



AMERICAN
SPEECH-LANGUAGE-
HEARING
ASSOCIATION

HEALTH CARE COVERAGE & REIMBURSEMENT ADVOCACY

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OSLHA 62ND ANNUAL CONVENTION
Columbus, OH
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1:45 Pm - 3:15 PM

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Today's Agenda

- Consider an advocacy plan for OSLHA – define

OSLHA Goal

- Discuss negotiation strategy



Agenda, cont'd

- Consider elements of effective persuasion



- Calculate costs & fees for negotiating reimbursement rates



Pathway to Success

- Goal? Improve Private Plans' Coverage & Reimbursement for Speech-Language Pathology & Audiology services
- How? Through Decision-makers:
 - Managed Care Company
 - Employers that Self-Insure Employees-Benefits Managers, H.R.
 - Organizations
 - Legislators
 - Clients
- Pathway? Prepare, Strategize, Educate, Negotiate



Notebook

- Reference materials
- Some used during the seminar
- Includes OSLHA's Advocacy Plan outline (Intro Tab)



Strategic Objectives Process

- *Board of Directors*– selects Issues & determines desired Outcomes
- *Committees*– advise *Board of Directors*
- *National Office Staff* - develop and implement Workplans and Strategies
- Multi-year span for Strategic Objectives



2008 Strategic Objectives

- Negotiating Private Health Plan Coverage - Advocacy Seminar presented at State Associations' annual conventions
- Actuarial Data from Milliman - Available in *Negotiating Health Care Contracts and Calculating Fees*
- Purpose: For use by State Speech-Language - Hearing Associations, especially STARs



2008 Strategic Objectives, cont'd

State Advocates for Reimbursement (STARs)

- Educational programs for the STARs
- Collaborating with ASHA on Strategic Objectives
- Listserv and member community forum
- Monthly conference calls



2008 Strategic Objectives-cont'd

State Advocates for Reimbursement (STARs)

- OSLHA STARs: Michelle Burnett and Katrina Zeit
- Grant program for STARs
- Calling on coalitions



2008

Strategic Objectives

on

Reimbursement

for

Health and Education



2008 Strategies

- Health Benefits Consultant
- Friends of ASHA
- National Benefits Assns.**
- Private and Public Employers
- Cost-Benefit Calculators
- State Assn. Workshops
- STAR Meetings
- State Grants



Business/Health Coalitions

- Developing Relationship with National Business Coalition on Health
- NBCH mailing and membership list...being used by STARs to reach employers in their states



FEHBP

- Federal Employees Health Benefits Program
- Covers 8 million lives
- ASHA seeking to add more comprehensive speech-language and hearing services
- Contacts with Congress and Office of Personnel Management



FEHBP

Improvements in FEHBP's coverage for SLP and AUD services could lead to similar changes in health care plans sponsored by other public and private organizations.



FEHBP

- Preparing language for *pediatric* SLP benefit
- Core versus supplemental service
- OPM's 2007 Instructions for HMOs contains ASHA-favorable language
- Parallels in Virginia?



Impact of Laws and Regulations

- ◆ Federal law - Employee Retirement Income Security Act (ERISA)
 - ◆ Exempts self-insured employers from some state mandates
- ◆ Any Willing Provider (AWP) Laws
 - ◆ Cannot discriminate against any provider willing to meet the health plan's terms and conditions for network participation



State Laws and Regulations

- ▶ Investigate health insurance statutes and regulations
- ▶ Determine if your state currently mandates benefits [see Laws & Regs Tab]
- ▶ Locate relevant laws with the help of your state association's lobbyist and the Insurance Commissioner's office



Current Attitude in State Capital



- ⊗ Determine the current climate for amending state law
- ⊗ Discuss issues with colleagues in human resource departments
- ⊗ Determine reactions with state legislators



Insurance Commissioner

- Elected OR appointed
- Party affiliation AND bias
- Public statements regarding state law and health insurance
- Local Insurance Commissioner's web page
- National Association of Insurance Commissioners (www.naic.org)



Attitude of Insurance Companies

- ▶ Check BC/BS Assn. and other insurers' websites for news and information (www.bcbs.com)
- ▶ Expect insurers to firmly oppose any mandates
- ▶ Success of recent legislation



Trends in Employer Health Benefits

- ❖ Employers increasingly look for ways to cut health care insurance costs.
- ❖ Major Strategy: Drop or reduce scope of benefits.



