



Prevention and Public Health Funds
Reimbursement Project

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Washington State
Local Health Jurisdiction
Cost Benefit Assessment Tool Training

Welcome to this training on the Washington State Local Health Jurisdiction Cost Benefit Assessment Tool. This training will help Washington State Local Health Jurisdictions complete a cost and benefit assessment for billing private insurance.

Training Goals



Public Health Reimbursement Project

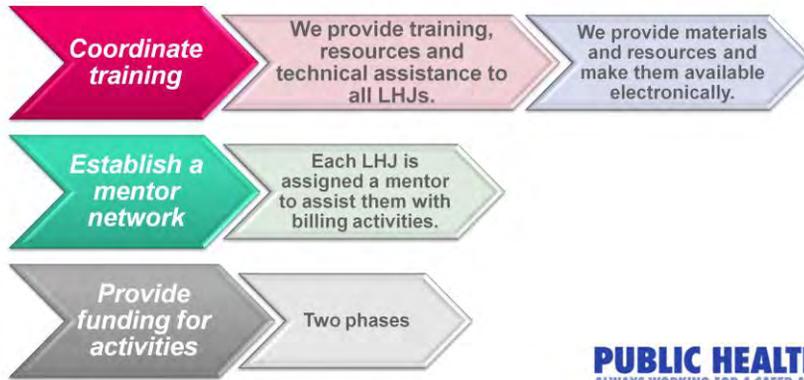
A CDC-funded project to improve reimbursement and reinvestment in immunization programs.

These grants are commonly called "Billable" Projects.

Public Health
Reimbursement
Project
(7/1/12-8/31/14)

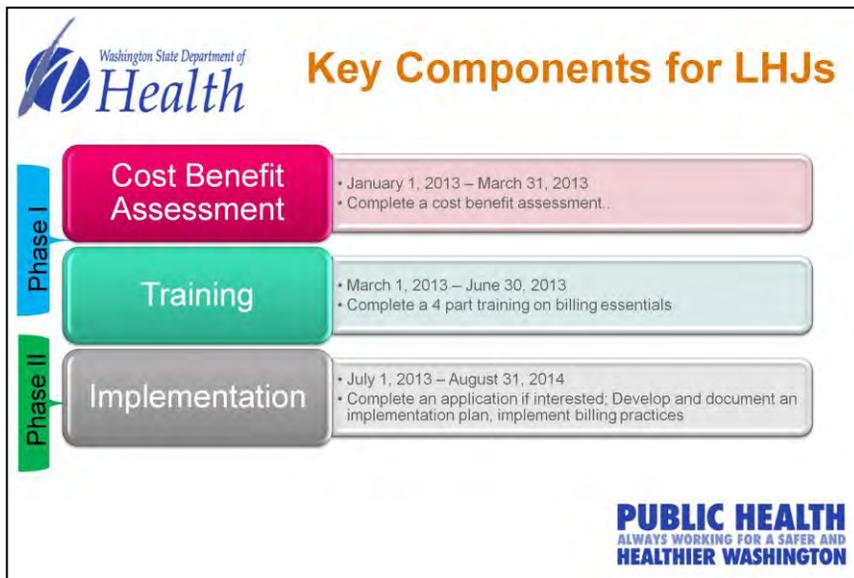
Implement billing for services in health department clinics.

Our Plan



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Our goal is to work with LHJs that are new to billing or need help getting started with billing private insurance.



These two phases will help you prepare and bill private insurance.

The first phase is from January 1, 2013 – June 30, 2013. Funding for these activities was added to your consolidated contracts.

Phase II is from July 1, 2013 – August 31, 2014, We will send out a more information on how to apply for these funds in the coming months.



Why are we doing this?

According to the 2011 Public Health Activities and Services (PHAS) report, ninety percent of Washington LHJs provide vaccines.

Most health departments across the country are not billing private insurances vaccines.

US Health Departments	WA Health Departments
70%	67%

A group of five LHJs developed a billing guide which has laid a solid foundation for the work ahead of us.



