

Practicing Medicine in an HMO

Owen Linder, MD, FACP

**“the current payment system
doesn't reward preventive care ..to
help patients manage chronic
disease.”**

David Bronson, MD,
President of the American College of Physicians

Advantage For Physicians

- Up to \$147 Automatic “Give Back” Choice of Social Security Medicare Charge
- the best value in the insurance market for patients



The most important elements of the old way are being preserved

HMO Advantages Over Fee For Service

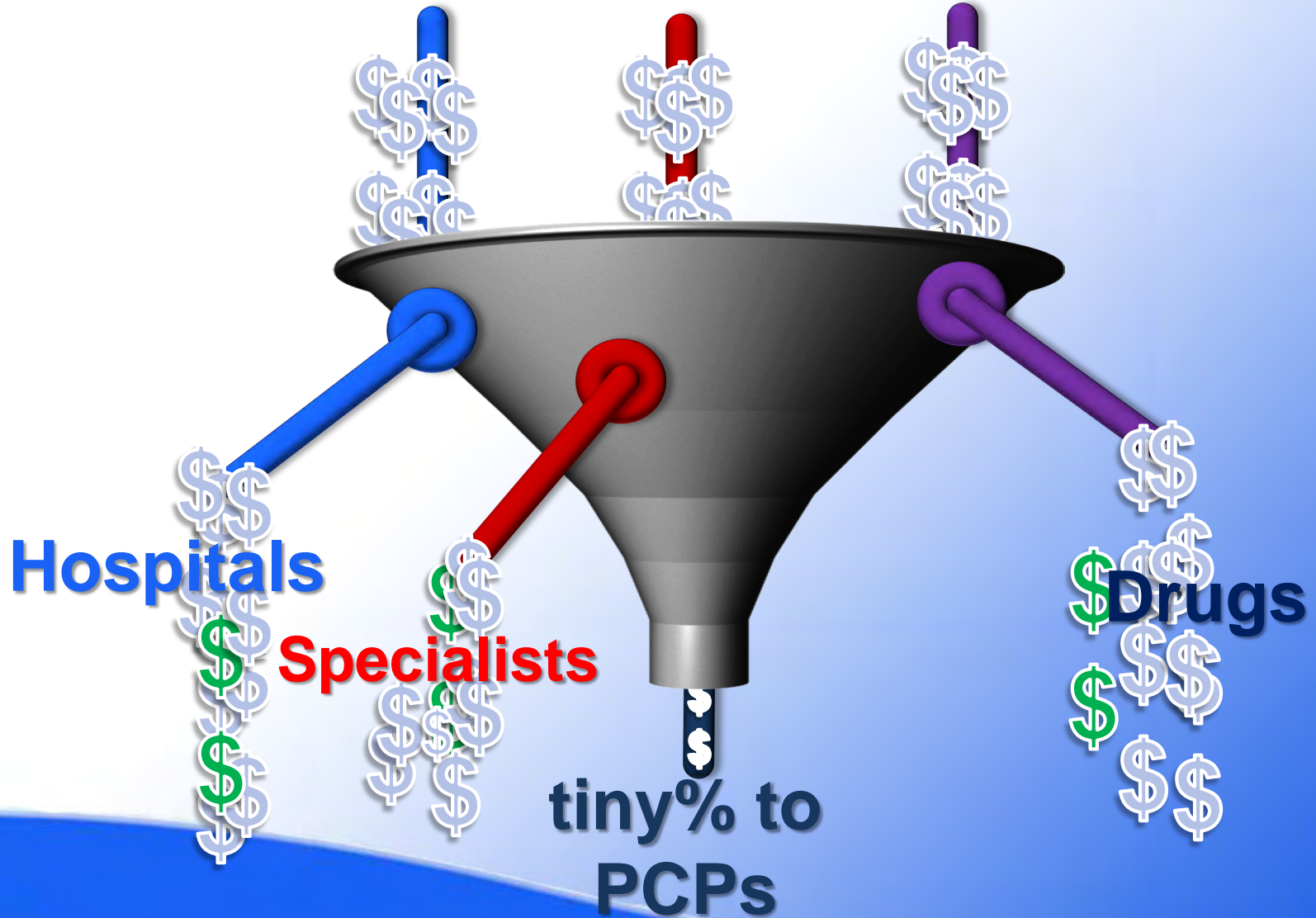
- Fee for service is piecework.
no retainer.
- risk based care has
retainer from all three silos of funding, Medicare
Parts A,B&D = retainer.
- and eventually allocation at risk yields surplus of
the net.