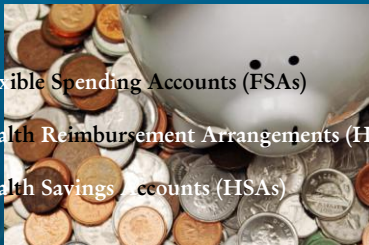
Employer Strategies

- Employees share more cost of health plan
- Co-pay
- MSA, FSA, HRA
- Association plan or some form of joint coverage



New Approaches

- Flexible Spending Accounts (FSAs)
- Health Reimbursement Arrangements (HRAs)
- Health Savings Accounts (HSAs)



Employer Trends

Providers need to continually justify the cost of their services by demonstrating a return on investment (RoI).

ASHA was looking into developing a cost calculator for speech-language and hearing services.



Message



Prevention and treatment of communication disorders are cost effective services that should be included in all private health plans because.



Message

Nearly 50 million Americans have a speech, language or hearing disorder



Approximately 30 million Americans have hearing loss

One million Americans suffer brain damage each year from stroke, head injuries, or brain tumors, resulting in speech, hearing or swallowing disorders



Message

✓ If untreated...

✓ Swallowing problems (dysphagia) can lead to respiratory complications such as aspiration pneumonia and/or malnutrition



✓ Hearing loss can lead to high blood pressure, coronary artery disease and elevated cholesterol and lipids



Who's Who-Know the Players

- State Legislators
- State Regulators (Department of Insurance)
- Benefits Managers
- Health Plan Medical Directors
- Union Representatives
- STAR Representative



The Players: Case Studies



Where would you start?

How do you think various players might react to or address the issue you present?

(See scenarios - Tab #2)



How to Bargain to Gain An Advantage

excerpts from
Bargaining for Advantage:
Negotiation Strategies for Reasonable People

by

Professor G. Richard Shell
Director, Wharton Executive Negotiation Workshop
Wharton School of Business
University of Pennsylvania



Bargaining for Advantage

- Use to negotiate coverage in PHPs
- Apply to our meetings with payers
- Prepare by knowing who you are and what you can bring to the table
- Target the correct people?



Four Steps

- Step 1 Preparing your strategy
- Step 2 Exchanging information
- Step 3 Opening and making concessions
- Step 4 Closing and gaining commitment



Psychological Foundations of Negotiations

Foundation	Psychological Basis
1. Your bargaining style	Attitudes about interpersonal conflict
2. Your goals & expectations	Motivational striving
3. Authoritative standards & norms	The consistency principle & deference to authority
4. Relationships	The norm of reciprocity
5. The other party's interests	Self-esteem & self-interest
6. Leverage	Aversion to loss



Preparation Step 1

- Assess the situation – construct a specific plan of action



Situational Matrix

	Perceived Conflict	Stakes
	High	Low
Perceived Importance of Relationship	I. Balanced Concerns (joint venture)	II. Relationships (friendship, marriage)
Future Relationships Between Parties	III. Transactions (House sale, market transaction)	IV. Tacit Coordination (airplane seating)



A Strategy Guide

	High	Low
High	I Balance Concerns Best strategies: Problem solving or compromise	II. Relationships Best strategies: Accommodation, problem solving, or compromise
Low	III. Transactions Best strategies: Competition, problem solving, compromise	IV. Tacit coordination Best strategies: Avoidance, accommodation, compromise



Step 2: Exchanging Information

- Purpose 1. Establishing rapport
- Purpose 2. Obtaining information on interests, issues, and perceptions – *"Don't be a blabbermouth negotiator – ask questions."*
- Purpose 3. Signaling expectations and leverage



Step 3: Opening & Making Concessions

- Question 1: should I be the first to open?
- Question 2: should I open optimistically or reasonably? (model benefit or shape to situation)
- Question 3: What sort of concession strategy works best? (leave yourself bargaining room)



Good Guy/Bad Guy

- Good guy opens the negotiation with friendly rapport-building chatter
- Bad guy opens with an outrageous level or attacks our proposal
- Good guy steps in insists that bad guy make a concession
- You should find out who has authority to agree with what.