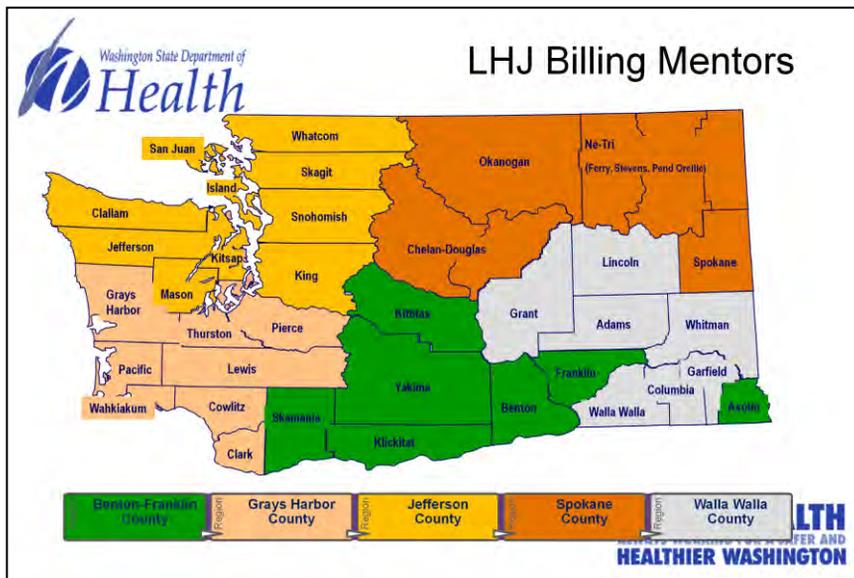
We know that you serve as the public health safety net for our communities.

We want to support you and the services you provide.

We know that billing private insurance for those services can help you bring in more revenue.

We want to help you whether your looking to boost revenue or are looking for guidance as we move through healthcare reform.

They developed The Washington State Local Health Jurisdictions (LHJs) Immunization Billing Resource Guide which has laid a solid foundation for the work ahead of us. These five LHJs will be your billing mentors.



Mentoring LHMJ primary point of contact. We will be sending out more information about the mentoring process soon.



You know change is coming. Let us guide you through it.

Health Care Reform. Many clients you serve will become eligible for coverage from Medicaid or through the Health Benefit Exchange now called WA HealthPlanFinder.

Some of your funding may have been reduced or eliminated. Many services provided through Local health departments are funded through public sources, specifically here at the Department of Health. Those funds are not guaranteed, in fact some funds like STD or Family Planning screening is grant based so those funds are unpredictable. Additionally, federal and state funding streams will likely be affected and adjusted as more people become eligible for insurance and Medicaid.

You may already be billing Medicaid and Medicare. This tool will also help you see if you are getting paid the maximum amount you could be for the services you provide.

If you don't provide any direct services at your clinic or you are thinking about reducing the services you provide because you don't have the funds. You can use this as a projection tool to see what it may cost to add or keep services so you can continue to serve your community.

You will receive funding.

Our reimbursement amounts are based on typical and average payments collected by five LHJs in Washington. They are only estimates since each provider should negotiate reimbursement rates with private health plans as part of their contracting process.



Complete a Cost Benefit Assessment: Help you conduct a cost benefit assessment to see how you may benefit from billing private health insurance for the services you provide. This will give you a “real” estimate of what you could expect to be paid. You can refer to CBA Tool Quick Guide to help you gather the information and data needed to use the tool.

Billing Training: We surveyed Most LHJs would like training and help with billing. So, we will provide training on four areas of billing: Billing Basics, Private Insurance Billing, Medicare Billing and Medicaid Billing. Each training will provide information about billing (paper and electronic), contracting with payers, credentialing your providers with health plans, client eligibility verification and medical coding.

LHJ Billing Mentors: You will have support and help from an experienced billing mentor to help you prepare and implement billing. Having a mentor means that you will have a contact that not only knows a lot about billing but has resources, experience and knowledge to overcome the challenges most health departments face when billing private insurances.

Implementing Billing Practices: In Phase II, you will begin to implement billing practices in your clinic or improve the processes you have.

We will help you understand how to become a preferred provider with private insurance plans and will be working with private insurance plans to make this process easier for you. You will continue to work with your mentor to help your plan succeed.

Funding: We will provide funds to support implementation and share updates with you as health care reform unfolds and the direction of public health becomes clearer.



Here is some information and history about the tool itself.

How it was created. Ideas, feedback, formulas and templates from many resources Benton-Franklin, Grays Harbor, Jefferson, Spokane and Walla Walla health departments, IOWA Immunization Program Public health reimbursement grantees Medical billing vendors

We included services that are commonly provided at local health departments including vaccines, oral health, STDs, TB and Family Planning and you can add your own.

Since you may already be receiving funds through consolidated contracts and or grants for the many of the services listed in this tool, please work with your contract coordinators to help you get accurate results.

Where we got the payment amounts. The private insurance payment amounts are only an estimate. They are based on the average amount collected at five local health departments. We do not have reimbursement amounts for all services. Please contact us if you want to add more payment information to the tool. You should note that payments for vaccines include administration and education and counseling for each qualified service. *Education and counseling may be billed by a licensed physician or Qualified Healthcare Professional (QHCP) for vaccines given to children under 19.

Printer-Friendly The tool has a maximum of 20 pages. The number of pages you print will depend on how many services you provide and/or select in the services tab.

