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PRESENTS

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HEALTHCARE PULSE - QUICK HITS FOR PROVIDERS

BRINGING A UNIQUE UNDERSTANDING OF KEY ISSUES FACING THE HEALTHCARE INDUSTRY

FROM THE EDITOR - EDWARD McWILLIAMS, CPA

As 2020 (*mercifully*) comes to a close we are starting to see a massive increase in COVID-19 cases across the US as the *"second wave"* hits us. Healthcare professionals were up to the challenge in the first wave and we can only hope that as this second wave hits we can rely on you again. With potential vaccines on the horizon, we can hope that by middle of 2021 we can start to see some semblance of normalcy and we can embrace the hard lessons learned during this pandemic.

Our aim in the Winter 2020 issue of Best Practices was to start thinking about what providers will need to think about post-pandemic and provide insights into other areas that may currently not (*for good reason!*) be on the forefront of the minds of providers and practice managers. Practices have been scrambling for months now to both deal with the pandemic from a patient care prospective but also to help keep themselves afloat with many patients unwilling or unable to have necessary care and the resulting impacts on their bottom line. But better days are ahead.

Telehealth has been a hot trend in healthcare for a number of years, but COVID certainly put that into overdrive. While originally adopted as a necessity by practitioners as COVID hit, telehealth can provide the practice with strategic advantages going forward. Providers on the forefront of this will also be first movers in the consumer-driven healthcare space that is rapidly evolving.

Compliance with regulations can be burdensome, particularly when you don't know what you don't know. ERISA compliance for healthcare plans can often be overlooked as it's only begun to be enforced since the passage of the ACA. If you have a practice of significant size you may also be required to file an annual information return regarding your healthcare plan maintained for employees – we have provided a good primer on this subject.

Finally, we present the PULSE – some smaller bits of news and insight that we are happy to share with our readers. Each of these are crucial pieces of news or advice for practices that may not warrant a full article but still can be interesting to practices. Some of these focus on a post-pandemic world and others provide some good thoughts as we deal with this second wave.

With 2020 near complete, practices are looking toward 2021. Many practices received PPP Loans which may require the practice to apply for forgiveness with their lender or HHS Stimulus funds that could require additional reporting compliance with HHS. If you need assistance with these programs or other areas of your practice please reach out to us.

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INCREASING USE OF TELEHEALTH FOR HEALTHCARE PROVIDERS

When we look to the future of healthcare, it is important to understand that it will look significantly different than it does today. The solutions of tomorrow will be ones that weren't available yesterday. All you need to do is look at the healthcare environment today compared to where it was 5 short years ago. Consider that walk-in healthcare centers/clinics have, for many people, replaced their primary care physician and new technologies, such as the Apple Watch, and access to information through such portals as WebMD have put vital health information in the hands of consumers. But it won't stop there. New technologies that improve care and access, while providing flexibility for consumers to receive treatment on their terms are going to continue to expand in the foreseeable future. In addition, increased smart technology that can monitor a patient and communicate directly with their medical team when their vitals fall outside of proscribed ranges will also be more prevalent, making investments in these types of technology a critical component of any health system's financial strategy.

This opens the door for greater use of telehealth. Telehealth, although more than 15 years old, has gained a tremendous level of support due to the Coronavirus pandemic. Consumers are embracing it across many different modalities, increasing the value of providing such services. Providers need to find ways to incorporate telehealth into their continuum of care as a way of improving care delivery, enhancing patient access and convenience, improving chronic care coordination and reducing the cost of care, which is critical in a managed care funded system.

Healthcare, like many other businesses, is moving to a consumer-directed model. Consumers have more information and options available to them. In addition, there are many websites, such as **Healthgrades**, **WebMD**, **ratemds.com**, and **Vitals.com**, that allow patients to rate their physicians. In addition, there are so many more options available to consumers to receive healthcare services, that consumers now drive the healthcare bus. Finally, many employers are moving to high deductible plans and HSAs, which means the potential for additional out of pocket expenditures, at least upfront, for their workforce. That means that providers need to continue to find ways to enhance the consumer experience and resolve consumer issues both effectively and economically. This can be accomplished through telehealth.

Most providers are beginning to initiate telehealth into their healthcare continuum, by piloting it in certain strategic areas, or areas where telehealth has already gained a certain level of traction. The goal is to move beyond this phase and fully integrate telehealth into a provider's clinical care delivery, both from an acute and chronic care perspective. This will expand care options for consumers, provide enhanced and more convenient access, in a more cost-effective manner (*e.g. post-surgery follow-up meetings*). This will enhance brand image and consumer loyalty while helping to resolve clinical labor shortages and reduce overhead costs.

Providers need to look at their practices to understand where they can shift services from in-person to virtual. Some areas where this is already feasible include:

- *Urgent care*
- *Primary care*
- *School health*
- *Home monitoring/chronic care (e.g. asthma or diabetes)*
- *Behavioral health*
- *Counseling services*
- *Dermatology*
- *Pre and post-surgical visits/evaluations*

Telehealth also provides an excellent platform for the initial visit a patient has with a provider, with pre-work and administrative onboarding easily done virtually. Also, with people living longer, it will not always be easy for the elderly and those that are chronically ill to access brick-and-mortar facilities. Reaching this population where they live, work, and play, will be essential in managing their health and improving their quality of life; and with new technology that can monitor them, it can be done on a proactive basis.

