

Preparation

Think Like a Business³

This toolkit is a guide to billing private / commercial insurance carriers, Medicare and Medicaid for immunization services, but these activities do not exist in isolation. They fit into a bigger picture of planning, budget and policy development, organizational objectives, grants, programs and community priorities.

Billing is one way to think and act more like a business. Billing allows LPHAs to identify and tap into existing sources of revenue to survive, even thrive, through tough economic times when people often need care most.

Clients with private or commercial insurance pay premiums for health care benefits covered by their health plans. It only makes sense that LPHAs would bill private / commercial insurance for the health care they provide to plan members.

Fast Fact

Billing will allow LPHAs to identify and tap into existing sources of revenue.

Public Health Recommendations^{4,3}

In 2013, the DHSS' Public Health System Partners Group, created the *Missouri Health Improvement Plan 2013-2018*. The vision of the health improvement plan is "Missouri is a state of health: Top 10 in 10". According to the plan, "the byline demonstrates the partners' desire and commitment to the state being rated in the top 10 for health outcomes within 10 years".

The group identified the state's top three strategic issues, which "reveal the changes that must occur in order for the vision of the health improvement plan to be achieved". The strategic issues include:

1. Access to health care
 - Health care access, high cost of health care and high rate of uninsured
 - Economy – access to resources necessary to be healthy including affordable options for good nutrition, physical activity and preventive health care services
2. Modifiable risk factors
 - Obesity
 - Smoking
 - Mental health / substance abuse
3. Infrastructure issues
 - Mobilizing partnerships
 - Performance Measurement / Quality Improvement
 - Workforce development

Billing is the bridge between improving access to care for clients and expanding partnerships between LPHAs and the larger health care system.

The plan further states that "plans for addressing health issues must be realistic and considerate of the threats and opportunities that may impact both the public health system and the health of the public".

Public Health Recommendations^{4,3} *continued*

LPHAs have provided services to members of their community for many years. They provide access to services for clients with public and private / commercial insurance. In the past, LPHAs absorbed the cost of providing care to insured patients. They cannot absorb these costs any longer. Insured patients have benefits covered by their health plans and those plans have an obligation to pay for those services. Billing is the bridge between improving access to care for clients and expanding partnerships between LPHAs and the larger health care system.

Business Process³

Understanding the business processes for the services LPHAs provide is the first step in developing the kind of billing plan that will meet the agency's business needs. Each LPHA must thoroughly understand the steps involved in providing a service — from checking a client into the clinic, to delivering the service, to billing payers and paying staff. The people involved in each step associated with the delivery of services should collaborate on an analysis of the business process. This is the foundation for deciding what billing plan is the best fit for local business needs.



A business analysis should be conducted in order to determine the LPHA's needs. This analysis should begin with a review of current business processes to determine how the LPHA is currently operating and what policies and procedures are in place. Once this review is complete, the LPHA can determine whether or not there are ways to improve the current business processes, making them more cost-effective and efficient. The final step is to determine what is needed in a billing model and how it will fit into the improved business processes. This analysis is ideally accomplished before a billing model is acquired.

For more information about conducting a business analysis, “Collaborative Requirements Development Methodology” contained in Taking Care of Business: A Collaboration to Define Local Health Department Business Processes, a free on line publication of the Public Health Informatics Institute (PHII) and the National Association of County and City Health Officials (NACCHO) can be found at phii.org/resources/view/387/Taking%20Care%20of%20Business%20%28Second%20Edition%29.

Client Assessment

The BIAA developed a Standard Client Survey for client assessment to aid LPHAs during the pilot phase. This survey was a quick and easy way for agencies to conduct client assessments, which were needed to determine the most common forms of health coverage used by clients in the agency's jurisdiction. There are five questions in the survey, most of which offer standard response options, along with an "other" option that allows for a written answer. The survey questions include:

Fast Fact

Client assessments can aid LPHAs in determining the most commonly used forms of health coverage in their area.

- How old is the individual requesting vaccine today?
- What is the individual's county of residence?
- Why was the local public health agency chosen to get a vaccine?
- What kind of insurance does the individual currently have?
- Was the individual immunized today?

The Standard Client Survey is available in the *Appendices* of this toolkit and can be utilized by any LPHA who would like to assess clients. Client assessments should be completed in conjunction with the final step of the agency's business analysis to help streamline the process of determining billing model needs.

Establishing Fees and Fee Structure³

All relevant costs must be identified and analyzed before a fee schedule can be created. A strong cost assessment includes all expenses associated with delivering the service and can help determine a reasonable fee schedule to cover or off-set those costs.

It is important that the benefits of billing for services outweigh the cost and effort of billing. It is also important for the LPHA to retain the flexibility of providing or assuring services to the community and for clients who may have limited resources. Both goals are attainable through an adequate fee schedule and a policy for using a sliding fee scale, when needed.