Washington State Local Health Jurisdiction

Cost Benefit Assessment Tool

General Instructions

This four-step guide will help you create your own cost/benefit analysis for billing private insurance for services provided at your health department.

The services in this tool are listed by the AMA CPT and HCPCS codes and their descriptions. You will need to enter the number of services you provide annually based on their coverage status (Uninsured, Medicaid, Medicare or private insurance) to get cost and benefit results.

This tool will only show you the cost and benefit from billing for services. It does not address the cost to deliver care.

How to use the Cost Benefit Assessment (CBA) Tool

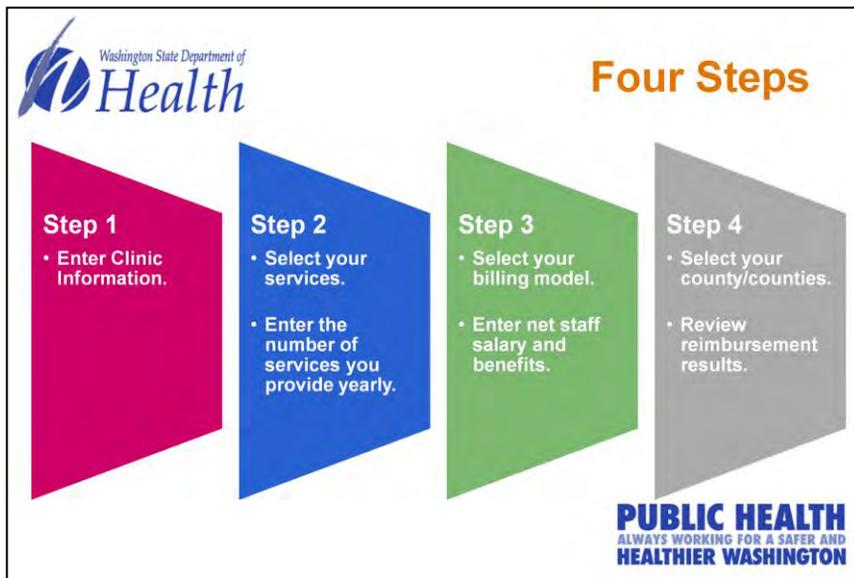
Follow these steps and we will use your information to generate cost and benefit results for you.

Instructions are also located on each page.

NOTE: Save a copy of this tool before you get started.

The tool will help you see the cost and benefits from billing private insurance in four steps.

Your file should open to the instructions page. Here you will find step-by-step instructions to help you complete and submit your assessment. Please note: Instructions are also listed on each worksheet.



Follow these four steps to generate cost and benefit results. Tabs labeled steps 1-4 are the worksheets you will use to complete the assessment.

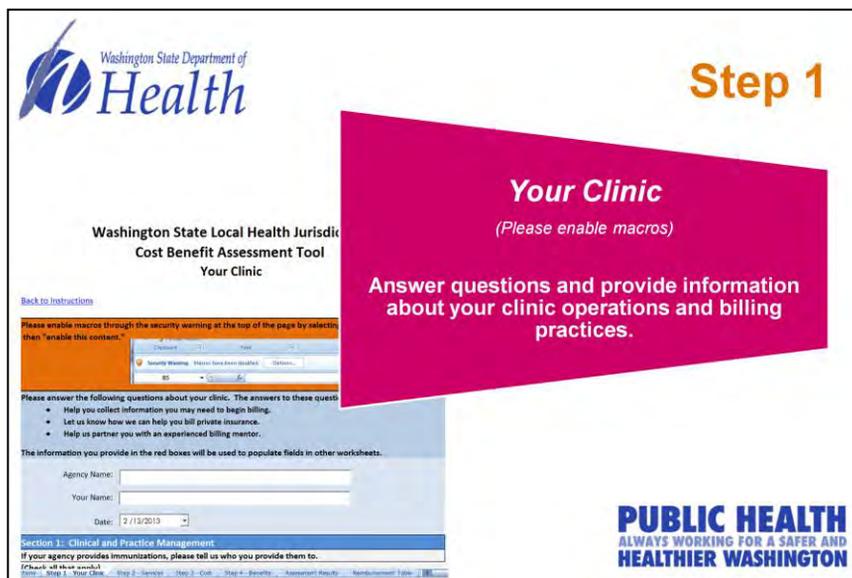
In Step 1, tell us information about your clinic operations and billing practices.

Step 2, tell us about the services you provide and your patients.

Step 3, you can select from three billing cost models to help you decide how much it may cost to bill.

And in step 4, review the estimated revenue results based on the information you provided.

Once you have completed each step, you can view the assessment results.