Step 4: Closing & Gaining Commitment

- Closing factor 1: The scarcity effect – what you have is in great demand
- Closing factor 2: Overcommitment to the bargaining process – like standing in line and learning that there is a long wait – stringing you along and then springing a last-minute demand



Information-Based Bargaining

- Solid planning & preparation
- Careful listening
- Attend to the signals



Six Factors/Foundations

1. Personal bargaining style
2. Your goals & expectations
3. Authoritative standards & norms
4. Relationships
5. Other party's interests
6. Leverage (composed of diverse ingredients of bargaining assets)



Your Bargaining Style

- Path of negotiation – gifts are universal language
- Four step path: preparation, information exchange, explicit bargaining, & commitment
- *A negotiation is an interactive communication process that may take place whenever we want something from someone else or another person wants something from us.*



Your Bargaining Style -2

- If you are basically an accommodating, nice person, don't try to be a hard-nosed negotiator or try to be a supercompetitive
- What is your style?
- 10 people at a table – an offer is made to give \$1,000 to each of the first 2 people who can persuade the person sitting opposite to get up, come around the table, & stand behind his or her chair.



Your Bargaining Style - 3

Five types:

1. Competitors
2. Problem solvers
3. Compromisers
4. Accommodators
5. Conflict avoiders



Your Bargaining Style - 3

- Cooperative v. competitive
- Studies show cooperative style is more common
- Take people as you find them
- Prudent to take a minute to see just whom you are really up against.



Beyond Style – To Effectiveness

- Attributes to a skillful negotiator: good memory
- Being “quick” verbally
- Handling stress well
- As much a matter of attitude as ability



Key Habits/Bargaining Style

- Willingness to prepare
- High expectations
- Patience to listen
- Commitment to personal integrity



Second Foundation

- Goals and Expectations
- “I believe in always having goals and always setting them high.” – Sam Walton



Goals & Expectations - 2

- Goals: You'll never hit the target if you don't aim
- What you aim for determines what you get:
 1. Goals set the upper limit of what you will ask for
 2. Setting specific goals motivates people
 3. We are more persuasive when committed to achieving some specific purpose



Goals & Expectations - 3

- Setting goals:
 1. Think carefully what you really want – money is often a means not an end.
 2. Set an optimistic – but justifiable – goal.
 3. Be specific
 4. Get committed – write down your goal & discuss with someone else
 5. Carry your goal with you to negotiations



Third Foundation

Authoritative Standards & Norms

- Human nature's most basic psychological drives: our need to maintain (at least in our own eyes) an appearance of consistency and fairness in our words and deeds.
- Maintain consistency



Authoritative Standards - 2

- We all want to appear reasonable
- We feel uncomfortable when the other side correctly points out that we have been inconsistent
- Consistency principle can give “normative leverage” in negotiations
- Anticipate the other side's preferred standards and frame your proposal with them.
- Beware of “consistency traps.”



Authoritative Standards - 3

- “Positioning themes”
- A crisp, memorable phrase or framework that defines the problem you are trying solve in the negotiation.
- Shows the other party why you are there and *helps you keep your eye on your own goals.*



Authoritative Standards - 4

- The power of authority
- Human tendency to defer to authority
- Authority can become a problem in negotiations:
 1. Others may seek to exploit our tendency to defer to authority
 2. Our deference to authority sometimes inappropriately interferes with our ability to assert our own legitimate interests



Fourth Foundation

Relationships

- "Leave a good name in case you return." Kenyan Folk Saying
- Personal relationships create a level of trust and confidence.



Relationships - 2

- Norm of reciprocity
- Always be trustworthy and reliable yourself.
- Get into the habit of reviewing the relationship factor as a routine part of effective negotiation planning.
- Relationship factor makes a big difference
- A working relationship is more formal than friendship.