Fee For Service

Medicare Part A

Medicare Part B

Medicare Part D



Mr. R.B. HCC is 3.097=\$/month

\$\$\$18% HMO

\$\$\$5% MSO

through

PCPs

\$\$\$\$\$\$\$\$



Hospitals

Part

A\$22,717.6



Drugs

Part

D\$5,490.0



Specialists

Part B

Best For...

- Cost effective minded participants
- Patients with economic needs
- Not for people who need wish to preserve choices in care source
- Care source choice is reduced by “rollups” creating monopoly in vulnerable specialties
- Not part of commercial ins.

Medicare Advantage

- For the frugal even if affluent
- For the poor whose income level qualifies for Medicare + Medicaid coverage
- Provides these groups with good relaxed doctors

Practice allocation may be responsible for up to 100% of the expenses short term.

However CMS regulation **42 C.F.R Ch IV (10-1-08Edition) # 422.208**

stipulates “to protect the interests of the affiliated Practice the financial responsibility can be no greater than twenty five percent (25%) of the total annual primary care funding”

Intermediaries Should Be Paid For...

- The **letter of credit** they carry
- The **advertising** they do
- The **support staff** they provide
- the **paperwork** they perform
- Possibly billing
- Possibly advice on billable diseases

? A set expense, ..

- varies from 2.5% to 10% of **gross** allocation.

MSO, Medical service organization, also wants a portion of the surplus of the **net** the physician earns.

- Advise new doctor entries:
- comparison shop IPAs and HMOs
- Haggle
- Stand firm.

Exhibit A

- “ Quality of Care Compensation fund criteria from one IPA
- XYZmedical group
- Quality of Care Metrics
- 1 Encounter data submitted monthly with diagnosis coding at the highest specificity
- 2 Provision of medical coverage 24 hours a day, seven days a week
- 3 Emergent appointments available immediately
- 4 Urgent appointments within 24 hours
- 5 Symptomatic appointments available within (7) calendar days
- 6 Hospital follow up visits within 3-7 days
- 7 Full cooperation and compliance with Health Plan’s Disease Management Programs
- 8 Provision of flu shots to high risk health plan members
- 9 Full participation and cooperation when Affiliated Provider is contracted by PCA’s Health Service Manager for the purpose of managing and coordinating patient hospital admission, referrals and care management
- 10 Affiliate Provider maintains a HEDIS score in excess of 3.5 with the respective health plan for the benefit plan year
- The method of determination of subtracting the 10% surplus from any of the ten metrics is to be determined , but shall include a committee of XYZ executives and a physicians group comprised of XYZ affiliates membership, also to be determined
- *Each of these Quality of Care Metrics will be weighted at ten percent (10%) each”

Intermediaries ie IPAs

Disadvantages in my experience

take **too much** surplus.

may **saddle you** with the entire deficit.

First MSO kept **noncost** effective providers.

Second MSO committed **conversion**. And **skimmed**.

Third MSO **lured** with 100% surplus offer only to sell to 4th..