As providers move to a true value-based, consumer-directed healthcare model, telehealth can play a significant role in the transformation. Providers are starting to experiment with telehealth and how they can incorporate it into their delivery model. As providers find more significant ways to utilize telehealth in conjunction with other technological advancements, they will build a sustainable competitive advantage for the future.

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YES, ERISA COMPLIANCE APPLIES TO

HEALTH INSURANCE PLANS AS WELL AS RETIREMENT PLANS

The Employee Retirement Income Security Act (ERISA) was passed in 1974 and protects retirement assets and other employee benefit plans for all Americans. In addition to retirement plans, all employer-sponsored group insurance plans, such as medical insurance, also fall under ERISA's protections.

From its' inception, ERISA has required that certain documents and disclosures pertaining to all group insurance plans be created, maintained, and distributed to employees each year. This applies to all employer-sponsored group insurance plans, regardless of the employer's employee count. However, these requirements were not actively enforced by **EBSA (The Dept. of Labor)** until the **Affordable Care Act (ACA)** was passed in 2010. EBSA revisited these ERISA requirements and began enforcement to generate fines and penalties to help pay for the ACA's provisions. The EBSA has over 1,900 employees involved in compliance reviews, and fines were up 72% in 2017 to a total of $1.1 Billion.

A Summary Plan Description, with all attached notices including a copy of the carrier's certificates of coverage, is the first thing they will ask for in an audit. In addition, here is a partial list of other documents that are required:

- ▶ *Summary of Material Modification*
- ▶ *Notice of Model Exchange*
- ▶ *Newborn's Act Description of Rights*
- ▶ *Women's Health & Cancer Rights Act Notices*

Have you ever heard of these? About 90% of the employers I speak with have no idea what these documents are and are unaware of their responsibility to maintain and distribute them annually. Yet, non-compliance penalties can be as high as $110 per day, per employee, for as long as the employer is deemed to be out of compliance. It is also important to note that the insurance carriers do not provide any of these ERISA documents for distribution. Employers need to be working with a knowledgeable broker or some type of ERISA service company that can provide these documents to them and advise them on distribution.

The NYS DOL has partnered with the EBSA to audit health plans in NY State for ERISA violations. This was proudly announced by then Attorney General Eric Schneiderman back in 2016. Since then, the Department has greatly increased their auditing personnel and even have quotas to fill, so they are very serious about enforcement.

There is also a tremendous amount of inter-agency cooperation happening at both the federal and state levels, thanks to technology. An employer might be audited for Workman's Comp, sales tax, ACA compliance, unemployment insurance, etc. and that can trigger an ERISA audit as well, especially if there are any violations found. If the employer is not compliant in one area, the assumption is that the employer is likely deficient in other areas as well, so the case is easily referred to the other departments.

The current regulatory environment makes it more important than ever that employers working with competent professionals who specialize in employee benefit consulting to assure that they remain fully compliant under the law. The consequences of non-compliance are extremely costly.

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HEALTHCARE PULSE – QUICK HITS FOR PROVIDERS

NEW E/M OFFICE VISIT CODES TAKE EFFECT JANUARY 1, 2021 - ARE YOU READY?

It's been almost 30 years since the CPT codes that physicians and other practitioners are paid under the **Medicare Physician Fee Schedule (MPFS)** for common office or other outpatient visits for **evaluation and management (E/M)** services have been revised. These CPT code sets, which include 99201-99205 for new patients and 99211-99215 for established patients will be getting a face-lift effective January 1, 2021, that includes, among other things, a new code to report incremental time incurred for prolonged office or other outpatient services.

For 2021, CMS will move from a points-based system, which focused upon levels of documentation, to a medical necessity-based system. It is important to understand that this does not mean that physicians should reduce the documentation or supporting facts for a specific diagnosis. In fact, the expectation is that there will be a higher level of quality documentation under the new guidance. This may result in a reduced level of documentation and more focus on supporting the medical necessity of the diagnosis.

Providers will need to change their focus when documenting cases and retool their quality assurance reviews to ensure that they are focused on the quality of documentation and not necessarily the quantity.

VERIFY THOSE INSURANCE CARDS

Due to the COVID pandemic, unemployment is up, and there has been a significant level of shift in where people are working. This could mean that patients no longer have the insurance that they have had in the past. It may be a good time to have patients once again update their insurance information with your office, and for you to verify coverage to make sure insurance is still in effect. Failure to do so may impact reimbursement to the practice for services.

2020 AMERICAN PHYSICIAN SURVEY

In its biennial Survey of America's Physicians, the Physicians Foundation reported that nearly half of reporting physicians do not believe that the COVID pandemic will be under control until after June 1, 2021. What's more, approximately 72% of physicians are concerned that COVID will severely impact patient health outcomes going forward due to delays in routine care during the pandemic.