You may need to enable macros to use the tool. Please click on the options button that popped up at the top of your page and select enable content. Depending on your software use and security policies, you may need to repeat this for each page or get help from your system administrator. Here you will answer questions and provide information about your clinic operations and billing practices. Some of the data you provide will be used throughout the tool to calculate cost and benefit results.

Start by entering the name of your agency, your name and the date. In section one, tell us about your clinic and practice management and billing practices. You may need to gather this information from more than one person in your agency. You will need to enter information in the red boxes to get cost and benefit results.

We have given you some descriptions, definitions and examples for of terms that you may not be familiar with. Such as qualified healthcare professional. In a local health department setting, most of you report and bill using your Health Officer’s license and information. A qualified healthcare professional is a non-physician provider such as a physician assistance or ARNP in place of your health officer. They are different from clinical staff who works under the direct supervision of a physician and report and document services under the physician name, license and information.

We want to know about your current billing practices. We have found that many of you use the same practice management and/or billing system. Many of our cost and benefit results are based on the number of claims or billing statements you bill each year. If you do not bill at all, tell us how many patient encounters you have each year. The number of patient encounters is not the same as the number of patients since you may treat the same patient more than once each year.

Tell us how many claims or encounters you had with Medicaid, Medicare, Private Insurance and Self-Pay patients. Self-pay should include the uninsured and cases that you didn’t ask or collect private insurance or coverage information. This information will be used in calculations throughout the tool so please do not leave it blank. Tell us how you currently bill for your services. In section two, tell us who pays for the services you provide and in section three, tell us if you are interested in contracting with private insurance plans. You can also select yes here if you already have a contract or memorandum of understanding or MOU, but would like more information or help contracting with more plans.

In section four we want to know about your billing barriers and how we can assist you with billing. We would like to start a LHJ billing community, tell us how you would like participate in section 5. You have now completed step 1.

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Step 2

Services

Who Paid for the Services?

Completing this worksheet will tell us what services you provide and who paid or should be paid for services you provide. We will use this information to show you the cost and benefits of billing your clinic's services. Results will be shown in the Benefits and Assessment Results tabs. If you have insurance information, report it as "Self-Pay."

Enter the following:

- "Y" in Column K for each service you provide.
- How many services you provide based on who paid for it.

You can use these links to get to the services you provide.

[State Supplied Immunizations](#) [Private Purchase Immunizations](#) [Office Visits](#)
[Oral Screenings](#) [Lab Tests, STD, TB](#) [Family Plans](#)

NOTE: This worksheet is 5 printed pages.

Services	CPT/HCPCS	Selected Services	Payer				Total Services
			Self-Pay	Medicaid	Medicare	Private Insurance	
Immunizations - Child -Aged 0-18 - State Supplied			Number of Services (Annually)				
Est. OV -Animal -21	99211-25	Y	100	300	300	100	490
Influenza	90633-90672						0
Influenza Nasal Mist	90660						0
Pneumonia	90732						0
Pneumovax -5 yrs old	90669						0
Tdap (Boost)	90709						0

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Step 2 – Services - This will tell us about the clients you serve. Here you will find a list of services commonly performed in local health departments.

Select your services in column K and tell us how many times your provide it based on the payer. We will use this information in steps three and four to show you the cost and benefits of billing based on your clinic’s services.

Find a list of services and their procedure code (CPT/HCPCS) .

On the right are the coverage types; self-pay, Medicaid, Medicare and Private Insurance.

Review the list of services.

For each service provided in your clinic enter a “y” in column K.

Enter the number of times you provide that service in a year based on who paid for it; the client (Self-pay), Medicaid, Medicare or Private Insurance.

NOTES: Some of you may collect payment from the client up front then bill private insurance for some services or collect co-pays, for the purpose of this tool, only report under self pay if the client is the only payer. You can get some of the vaccine information from your practice profile in the IIS. We have already included administration, education and counseling services for you but make sure you include the office visits related to vaccines.

Let me give you an example. We will start with vaccine related office visits for children. For example, 99211 which may need a -25 or modifier when billing for vaccines. The -25 let’s the payer know that this service is separate from other services that may have been provided that day, like a health screening. It is also required by Medicaid or it will likely be denied. Find it on the list.

Enter a y to selected the service and enter the total number of office visits.

As we move into the self pay field you should see a pop up box with instructions. Don’t worry you won’t see it every time, it’s just a reminder.

Now I’ll enter

100 for self pay clients 700 for Medicaid clients 0 for Medicare clients 100 for private insurance
Which comes up to 900.

<Example continued on next slide>

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Step 2

Services

Who Paid for the Services?