Fourth MSO ignores **42 C.F.R.** ch IV # 422.208

Fifth MSO presented **false** contracts to the MO



- **Frauds by Wellcare and Universal HMOs**

Months Membership Counts:	Oct 127	Nov 127	Dec 126	Jan 125	Feb 122	Mar 120	Apr 120	May 120	Jun 117	Jul 116	Aug 116	Sep	YTD 1,336
PCRE	7,864	7,865	7,792	7,507	7,634	7,386	7,386	7,386	7,280	7,087	7,099		82,285
PRTA	57,801	57,802	57,269	55,820	56,763	54,917	54,917	54,917	54,132	52,694	52,789		609,821
PRTB	61,500	61,500	60,934	60,516	61,538	59,537	59,537	59,537	58,685	57,127	57,230		657,640
<i>Funding Subtotal:</i>	\$127,165	\$127,167	\$125,995	\$123,843	\$125,935	\$121,840	\$121,840	\$121,840	\$120,097	\$116,907	\$117,118	\$0	\$1,349,746
Funding Total:	\$127,165	\$127,167	\$125,995	\$123,843	\$125,935	\$121,840	\$121,840	\$121,840	\$120,097	\$116,907	\$117,118	\$0	\$1,349,746
PRTA Cap	-738	-738	-732	-739	-721	-709	-709	-709	-691	-686	-686		-7,858
PRTA Claim:	-45,464	-61,382	-46,849	-36,387	-10,813	-35,456	-15,094	-38,518	-39,021	-408			-329,392
PRTA IBNR	-137	-808	-188	-330	-255	-687	-499	-4138	-14,419	-51,601	-52,103		-125,165
<i>Expense PRTA Subtotal</i>	\$-46,338	\$-62,929	\$-47,769	\$-37,456	\$-11,789	\$-36,852	\$-16,302	\$-43,365	\$-54,132	\$-52,694	\$-52,789	\$0	\$-462,414
PRTB Adj.	-745	-625	1,537	-458	-427	-572	-443						-1,733
PRTB Cap	-3,389	-3,389	-3,363	-4,028	-3,940	-3,868	-3,868	-3,868	-3,777	-3,740	-3,743		-40,974
PRTB Claim:	-51,433	-51,868	-50,684	-47,194	-36,234	-47,284	-33,775	-68,092	-43,083	-8,833			-438,482
PRTB IBNR	-103	-156	-204	-285	-329	-623	-724	-2,470	-11,825	-44,553	-53,487		-114,759
<i>Expense PRTB Subtotal</i>	\$-55,671	\$-56,038	\$-52,713	\$-51,965	\$-40,930	\$-52,347	\$-38,810	\$-74,430	\$-58,685	\$-57,127	\$-57,230	\$0	\$-595,948
STLS Cap	-52	-52	-52	-51	-50	-49	-49	-49	-48	-48	-48		-548
<i>Expense STLS Subtotal:</i>	\$-52	\$-52	\$-52	\$-51	\$-50	\$-49	\$-49	\$-49	\$-48	\$-48	\$-48	\$0	\$-548
Expense Total:	\$-102,061	\$-119,019	\$-100,535	\$-89,473	\$-52,769	\$-89,248	\$-55,162	\$-117,844	\$-112,865	\$-109,868	\$-110,066	\$0	\$-1,058,910

Total Gross Margin:	\$25,104	\$8,148	\$25,461	\$34,370	\$73,165	\$32,591	\$66,678	\$3,995	\$7,232	\$7,039	\$7,052	\$0	\$290,836
Medical Loss Ratio:	80%	94%	80%	72%	42%	73%	45%	97%	94%	94%	94%	0	78%
YTD Loss Ratio:	80%	87%	85%	82%	74%	74%	70%	73%	75%	77%	78%		

Months Membership Counts	OCTOBER 2012 127	YTD 2012 1,336
Gross Funding Subtotal	\$127,165	\$1,349,746
Expense Total	(\$102,061)	(\$1,058,910)
Total Gross Margin	\$25,104	\$290,836
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1/2013 to 6/2013 Gross		YTD To June \$208,558