And while COVID is anticipated to have a negative impact on the patients that practices serve, it is also expected to have a significant impact on the fiscal health of the practices themselves. Since the COVID pandemic started, it is estimated that some 16,000 physician practices have already closed (*approximately 8% of practices*). In addition, 43% of physician practices have reported staff reductions due to COVID. 78% of physicians have reported a decrease in volume since the pandemic hit in March with 37% reporting a drop of under 25% and 41% experiencing a loss in excess of 25%. Finally, 52% of physicians anticipate that they will increase their use of telemedicine over the next year; which can be a potential growth area for many practices.

PRACTICE ENHANCEMENT STRATEGIES

With most physicians reporting declines in revenues, it is more important for physicians to spend time working on their practice and not just in it. Physicians need to look for ways they can improve operationally efficiencies and reduced cost/waste. Here are a few of our ideas:

USE OF TECHNOLOGY:

There are many back-office software programs that can streamline processes such as purchasing, bill paying, file storage, and recovery, etc. In addition, software exists that can streamline your scheduling, follow-up, onboarding, and verification processes. Consider exploring ways to efficiently implement technology into your practice. While sometimes difficult at first, software should help practices automate tasks and operate more efficiently in the long run.

TRAINING:

make sure your staff are properly trained to do their jobs. We often see administrative staff that doesn't fully understand their assigned responsibilities or how to utilize the software applications necessary to do their jobs. This results in excess labor costs that may not be necessary. In addition, with the uptick in cyber crimes with people working remotely, make sure you are providing regular training of your staff on phishing and other cybersecurity schemes.

REVIEW YOUR INSURANCES:

For many practices, insurances are one of their largest costs. Between malpractice costs and health insurance, practices are paying a lot, and are experiencing large increases each year. Talk to your broker about high deductible medical plans coupled with a **Health Savings Account (HSA)** or a PEO that may be able to significantly cut your medical costs and, with drops in revenue, you may be able to lower your malpractice premiums.

TALK TO YOUR LANDLORD:

The COVID pandemic has shown that many businesses can operate remotely. This has resulted in a reduction in the need for office space. Going forward there will most likely be a greater supply of office space than demand. Understanding this, your landlord may be motivated to work with you on your lease to keep you as a tenant, especially if your lease is close to coming due.

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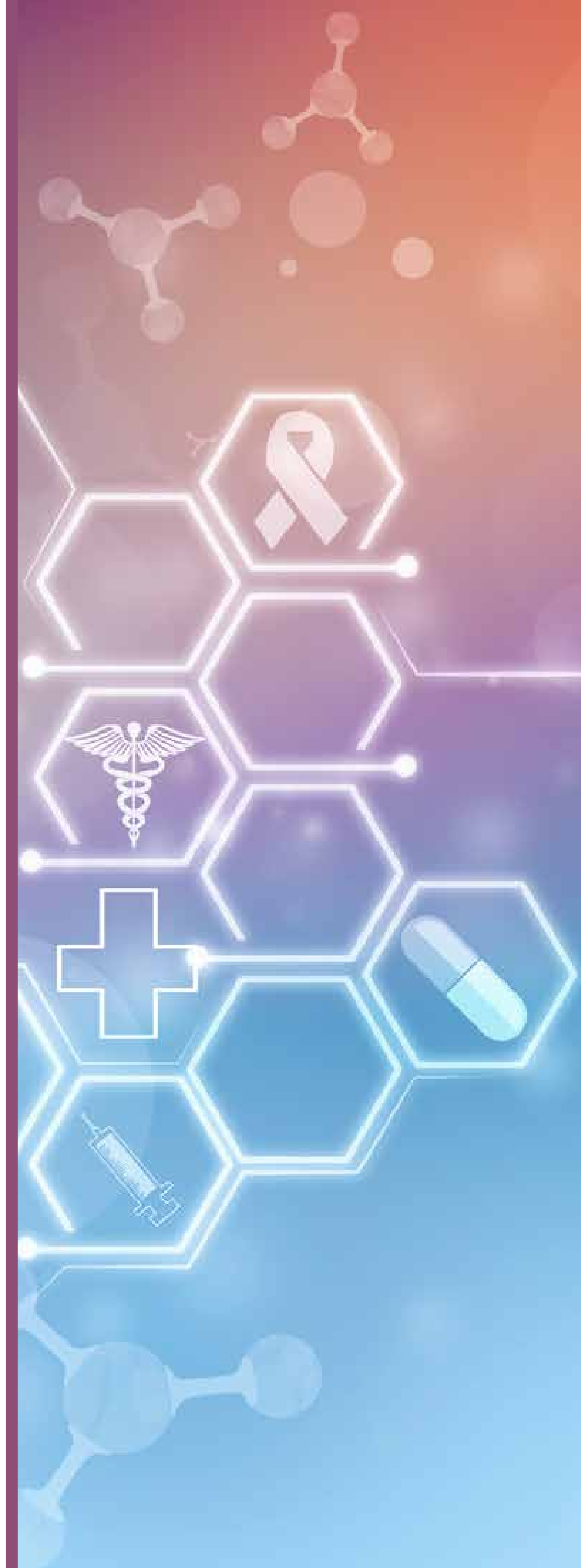

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