Completing this worksheet will tell us what services you provide and who paid or should be paid for the services you provide. We will use this information to show you the cost and benefits of billing your clinic's services. Results will be shown in the Benefits and Assessment Results tabs. If you have insurance information, report it as "Self-Pay."

Enter the following:

1. "Y" in Column K for each service you provide.
2. How many services you provide based on who paid for it.

You can use these links to get to the services you provide.

[State Supplied Immunizations](#) [Private Purchase Immunizations](#) [Office Visits](#)
[Oral Screenings](#) [Lab Tests \(STD, TB\)](#) [Family Plans](#)

NOTE: This worksheet is 5 printed pages.

Services	CPT/HCPCS	Selected Services	Payer				Total Services
			Self-Pay	Medicaid	Medicare	Private Insurance	
Immunizations - Child -Aged 0-18 - State Supplied							
Est. OV - Minimal -21	99211-25	Y	300	3000	300	300	4950
Influenza	90633-90672						0
Influenza Nasal Mist	90660						0
Pneumonia	90732						0
Pneumovax -5 yrs old	90669						0
DTaP (Diphtheria)	90700						0

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Let's say your clinic provides the Dtap-IPV-HepB (Pediatrix) vaccine to children which is supplied by the state. Next to the name is the procedure code 90723. Enter a "y" under selected services and enter our data.

We'll enter
 50 times to for self-pay clients,
 200 times to Medicaid clients,
 0 to Medicare clients since they don't cover it, and
 50 to privately insured clients.
 You will see your subtotal of 300 for that service on the right.

We have already included administration, education and counseling services for you but make sure you include the office visits related to vaccines if it applies.

If you are a clinic that does not provide any services, you can use this as a projection tool to see what the benefits may be to start.

This tool will only show you the cost and benefits from billing for services. It does not address the cost to deliver care.

When you have selected all of the services and entered the number of times you provide them, you are ready to go to step three.

Washington State Department of Health

Step 3

Billing Cost

Cost
Select your billing model.
Enter net staff salary and benefits.

How Much Does it Cost to Bill Private Insurance?
There are several ways to implement billing in your clinic. Here are some tools to help you. The three most common ways to bill are:

- 1) Using a vendor or local health department to do the billing for you.
- 2) Using current or new staff to bill in your clinic.
- 3) Using and/or contracting with a billing clearinghouse.

In most cases, you will need the following supplies to begin billing:

- Computer
- Internet Access
- Billing Software (EMR and/or Account Receivable System)
- Ability to store and transfer data electronically
- Staff

We have provided information about these options and estimated cost for each service based on the information you provided about the patients you serve.

Model 1 - Using a vendor or local health department.
Depending on your current billing operations, you may want to contract with a third party to do your billing. In

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Implementing Billing - In most cases, you will need a computer, internet access, billing software that includes an accounts receivable system, the ability to electronically store and transfer data and staff time.

Most of the billing cost options have been estimated for you based on the information you already gave us. You may need to enter department more information or go back to previous steps and enter information to see all of the results. If you choose an LHIJ billing staff model, you will need to enter their annual net salary and benefits.

NOTE: If you already have staff performing billing activities you do not need to enter their annual net salary and benefits.

To help determine cost, we provided three billing models for billing private insurance plans.

Use a vendor
or another
LHJ

Use current
or new staff

Use a billing
clearinghouse

We have given you three models to help you find out how much it may cost to bill private insurance.

1. Use a vendor or LHJ
2. Use current or new staff
3. Use a billing clearinghouse

 Use a vendor or LHJ

Model one gives you information for contracting with a billing vendor. This option is ideal if you do not currently bill private insurances. This includes another local health department. Most of our mentors are willing to contract with you to do your billing. There are many billing vendors so you should do your research to make sure you get what you need. Your billing software vendor may be able to refer you to a vendor that works well with their product.

If you are not currently billing, this can bring in new revenue with little or no operational changes. If you currently do some billing, like Medicaid and or Medicare, you can contract out private insurance billing only.

The cost has been broken out by payer type. If you do not see results in this section, please go back to step 2, services, and enter information under Medicaid, Medicare and Private Insurance. Remember, this billing model requires minimum staff time and resources.



Model two: Using current or new billing staff

These estimates are based on the cost of adding private insurance billing to existing billing practices. In this model, your billing staff does all of the billing work in-house. That means, they work with and bill each private insurance plan, Medicaid and Medicare, directly.

You do not need to enter information into this section if you currently have staff performing billing activities.

