

NJHFMA-
Physician Practice
Forum

NJ HFMA
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Forum - Presentation
April 2024

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Agenda

- ✓ **National/State Issues**
 - ✓ Healthcare Regulation and Policy Update
 - ✓ Final Medicare Advantage Rates
- ✓ **Part A**
 - ✓ Kaufman Hall Hospital Flash Report
 - ✓ Concierge Practices in Hospitals
- ✓ **Part B**
 - ✓ Pharmacy Worker Issues
 - ✓ Amazon Primary Care Model
- ✓ **Compliance**
 - ✓ HIPAA Change Healthcare Breach
- ✓ **Payers**
 - ✓ MultiPlan – Private Equity
- ✓ **Technology**
 - ✓ Healthcare AI Regulation
- ✓ **Next monthly meeting**
 - ✓ Wednesday, May 15, 2024

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✓ **National/State Issues**

✓ **KPMG Healthcare Regulation**

- ✓ President Biden signed an executive order prioritizing investment in women's health research and strengthening research standards across federal agencies to reduce disparities; the order asks Congress to approve \$12B for a National Institutes of Health women's health fund.
- ✓ CMS is providing state Medicaid agencies with additional flexibilities to issue interim payments to providers impacted by the Change Healthcare ransomware attack.
- ✓ Medicare Part D plans may now cover the anti-obesity medication (AOM) Wegovy for cardiovascular disease, according to new CMS guidance. Medicare will cover all other AOMs that receive FDA approval for an "additional medically accepted indication."

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✓ **National/State Issues**

✓ **KPMG Healthcare Law and Policy Update**

- ✓ MedPAC's March 2024 report to Congress recommended increasing Medicare physician pay for inflation and several reforms to MA, including replacing the quality bonus program, improving encounter data, and establishing more equitable benchmarks.
- ✓ A Congressional Budget Office (CBO) analysis on future Medicare coverage of Anti-Obesity Medications (AOMs) suggests that if covered at their current prices, AOMs would increase the federal deficit over the next 10 years.
- ✓ Per an American Hospital Association (AHA) survey, 94% of hospitals reported some financial impact from the Change Healthcare ransomware attack; nearly 60% of hospitals cited revenue losses of at least \$1M per day.
- ✓ A study by the National Bureau of Economic Research (NBER) found mass Medicaid disenrollment due to the 2005 termination of Tennessee's 1115 waiver (TennCare) led to a nearly 17% increase in total state crime.

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✓ National/State Issues

✓ CMS Final Medicare Advantage Rule

- ✓ Regulators will enhance Medicare Advantage marketing, prior authorization and network adequacy standards for 2025, the Centers for Medicare and Medicaid Services said in a final rule Thursday.
- ✓ The agency set fixed compensation for agents and brokers to prohibit them from steering patients to plans that don't best suit their health needs.
- ✓ The regulation also prohibits beneficiary information from being shared between marketers without the individual's consent.
- ✓ Medicare Advantage carriers will need to staff utilization management committees with at least one health equity expert, perform analyses and publicly release their results on plan websites.

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✓ Polling Question #1

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(1) Which of the following are part of the Final Rule for MA?

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- ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part A Reimbursement**

- ✓ **Kaufman Hall March 2024 Hospital Flash Report (February 2024)**

- ✓ **Key Findings**

- ✓ Margins this month were at 3.96%, continuing a strong start to 2024. However, data this month do not reflect the full impact of the Change Healthcare outage, which began February 21st.
- ✓ Gross revenue continues to rise at a faster rate than net revenue, highlighting payer mix changes. Bad debt and charity care have also risen over the last few years.
- ✓ Revenue growth is primarily being driven from the outpatient setting. There continues to be a decline in inpatient revenue and increase in outpatient revenue.
- ✓ CYTD Operating Margin – 4.9%
- ✓ Monthly Operating Margin – 4.0%

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✓ **The Centers for Medicare and Medicaid Services (CMS) – Part A Reimbursement**