Relationships – 3

- Strategies for building working relationships:
 1. Similarity Principle
 2. Role of gifts and favors
 3. Trust and relationship networks (e.g., alumni networks, community activities)



Relationships – 4

- Traps for the unwary:
 1. Trusting too quickly
 2. Negotiating with friends when the stakes are too high



Fifth Foundation

The Other Party's Interests:

See the world from the other party's point of view



Other Party's Interest – 2

- Discover the other party's goals
 - Why is it so hard?
1. We see the world through our own self-interest
 2. We are all somewhat competitive
 3. The dynamics of the negotiation process work against us
 4. So, take the effort to find the common ground



Other Party's Interest - 3

- Planning behavior:
 1. Identify decision maker
 2. Look for common ground
 3. Identify interests that might interfere with agreement
 4. Search for low-cost options that solve the other party's problems while advancing your goals.



The Sixth Foundation

Leverage

- The balance of needs and fears
- Work your way through a high-stakes bargaining situation and ask yourself "who has the leverage" at each step of the way.
- Who controls the status quo?



Leverage - 2

- For whom is time a factor?
- Create momentum – give them little things
- Create a vision that the other side has – something to lose from no deal.



Leverage – 3

- Three types of leverage:
 1. Positive
 2. Negative
 3. Normative

Best alternative to a negotiated agreement (BATNA)



Leverage – 4

- Positive leverage: uncover everything the other side wants
- Negative leverage: threat leverage – like dealing with explosives
- Normative leverage: both parties stand to lose equivalent amounts should the deal fall through.



Leverage – 5

- The power of coalitions
- Can you create an effective coalition?
- Professionals and consumers
- Other professionals
- Will they interfere with your position?



Leverage - 6

Common Misconceptions about Leverage and Power

1. Leverage & power are the same(?) things
2. Leverage is a constant that doesn't change, depends on facts
3. Power is...?



The Negotiation Process

- Step 1 -- Preparing your strategy
- Step 2 -- Exchanging information
- Step 3 -- Opening and making concessions
- Step 4 -- Closing and gaining commitment



Use Shell Form from Appendix

- Create an Information-Based Bargaining Plan with your colleagues before you go to the meeting.



Initiating Contact

IDENTIFY a health plan, employer, or other entity

REVIEW the current health plan or employer

- What is covered?
- What are the limits?

TARGET the decision maker

- Human Resources Director
- Benefits specialist
- Union representative



Initiating Contact

ARRANGE a meeting to discuss:

- Incidence and prevalence
- Services provided by audiologists and speech-language pathologists
- Coverage issues
- Costs to add services
- Consumer satisfaction surveys



Initiating Contact

At your meeting, discuss:

- Credentials held by audiologists and speech-language pathologists
- Medical necessity of your services
- Treatment effectiveness: ASHA's National Center for Treatment Effectiveness in Communication Disorders

(For information, call: 301-897-0101)



Initiating Contact



PREPARE for the meeting

Benefits administrators and medical directors pose very direct questions

Preparation is the only aspect of negotiation over which you have complete control

FOLLOW UP IS ESSENTIAL!



DEVELOPING AN EFFECTIVE ADVOCACY PLAN

What is Advocacy ?

Advocate (n)

- 1: one that pleads the cause of another, one who pleads the cause of another before a tribunal or judicial court
- 2: one who defends or maintains a cause or proposal

Advocate (v): to plead in favor of

Synonyms: support; promote; uphold; defend; argue for



Our Advocacy

Convince third parties that comprehensive coverage of SLP and audiology services should be part of health plans

AND/OR that our services should have appropriate payment levels



Advocacy Plan

5- Step Professional Advocacy Plan:

- ✦ Define goal(s)
- ✦ Identify target(s)
- ✦ Analyze the message/issue
- ✦ Choose advocacy tools
- ✦ Evaluate
 - ✦ think about the results
 - ✦ be realistic



Step 2: Target(s) of Influence

Identify whom you need to persuade



Specifically describe target

Learn about target audience



Step 3: Analyze the Issue

“The inability to understand the world from another’s perspective is one of four root causes of business failure and ineffectiveness.”



