

MAHAP April 11, 2014



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MHA | Healthy Michigan Plan – PA 107 of 2013

- Implements payment maximum for uninsured with incomes up to 250 percent of Federal Poverty Level (FPL)
- Payment limited to 115 percent of Medicare

 **MHA** | Calculation of 115% of Medicare - CAH**Critical Access Hospitals**

- Using the most recent year's Medicare cost report, calculate separate payment-to-charge ratios for inpatient and outpatient services, increase by 15 percent and apply the appropriate calculation to hospital charges for the uninsured patient to determine the expected payment amount.

5

 **MHA** | MHA Board Workgroup Objectives

- Review need for additional education materials for the 115% of Medicare payment limitation portion of Healthy Michigan law
- Obtain input on strategy for media sensitive charges and shoppable services
- Identify list of services
- Discuss hospital initiatives to implement

6

 MHA | PA 107 Additional Areas for Clarification

- Hospital rate vs. system average
- Professional services
- Discount from charges
- Providers that don't participate with Medicaid

9

 MHA | Operational Issues:

- Unique financial code, if desired
 - May not be necessary if hospital's charity care policy is about the same
- Patient doesn't pay – classify as bad debt
- Cost Report – how are other discounts treated?
 - Generally patients would be included at gross charges

10

MHA | Patients with High Deductible Increasing

- Private exchanges (70,000 enrolled with Michigan employers as of March 1)
- Private exchanges with national employers (Applebee's, Petco, Walgreens, Sears Holdings)
- Other Michigan-based companies (Meijer, law firms, etc.)
- Individual coverage through BCBSM and other insurers (\$10,000 or \$14,000)

13

MHA

One Test, Many Prices

What does an MRI cost? It depends on who's paying. Here's the range of prices for an MRI of the knee, hip or ankle, without contrast, at Oakwood Healthcare System in Dearborn, Mich., as collected by PricingHealthcare.com.*

List or "chargemaster" price	\$2,844
Cash price	\$695
UnitedHealthcare negotiated price	\$1,990
Blue Cross negotiated price	\$617
Aetna negotiated price	\$520
Cigna negotiated price	\$341-\$362
Medicare rate	\$335

*Neither Oakwood nor insurers would disclose negotiated rates.

Sorting Them Out

Healthcare Bluebook gathered information on prices that insurers and patients actually paid for 37 colonoscopies in the Nashville, Tenn., market, including the cases below. From that data, the Bluebook arrived at a "fair" price for the area of \$1,588.



The Wall Street Journal

14

MHA | Items for Hospitals to Consider

- The number of consumers seeking price information from hospitals will increase as they seek the lowest cost option for services.
- Hospitals are encouraged to:
 - Designate a central location to direct patient inquiries to minimize multiple phone transfers that frustrate individuals
 - Educate staff on most frequent shoppable services
 - Consider providing range of payment to minimize patient dissatisfaction if the payment amount will vary based upon the actual procedure

17

MHA | MHA Toolkit Components

- Posters, flyers, table tents
- Staff templates
 - Flowchart – with or without insurance
 - Patient information required to answer questions: insurance information, co-payments, deductibles, etc.
- Patient conversation templates
 - Price
 - Invitation for discounts, if applicable
- Website components
 - Acknowledge MI law with 115% of Medicare payment limit
 - Resources to obtain coverage – Medicaid or insurance
- Social media (Facebook/Twitter)

18