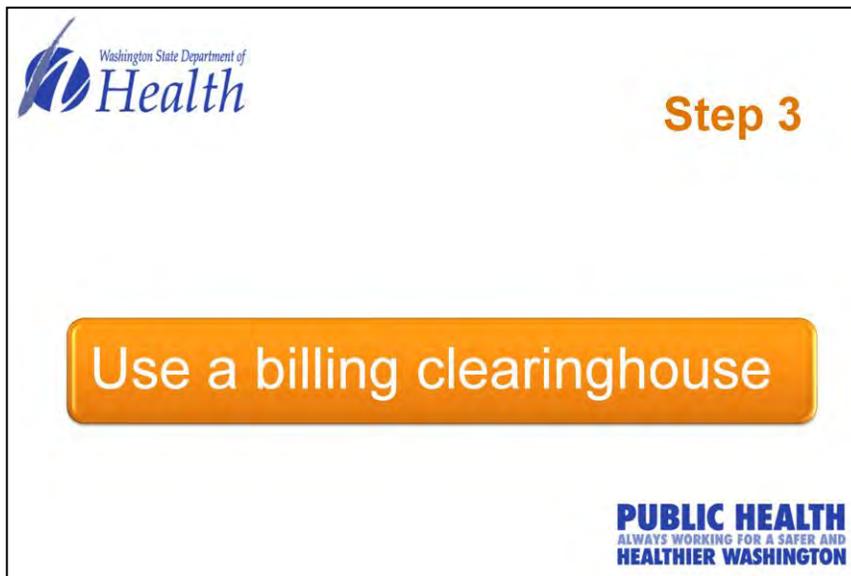
Estimated cost is based on the number of claims you have each year. (you can use billing statements or patient encounters)

You will need to enter the net salary and benefits for your billing FTE. (If you do not have a full FTE please adjust your entry for the percent of FTE dedicated to billing)

You should exclude duties such as appointments or gathering and entering information from intake forms since are considered part of the service not billing since you would do them for cash paying or insured clients alike.

Typical amount of staff time (minutes) spent on billing can be adjusted as needed. Billing tasks will depend on your billing system. You should contact your vendor for help setting up your system and trouble-shooting billing issues. Since many LHJs use the same or similar systems, our mentors may be able to answer with basic questions.

If you aren't currently billing private insurance or for any services at all, compare the amount of time and resources it takes to bill to the possible revenue from billing. Cost for Model 2 is a set amount based on net salary and benefits. This tool breaks out the cost for you depending on who you bill.



Model three - Using a billing clearinghouse

A clearinghouse is a company that will check to see if your claims have any formatting error and send them to private insurance companies for you.

This is very useful if you send claims to several private insurance plans.

Most also work with Medicaid and Medicare.

You must be able to send them the information electronically and you will still need staff to perform some required billing functions.

The difference between a vendor and a clearinghouse is staff and time. A billing vendor can do all of the billing for you. Some data entry and exchange are still needed but billing skills are not required. A clearinghouse assists your billing process by reducing the amount of time it takes to bill. In many cases, you will see your revenue increase since more claims billed and paid in less time.

Staff is needed to work with clearinghouse, the tool uses the net salary and benefits and billing costs from model 2.

In our example, there is no start up fee and minimal monthly charges.

These charges are based on the amount of Medicaid and or Medicare claims you send each month.

If more than half of your claims are Medicaid or Medicare each month, there is a \$20 fee otherwise there is no fee for the service.

The tool will calculate the fee into your cost for you. If you do not have claims information here, go back to step 1 and enter more information or enter it in the boxes provided.

The amount of time it takes staff to bill through a clearinghouse should not be added to the total billing time. A clearinghouse reduces the amount of time it takes to bill. If you are already billing Medicaid and Medicare, working with a clearinghouse can reduce the cost to bill private insurance. Take a look at both staff billing models to see how it fits into your clinic operations.

If you don't know where to start, you can check with your practice management or billing system vendor to see if they have a list of clearinghouses they recommend. Several clearinghouses offer free services while others charge start up and monthly fees based on the type of claims you submit. Clearinghouses also offer billing services such as online practice and claim management, credentialing providers with insurance plans and patient eligibility checks (there may be fees).

Billing experience varies, there is no away to get the exact cost to bill but these billing models will give you an idea of what billing processes you can choose from and what works best for your clinic.

The three billing models for billing private insurance plans.