Step 3: Analyze the Issue

- ◆ What are my targets’ interests?
- ◆ What are benefits and drawbacks to the target if you achieve your desired outcome?
- ◆ What evidence and arguments might the target find persuasive?
- ◆ Does the target understand speech-language pathology and audiology?



Step 3: Analyze the Issue

- Role plays
- Story boards
- Devil’s advocate

*“Don’t ask for power.
Seek influence.
It lasts longer.”*

E.M. Forster, *Howard’s End*



Step 4: Advocacy Tools

- Message
- Knowledge
- Image
- Allies
- Public Relations and Marketing Techniques



How does the message relate to your issue?

- ▶ **The Message:** Identify a problem and solution.
 - ▶ Communication disorders are a major problem that costs money: \$30 billion in lost productivity, medical fees, special education expenses.
 - ▶ SLP and AUD services enable: employees to be more productive, children to learn better, and all persons to enjoy a better quality of life.
 - ▶ SLP and AUD services are a “need”
 - ▶ ASHA Model Benefits Plan



Step 4: Advocacy Tools

Messages are most persuasive when they are:

- Personalized
- Concise
- Evoke emotion
- Delivered by a trusted, respected source



Step 4: Advocacy Tools

Knowledge:

- ▣ Find relevant information that already exists
- ▣ Create information that you need

Image:

- ▣ Establish yourself as a respected source, with helpful ideas



Step 4: Advocacy Tools

Allies:

- Who has similar interests?
- Which authorities endorse your point of view?



Step 4: Advocacy Tools

Public Relations and Marketing Techniques:

- Brochures
- Newsletters
- Fact sheets (e.g., efficacy papers)
- Letter writing campaigns
- Report cards



Step 5: Evaluate

- ❖ Monitor progress toward outcome
- ❖ Review and revise tools as necessary
- ❖ Set new goals and start again



Develop your State's Advocacy Plan

- ✓ STAR Rep: **LAURA PHILLIPS**
- ✓ Need SHAV volunteers



Draft Advocacy Plan

See under Intro tab:

- 🌈 Draft Advocacy Plan template
- 🌈 G. Richard Shell's Information-Based Bargaining Plan



Developing Reimbursement Codes and Valuing Procedures

Describe Your Services:

- *Current Procedural Terminology* (CPT) helps describe what we do
- Employers and payers better understand knowing that the CPT lists our services
- The *ICD-9-CM* diagnoses can be helpful by describing the disorders for employers or health plan executives



Current Procedural Terminology - CPT

- ◆ 5-digit classification system
- ◆ Most widely accepted medical nomenclature – recognized HIPAA code set
- ◆ Understood by professions, coders, payers, benefit managers



The CPT Process

- Developed and maintained by the American Medical Association (AMA)
- Multiple-step process (11-18 months)
- Codes and related values must be approved by two AMA panels



ASHA's Health Care Economics Committee

- ◆ Actively involved in third-party billing
- ◆ Sensitive to billing needs of colleagues and consumers
- ◆ Assist GRPP in determining current economic issues
- ◆ Develop goals for equitable reimbursement



Health Care Economics Committee

Speech-Language Pathology Members

- ◆ Becky Cornett (OH)
- ◆ Wayne Holland (CN)
- ◆ Bernard Henri (OH)
- ◆ Dee Adams Nikjeh (FL)
- ◆ Nancy Swigert, Chair (KY)
- ◆ DeAnne Owre, Vice President for Governmental and Social Policies



Health Care Economics Committee

Audiology Members

- ◆ Ken Bouchard (MI)
- ◆ Robert Fifer (FL)
- ◆ Tom Rees, vice chair (WA)
- ◆ Stuart Trembath (IA)
- ◆ Robert Woods (NJ)
- ◆ Steven White, ex-officio

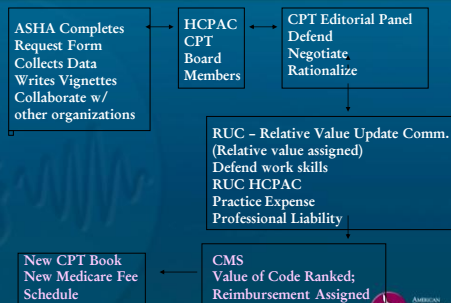


Benefits of CPT Codes

- Procedures uniform across practices
- Coders learn about our professions
- Payers learn about our professions
- We speak a common language



CPT Process (including valuation)



CPT Development

- Codes are not discipline-specific
- Collaboration with related organizations
- Consensus building



CPT Development, contd.