✓ **Concierge Practices in Hospitals**

- ✓ Many major hospitals and health systems have begun opening concierge physician practices, charging patients annual membership fees for easier access to their doctors.
- ✓ NCH Healthcare System in Florida employs 12 concierge physicians who treat around 3,000 total patients. We found a need in this community for those who wanted a more personalized health care experience.
- ✓ The annual membership fees of concierge programs, which can exceed \$4,000 a year in some cases, are paid in addition to copayments, deductibles, and other charges that aren't paid for by a patient's insurance plan.
- ✓ Researchers did find that concierge medicine corresponded to a 30% to 50% increase in total healthcare spending by patients.

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✓ Polling Question #2

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What is not typical of a hospital concierge practice?

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✓ The Centers for Medicare and Medicaid Services (CMS) – Part B Reimbursement

✓ Pharmacy Worker Issues

✓ The 10 most reported issues from pharmacy workers in 2023:

- ✓ 1. Staffing/scheduling (491 reports)
- ✓ 2. Volume/workload expectation
- ✓ 3. Working conditions (420)
- ✓ 4. Pharmacy metrics (399)
- ✓ 5. Training or education (165)
- ✓ 6. Medication error — near miss with no patient harm (142)
- ✓ 7. Professional judgment restricted or supported when caring for a patient
- ✓ 8. Personal safety concerns (123)
- ✓ 9. Technology/automation (80)
- ✓ 10. Insurance or billing issues (80)

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✓ **The Centers for Medicare and Medicaid Services (CMS) – Part B Reimbursement**

✓ **Amazon Primary Care Model**

- ✓ Amazon has 221 primary care offices in more than 20 markets.
- ✓ In February 2023, it finalized a \$3.9 billion acquisition of virtual and in-person primary care company One Medical, which added more than 200 brick-and-mortar physicians offices and roughly 815,000 One Medical members.
- ✓ Amazon has since launched One Medical for Prime, offering Amazon Prime members unlimited virtual visits for \$9 a month.
- ✓ One Medical provides concierge primary care, with longer appointments and no wait times, as well as 24/7 virtual care for a yearly membership of \$199 and has formed collaborations with 19 hospitals.

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✓ Polling Question #3

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Which of the following is a pharmacy worker issue?

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✓ Payers

✓ Private Equity Owned MultiPlan

- ✓ MultiPlan and the insurance companies have a large and mostly hidden financial incentive to cut those reimbursements as much as possible, even if it means saddling patients with large bills. The formula for MultiPlan and the insurance companies is simple: The smaller the reimbursement, the larger their fee.
- ✓ Here's how it works: The most common way Americans get health coverage is through employers that "self-fund," meaning they pay for their workers' medical care with their own money. The employers' contract with insurance companies to administer the plans and process claims. Most medical visits are with providers in a plan's network, with rates set in advance.
- ✓ But when employees see a provider outside the network, many insurance companies consult with MultiPlan, which typically recommends that the employer pay less than the provider billed. The difference between the bill and the sum actually paid amounts to a savings for the employer. But, The Times found, it means big money for MultiPlan and the insurer, since both companies often¹⁶ charge the employer a percentage of the savings as a processing fee.

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✓ Technology

✓ Healthcare AI Regulation

- ✓ To use AI for clinical purposes, developers often must get their algorithms past the FDA. The agency provides clearances, designations and approvals for an increasing number of AI-enabled medical device and software products.
- ✓ The Office of the National Coordinator for Health Information Technology finalized a rule in December that set transparency standards for the development of AI in health IT software.
- ✓ Some regulatory guidance from the Centers for Medicare and Medicaid Services has come in response to the alleged use of AI for prior authorization and claim denials.
- ✓ President Joe Biden signed a sweeping executive order in October and invoked the Defense Production Act to establish the first set of standards on the use of artificial intelligence in healthcare and other industries.

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✓ Polling Question #4

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Which of the following is not true of the current healthcare AI regulation?

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