All clients and plans are charged the same usual and customary fee for the same type of care. In the past, fees were often set as low as possible in order to maximize access. Maximizing access remains a primary public health objective, but fees should be set and structured differently in connection with an immunization program designed to both maximize access and recuperate costs.

Setting the fee schedule too low under values the care being provided and sends a false message to clients and insurers about what it costs the LPHA to deliver the service. The cost of delivering the service in the LPHA draws on alternate fund sources (e.g., tax dollars, public and private grants, volunteers, etc.), but that does not change the cost to deliver the service. It is important that fees reflect the full cost of providing the service.

Establishing Fees and Fee Structure³ *continued*

Conversely, fees set too high can turn away clients and insurers. Ideally, fees would cover all program costs, but not generate a profit. In setting fees, it is important to recognize the LPHA role as a public safety net and avoid direct competition with private businesses whenever possible.

The question, “What is the minimum we have to charge to supplement this program and not create a barrier to clients?” then becomes, “What does it actually cost to sustain this program? How can we set and structure fees so that costs are recouped while access to care is maintained?” Reviewing information from the American Academy of Pediatrics on the cost of immunizations may help give the LPHA a sense of how to calculate the cost of the service and set an adequate fee schedule. This information can be found at aap.org/en-us/professional-resources/practice-support/Vaccine-Financing-Delivery/Pages/Vaccine-Financing-Delivery.aspx.

When setting fees, it is important to remember the LPHA’s role as a public safety net and avoid direct competition with private businesses whenever possible.

Reimbursement may vary from health plan to health plan and most are reluctant to reveal their reimbursement rates. Remember, the fee schedule will be a driver behind what the reimbursement will be. The LPHA should know as much about reimbursement rates as possible before setting the fee schedule.

Consider linking any proposed fee schedule with a new or revised policy to allow sliding fee scale discounts for specific populations who may not be able to afford the fee for services provided. If billing private / commercial insurers for the first time, joining additional insurance networks or improving access in some other way, project how client numbers and LPHA services will change over time.

In reality, many LPHAs set their fees lower than the break-even point and compensate for write-offs with funds from other sources. As the “other sources” that support immunization services grow scarce, billing private / commercial insurance for services can help make up the difference.

When an LPHA enters a billing relationship through a contract with a private / commercial insurer and becomes an in-network provider, the plan can increase access as more members are likely to use the clinic for services. Program revenue may increase because the majority of private plans reimburse at a higher rate than Medicaid. Also, generally, private / commercial insurance allows a provider to bill administration fees at a higher rate. This includes when disease consultation is provided along with vaccines that contain multiple antigens (e.g., MMR, DTaP, etc.). LPHAs that provide these services to insured patients can bill private / commercial insurance for the allowed fees and expect to be reimbursed. This could significantly increase the revenue generated from immunization services.


Tapping the private / commercial insurance industry for payment of services being rendered to their members is critical. The combination of higher fees and reimbursement, policies to protect vulnerable populations and a growing clientele can improve the overall financial outlook for an LPHA.

Networking³

LPHAs across Missouri have various billing systems in place. Many bill MO HealthNet, Missouri's Medicaid program, for vaccines administered to clients who are covered by the program. However, only some bill both public and private / commercial insurance plans for immunization services. A number of LPHAs have staff members that hold significant knowledge and experience in regards to billing public and private / commercial insurance. The environment of public health is changing and the value of billing is becoming more apparent. It is more important than ever for LPHAs to expand their knowledge about billing and create a resource pool and information sharing network to support one another in taking advantage of opportunities to boost revenue through billing for the services they provide.

Because the world of insurance billing is constantly evolving, a public health information sharing and mentoring network is important to support the initiation and sustainability of billing by LPHAs. However, LPHAs should use caution when it comes to discussing reimbursement rates, as some insurance company contract provisions prohibit disclosure of these rates. It is important to be aware of and follow all provisions within the insurance company contract to avoid any legal issues.

It is easier for an LPHA to build or maintain skills and to find solutions to problems when they connect with other billers in the wider LPHA community. Resources for LPHAs include talking with colleagues from other localities and visiting billing departments. Creating a more formal network, such as a public health email user group or setting up conference calls from time-to-time facilitates the exchange of billing information. Other resources include local billing or office manager workgroups, conferences and vendor presentations. Vaccine manufacturers may also have coding information specific to their products and may be able to assist LPHA billing staff.



Networking
will give LPHAs
who would like to
bill the opportunity to
gain best practices
and tips from those
who are
already billing.

Several of the LPHAs across the state have developed regional billing workgroups. Networking with other agencies across the state to share billing best practices and tips may be beneficial for agencies who are working to begin the billing process. A listing of contact information for the pilot LPHAs can be found in the *Appendices* of this toolkit.