- Codes are presented to the AMA CPT panel
- 17 members
 - 11 physicians nominated by AMA
 - 1 physician each nominated from
 - Blue Cross Blue Shield Association
 - CMS
 - American Hospital Association
 - America's Health Insurance Plans
 - 2 members of HCPAC



CPT Development, contd.

- CPT Health Care Professional Advisory Committee (HCPAC)
 - Subcommittees of AMA CPT Panel and RUC
 - The CPT HCPAC co-chair and one other HCPAC member represent all non-physician practitioners
 - ASHA is represented on the CPT HCPAC



CPT Valuation

- Codes are then presented to the AMA Relative Value Update Committee (RUC)
- 28 members
 - 23 appointed by national medical specialty societies
 - 5 remaining seats one of each appointed by
 - RUC chair
 - HCPAC chair
 - AMA
 - American Osteopathic Association
 - CPT Editorial Panel



CPT Valuation, contd,

- RUC Health Care Professional Advisory Committee (HCPAC)
 - Subcommittee of the AMA RUC
 - The RUC HCPAC chair represents all non-physician practitioners
 - ASHA is represented on the RUC HCPAC



Physician Fee Schedule

- See Reimbursement section of the workbook:
- Medicare Physician Fee Schedules
 - Note the tables in the Fee Schedule
 - Will explain RVUs



Relative Value Unit (RVU)

1. Professional Component (Physician Work)

-Added to procedures in which a physician (or other private practitioner recognized by Medicare) participates in the service



Relative Value Unit (RVU)

2. Technical Component - TC (Practice Expense)

- Time spent to perform the procedure
- Time x salary per minute = clinical staff cost
- The clinical staff cost and overhead costs (equipment & supplies) are included in the practice expense



Relative Value Unit (RVU)

3. Professional Liability

- Based on malpractice insurance premium data



RVUs Submitted to CMS

- CMS considers the values for each Procedure
- Resource-Based Relative Value Scale (RBRVS) – procedures should be in a rank order
- Provision for budget neutrality



CPT	MOD	DESCRIPTION	MD WORK RVU	PRACTICE EXPENSE RVU	MALPRACTICE RVU	TOTAL RVU	FEE W/O GEOGRAPHIC ADJUSTMENT
92585		AEP, Comp.	0.50/	2.07/	0.17/	2.74/	\$103.84/
			0.50	2.02	0.17	2.69	\$101.94
92585	26	AEP, Comp.	0.50	0.21/	0.03/	0.74/	\$28.04/
				0.19	0.03	0.72	\$27.29
92585	TC	AEP, Comp.	0.00	1.86/	0.14	2.00/	\$75.80/
				1.83		1.97	\$74.66
92612		FEES	1.27/	2.75/	0.04/	4.06/	\$153.86/
			1.27	2.74	0.04	4.05	\$153.48
92613		FEES, M.D. interp.	0.71/	0.40/	0.05/	1.16/	\$43.96/
			0.71	0.36	0.05	1.12	\$42.45

Calculating the Reimbursement Rate

- 2007 data
- CPT 92585 (AEP Comprehensive)

MD Work RVUs	0.50
Practice Expense RVUs	2.02
Malpractice RVUs	0.17
TOTAL RVUs	2.69

$$2.69 \times \$37.89 = \$101.94$$

Conversion Factor Impact

- Set by CMS to reflect sustainable growth rate
- Reflects Congressional mandates, e.g.,

1999	\$34.7315
2000	\$36.6137
2001	\$38.2581
2002	\$36.1992
2003	\$36.7856
2004	\$37.3374 (1.5%)
2005	\$37.8975 (1.5%)
2006	\$37.8975
2007	\$37.8975 (initially 5.05%)

Using Fee Data

Fee Data

- 2008 Medicare Fee Schedule
- 2008 National Fee Analyzer
- 2007 Milliman USA

Fee Data

- 50th percentile - 50% of charges are below this rate; 50% of charges are at or above this rate.
- 75th percentile - 75% of charges are below this rate; 25% are at or above this rate.