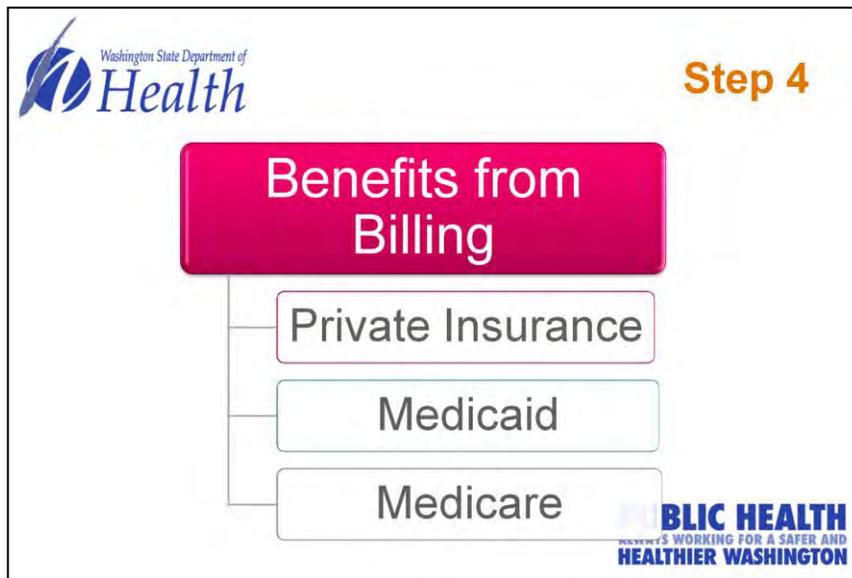
Use a vendor or another LHJ

Use current or new staff

Use a billing clearinghouse

Now that we have given you three models to help you find out how much it may cost to bill private insurance.

1. Use a vendor or LHJ
2. Use current or new staff
3. Use a billing clearinghouse



In step four, we show your benefits based on the type of service and the payer, Private insurance, Medicaid or Medicare.

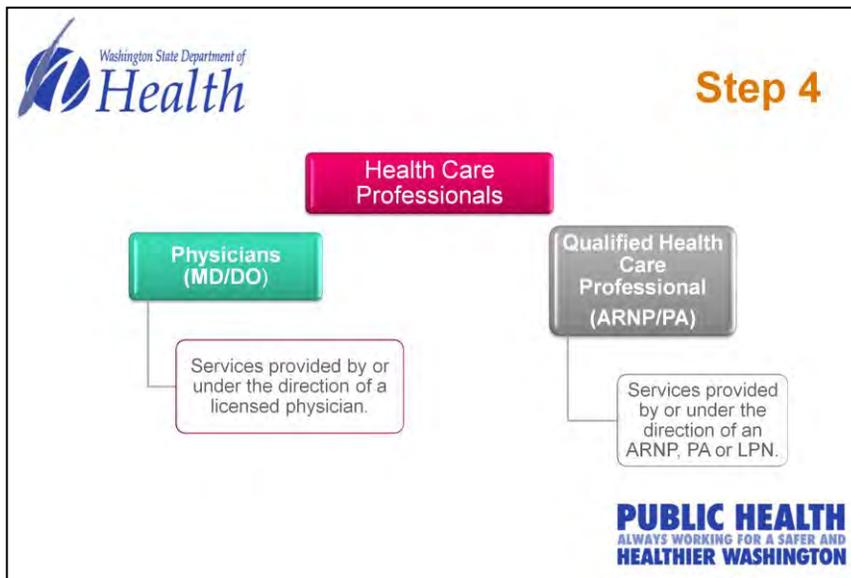
The results are based on the information you provided in the step 2. This will show you the gross revenue from billing Medicaid, Medicare and Private Insurance.

Reminder: These reimbursement amounts are an estimate. Reimbursement amounts may vary and are based on the agreement between the provider and payer. Providers should know and follow the treatment rules under his/her license or certification. The information in this tool is from five LHJs. In addition, the vaccine services in this tool include revenue from office visits and administration. Revenue from education and counseling for each component of vaccine is also included when given to an insured child.

The first table shows your estimated revenue based on who provided the services; the type of service and the payer.

Since you don't often get 100% payment for your services, the tool shows you the average collected amount which is about 80% from private insurance and Medicare and 100%, from Medicaid. This tool is based on the payers allowed amount for each service which may be more or less than your charges. *Please refer to the reimbursement table tab for more details about the payment amounts.*

You will notice that this does not include any of your self-pay services. This revenue is directly from billing private insurance, Medicaid and Medicaid.



The final report shows detailed revenue information from Medicaid, Medicare and Private insurance for each service you selected in step 2. It does not include information or results for your uninsured clients.

Payment rates are based on which type of provider the services were billed under. It is common for insurers to pay 15 percent less to non-physician providers now called qualified healthcare professionals and many of you provide services under standing orders from your health office or clinic physician.

How to know which one to choose. If you provide or bill services under your health officer and he or she is a licensed physician for example an MD or a DO then you would enter a “D.” Some of you also work with Registered Nurses, to bill private insurance use your health officer’s license. - Typically reimbursed at the payers full allowed amount.

If you have non-physician providers, (Advanced Nurse Practitioner or Physician Assistant) then you would enter an A. - Typically a 15% reduction in payment.

