to quantify the outcomes (how many people helped)
7. Publish reports in Community Benefit Report
8. Keep doing it
Differentiate from billing and collections

• Whether fortuitous or purposed, patient advocacy is a community benefit
• Breaking it apart from billing and collections systems
  – So it is successful, and
  – So that people both inside and outside the program know and trust is basis
• All encompassing, comprehensive and sensitive
• Educate and inform
Tracking the Program

Everything about providing outreach and advocacy to patients should be detailed and outcomes identified.

• If for nothing else, hospitals do it for protection
Positive Outcomes

• Identify programs and positive outcomes
  – Medicaid and medical assistance
  – Tertiary programs:
    » Veterans Assistance
    » Indian Health Services
    » Crime victims funds
  – Primary programs:
    » COBRA
    » Workers’ Comp.
    » Other third party liability
Non-Eligibility Outcomes

– Last resort is billing and collections
– Categorical results
  • Patients who are just not eligible
    – Poor programs available, but no money?
    – Too much money?
  • Those who cannot be determined eligible or ineligible
The Community Wide Benefit

• Obviously, helping the uninsured find programs and services to cover hospital bills
• Extension to families and other community providers
  • Charity is hospital assistance
  • Other programs are community assistance
    – Families
    – Community providers
• Those whose only option is Charity
• Feeding oneself
  • Economic stabilization of the hospital,
  • In order to continue to stick around and treat
  • The entire community, both insured, underinsured and uninsured
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