Price Setting

- Setting prices in collusion with colleagues is illegal! Violates federal Anti-trust (RICO) statute!
- Avoid price fixing, such as discussing fees with local providers.



Fee Data - 2008

CPT 92506
Speech and Language Evaluation

50th percentile \$163.66
75th percentile \$234.11
Medicare (avg.) rate \$130.82 (2008)
Milliman USA (avg.) rate \$145.38 (12/2007)



Fee Data - 2008

CPT 92507
Speech and Language Treatment

50th percentile \$78.02
75th percentile \$111.60
Medicare (avg.) rate \$56.21 (2008)
Milliman USA (avg.) rate \$61.21 (12/2007)



Fee Data - 2008

CPT 92526
Treatment of swallowing dysfunction and/or oral function for feeding

50th percentile \$126.35
75th percentile \$180.74
Medicare (avg.) rate \$73.93 (2008)
Milliman USA (avg.) rate \$63.82 (12/2007)



Fee Data - 2008

CPT 92557
Comprehensive Audiometry
Threshold Evaluation

50th percentile \$93.94
75th percentile \$114.80
Medicare (avg.) rate \$47.35 (2008)
Milliman USA (avg.) rate \$74.07 (12/2007)



Fee Data - 2008

CPT 92567
Tympanometry

50th percentile \$46.05
75th percentile \$56.28
Medicare (avg.) rate \$19.42 (2008)
Milliman USA (avg.) rate \$28.93 (12/2007)



Fee Data - 2008

CPT 92568
Acoustic reflex testing

50th percentile \$33.16
75th percentile \$40.52
Medicare (avg.) rate \$18.40 (2008)
Milliman USA (avg.) rate \$21.04 (12/2007)



Calculating the 2008 Reimbursement Rate

- CPT 92585 (AEP Comprehensive)

MD Work RVUs	0.50
Practice Expense RVUs	2.08
Malpractice RVUs	0.17
TOTAL RVUs	2.75



RVU x CF =

YEAR	2005	2006	2007	2008
92506 RVU/fee	3.48/ \$131.88	3.49/ \$132.26	3.65/ \$138.33	3.94/ \$130.82
92507 RVU/fee	1.65/ \$62.53	1.65/ \$62.53	1.67/ \$63.29	1.71/ \$56.21
92557 RVU/fee	1.31/ \$49.65	1.31/ \$49.65	1.33/ \$50.40	1.46/ \$47.35



2008 Update for SLP

CPT	2006 Rate/ RVU	2008 Rate/ RVU	Fee Change	Total RVU Change
92506	\$132.26/ 3.49	\$130.82/ 3.94	(-) \$1.44	+ 0.45
92507	\$62.53/ 1.65	\$56.21/ 1.71	(-) \$6.32	+ 0.06
92610	\$133.40/ 3.52	\$90.28/ 2.65	(-) \$43.12	(-) 0.87



2008 Update for SLP

CPT	2007 Rate/ RVU	2008 Rate/ RVU	Fee Change	Total RVU Change
92506	\$131.34/ 3.65	\$130.82/ 3.94	(-) \$0.52	+ 0.29
92507	\$60.09/ 1.67	\$56.21/ 1.71	(-) \$3.88	+ 0.04
92610	\$115.97/ 3.06	\$90.28/ 2.65	(-) \$25.69	(-) 0.41



2007 Update for Audiology

CPT	2007 Rate/ RVU	2008 Rate/ RVU	Fee Change	Total RVU Change
92557	1.31/ \$50.40	1.46/ \$47.35	(-) \$3.05	+ 0.15
92567	0.57/ \$21.60	0.59/ \$19.42	(-) \$2.18	+ 0.02
92603	2.47/ \$93.61	3.99/ \$126.73	+ \$33.12	+ 1.52



Review of Fee Data

You are negotiating with a health plan that proposes reimbursing you the rates included in the Medicare Physician Fee Schedule.

What would you do?