To recalculate estimated revenue change the provider type. Enter a “D” for physicians or an “A” for a qualified health care professional in the red box. Please note, this will change all of the results in step 4 and the assessment results.

Assessment Results

Model 1 - Vendor	Private			Total
	Insurance	Medicaid	Medicare	
Estimated Cost	\$11,971.50	\$39,870.25	\$22,316.13	\$74,157.88
Estimated Reimbursement	\$39,582.82	\$106,435.62	\$48,593.85	\$194,612.30
Estimated Net Revenue	\$27,611.32	\$66,565.37	\$26,277.73	\$120,454.42

Model 2 - Staff	Private			Total
	Insurance	Medicaid	Medicare	
Estimated Cost	\$0.00	\$0.00	\$0.00	\$0.00
Estimated Reimbursement	\$39,582.82	\$106,435.62	\$48,593.85	\$194,612.30
Estimated Net Revenue	\$39,582.82	\$106,435.62	\$48,593.85	\$194,612.30

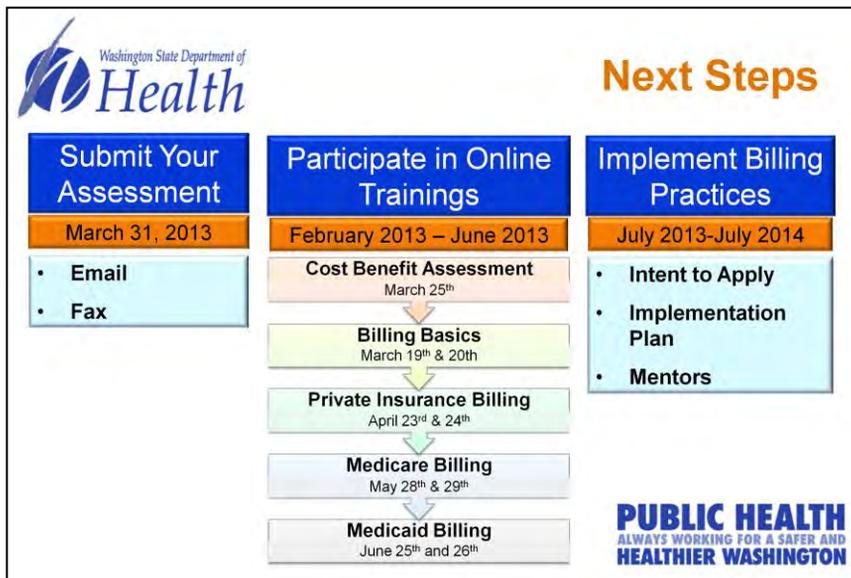
Model 3 - Clearinghouse	Private			Total
	Insurance	Medicaid and	Medicare	



We have summarized your results for you. Starting with services, you can see how many services you provide. This should also show you how important your services are to your communities. Your services reflect the great amount of care that our communities can count on. Next, costs based on each billing model.

Keep in mind, the cost for model 2 and 3 are based on your set salary and benefits for billing tasks only.

We compared the benefits with each cost model for you. You can also see the net revenue from billing private insurance Medicaid and Medicare.



Next Steps

First complete and submit your cost benefit assessment by March 31st.

Then participate in a four-part billing training every month between March and June. Each training will last about an hour and be offered twice.

Billing Basics. Tells you what you need to know and do to get started. Then billing private insurance, Medicaid and Medicare. The trainings will be helpful whether you are just getting started or need help trouble-shooting specific billing problems.

We will send an Intent to Apply worksheet for phase two funding. You will develop an implementation plan. You can work with billing mentors to help you.



Questions and answers from this training will be documented and posted on our new website, PPHF Public Health Reimbursement Project at <http://doh.wa.gov/publichealthandhealthcareproviders/publichealthsystemresourcesandservices/localhealthresourcesandtools.aspx>

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Thank you for joining me today for this training and demonstration of the WA State Local Health Jurisdiction Cost Benefit Assessment Tool. Questions and answers from this training will be documented and posted on our new website that will be up soon.

<http://doh.wa.gov/publichealthandhealthcareproviders/publichealthsystemresourcesandservices/localhealthresourcesandtools.aspx>



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Thank You!

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<http://doh.wa.gov/publichealthandhealthcareproviders/publichealthsystemresourcesandservices/localhealthresourcesandtools.aspx>

Funding for this conference was made possible (in part) by the Centers for Disease Control and Prevention. The views expressed in written conference materials or publications and by speakers and moderators do not necessarily reflect the official policies of the Department of Health and Human Services, nor does the mention of trade names, commercial practices, or organizations imply endorsement by the U.S. Government.

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Please contact me if you have questions about this presentation or would like more information.

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