Review of Fee Data

- Who should initially recommend the first set of proposed reimbursement rates? And why?
 - ◆ A. The provider
 - ◆ B. The health plan



Review of Medicare Fee Data

- Name the 3 components of an RVU that determine the reimbursement for a procedure.



Review of Medicare Fee Data

- Fill in the blanks:

___ x ___ = reimbursement rate



Watch the Details!

Managed care is a world of very small margins. A mistake in rate setting can turn a profitable contract into a nightmare.



Tools for Negotiating and Managing Health Benefits

- ✓ Value-Based Purchasing
- ✓ Evidence-Based Practices/Outcomes
- ✓ Pay-for-Performance (P4P)
- ✓ Health Savings Accounts: Consumer Driven Health Care
- ✓ Transparency
- ✓ Cost-Benefit Calculators



Negotiating & Managing Benefits

Value-Based Purchasing

- **Contracts** spell out responsibilities of employers as purchasers with selected providers.
- **Information** to support management of purchasing activities.
- **Quality management** to drive continuous improvements in the process of health care purchasing and in the delivery of health care services.

CONTINUED . . .



Negotiating & Managing Benefits

Value-Based Purchasing, contd.

- **Incentives** to encourage and reward desired practices by providers and consumers.
- **Education** to help employees become better health care consumers.

Source: Agency for Health Care Policy and Research, DHHS.
<http://www.ahrp.gov/qual/meyerrpt.htm#head1>



Negotiating & Managing Benefits

Evidence-Based Practices and Outcomes

Conscientious, explicit and judicious use of current best evidence in making decisions about...care...[by] integrating individual clinical expertise with the best available evidence from systematic research.

Source: *Evidence Based Practice in Communication Disorders: An Introduction*.
ASHA Technical Report, Page 1



Negotiating & Managing Benefits

Pay-for-Performance

Compensating providers by setting performance expectations, measuring performance both quantitatively (e.g., costs) and qualitatively (patient satisfaction), and rewarding results through both financial and other incentives.

Source: Based on AHA's *Trend Watch*, September 2003, Volume 5, Number 3.



Negotiating & Managing Benefits

Health Savings Accounts

- Must be paired with high deductible health plan (HDHP)
 - Maximum contributions are \$2,600 annually for singles and \$5,150 for families
 - Contributions can be made by employer or the employee's family members
 - Employer contributions are voluntary
 - Ownership may transfer to spouse upon death of employee
- Allow rollover of unused funds from year to year

Source: "A Closer Look at Health Savings Accounts."
Steven White, PhD in *The ASHA Leader*...



Negotiating & Managing Benefits

Transparency (Consumer Price Shopping)

Rand Study Conclusions:

- Occurs through public reports on cost and quality
- Encourages consumers to educate themselves...



Negotiating & Managing Benefits

Cost-Benefit Calculators

Devices used to estimate the cost savings achieved by the use of health services. Net savings are derived by deducting the cost of premiums and out-of-pocket costs from the cost of condition improperly treated or untreated entirely.

OR

White Paper that reveals the cost benefit of services provided to prevent and treat communication disorders.

Example: <http://www.alcoholcostcalculator.org/>



Health Care Anomaly: *Underuse in a System Spending \$2 Trillion*

Rand Study concludes that US needs:

- Info sys that facilitate proactive versus reactive patient management
- Protocols that allow non-physicians to routinely admin indicated care
- Physicians identifying problems and taking ownership for solving them
- Patients taking responsibility for own health and advocate for needs



Excerpts from *Bargaining for Advantage*

(See Workbook – Intro tab)



ASHA & Other Publications

1. *Negotiating Health Care Contracts and Calculating Fees*

2. *Getting Your Services Covered*

3. *Health Plan Coding and Claims Guide*

4. *Business Matters: A guide for SLPs*

Other:

- *Bargaining for Advantage:*
- *Negotiating Strategies for Reasonable People (G.R. Shell)*



Action Needed

Nobody knows more about speech, language and hearing disorders – and how to treat them – than you do.

Be proud of your profession.

Be confident in your interaction.

Do quality work. Quantity of patients & rewards will follow!



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Go to “Billing & Reimbursement”

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