Patient C.W. Progress Notes

weeping of back of left leg very swollen very red

appears to have burrowed scabies intriginous areas hands

no reason obtained for exposure

She declines hospitalization at Mease

I contacted ER MD at M P H Dr L with explanation of her past history

The diagnosis list is acute weeping cellulitis

clinical scabies

multistroke midrange senility with memory loss

V85.0x

COPD restrictive sp acute respiratory failure 518.81

subendocardial myocardial infaction 2011 410.71

sp acute renal failue 584.90

history syncope 780.2

seizure diagnoses in ER

Old CVA with encephalomalacia and gliotic changes subacute CVA Pons

benign essential hypertension 401.9

squamous cell cancer of nose sp radiation treatment 198.2

personal hx MRSA nose 707.11

small vessel arterial disease 443.9

osteoporosis 733.0

hypovitaminosis D noncompliant with Rx 268.9

bladder dysfunction due to prolapse bladder 596.59

Membership Premium - Four Patients

ST	COUNTY	FROM MO/YR	THRU MO/YR	MBR MTH	-----HCC-----		----- FUNDING -----			TOTAL FUNDING
					PTAB	PRTD	PRTA	PRTB	PRTD	
FL	PINELLAS	201201	201201	1	8.172	1.568	3,241.71	2,929.17	132.52	\$6,303.40
FL	PINELLAS	201202	201202	1	8.172	1.568	3,241.71	2,929.17	132.52	\$6,303.40
FL	PINELLAS	201203	201203	1	8.172	1.568	3,241.71	2,929.17	132.52	\$6,303.40
FL	PINELLAS	201204	201204	1	8.172	1.568	3,241.71	2,929.17	132.52	\$6,303.40
FL	PINELLAS	201205	201205	1	8.172	1.568	3,241.71	2,929.17	132.52	\$6,303.40
FL	PINELLAS	201206	201206	1	8.172	1.568	3,241.71	2,929.17	132.52	\$6,303.40
FL	PINELLAS	201207	201207	1	8.172	1.568	3,241.71	2,929.17	132.52	\$6,303.40
FL	PINELLAS	201108	201108	1	1.988	0.995	768.44	679.52	102.45	\$1,550.41
FL	PINELLAS	201109	201109	1	1.988	0.995	768.44	679.52	102.45	\$1,550.41
FL	PINELLAS	201110	201110	1	1.988	0.995	768.44	679.52	102.45	\$1,550.41
FL	PINELLAS	201111	201111	1	1.988	0.995	768.44	679.52	102.45	\$1,550.41
FL	PINELLAS	201112	201112	1	1.988	0.995	768.44	679.52	102.45	\$1,550.41
FL	PINELLAS	201201	201201	1	1.437	0.764	572.18	517.04	103.15	\$1,192.37

	HCC		Funding			Total
Patient	PTAB	PRTD	PRTA	PRTB	PRTD	
1 C.W.	8.172	1.568	3,241	2,929	132	\$6,303
2	1.988	.995	768	679	102	\$1,550
3	.336	.803	192	170	92	\$455
	1.437	.764	572	517	103	\$1,192
4	.472	.677	239	212	86	\$538
	1.174	.663	481	435	97	\$1,014

FL	PINELLAS	201201	201201	1	1.174	0.664	481.61	435.20	97.70	\$1,014.51
FL	PINELLAS	201202	201202	1	1.174	0.664	481.61	435.20	97.70	\$1,014.51
FL	PINELLAS	201203	201203	1	1.174	0.664	481.61	435.20	97.70	\$1,014.51
FL	PINELLAS	201204	201204	1	1.174	0.664	481.61	435.20	97.70	\$1,014.51

Patient C.W. Claims Report

Date: 8/21/2012

Claims Report by Member

Page: 1

CRITERIA : Region = Ctr Name = **LOB = MED; Product = MED; Fund = PRTA ; Specialty = Hospitals(no specialty); Provider = HOSPITA; Paid Date = 08/2011 to 06/2012; Srv. Date = 09/01/2011 to 08/**

Division: PINELLAS
Region:
Center:

System No.	Provider Id / Name / Participating Provider Code	Product	Claim No. / REF or ADMIT	Service Date(s)	Qty	DRG POS	Service / Diagnosis	Paid Date	Billed Amount / Amount Paid
17871584	P HOSPITA (Hospitals(no specialty))	MED	437645105 00024657382	11/4/2011 11/6/2011	99,999	1 206	ICU POST ICU SUBENDOCARDIAL INFARCT	201201	\$10,070.74
18174248	P HOSPITA (Hospitals(no specialty))	MED	440837576 00025587882	12/22/2011 12/25/2011	99,999	1 121	SEMI PR SURG/MED/GYN CELLULITIS AND ABSCESS C	201202	\$4,750.42
Total for Fund: PRTA									\$14,821.16
Total for Member:									\$14,821.16
Total for Center:									\$14,821.16

DRG	Amount Paid
ICU POST ICU SUBENDOCARDIAL INFARCT	\$10,070

Patient C.W. Medications Payments 2012

20237241	363569642 R	MED 446576237	3/9/2012	1	0 PRX	CLONIDINE HCL 0.2 M@0.2 M	201204		
	ARGUS HEALTH (Pharmacy)		3/9/2012		799.8	OTHER ILL-DEFINED CONDI			\$5.00
20237243	363569642 R	MED 446617089	3/10/2012	1	0 PRX	SYMBICORT 80-4.5 MC@80-4.	201204		
	ARGUS HEALTH (Pharmacy)		3/10/2012		799.8	OTHER ILL-DEFINED CONDI			\$187.68
20237242	363569642 R	MED 446617088	3/10/2012	1	0 PRX	SSD 1% CREAM @1 %	201204		
	ARGUS HEALTH (Pharmacy)		3/10/2012		799.8	OTHER ILL-DEFINED CONDI			\$8.65
20237244	363569642 R	MED 446617089	3/10/2012	1	0 PRX	SYMBICORT 80-4.5 MC@80-4.	201204		
	ARGUS HEALTH (Pharmacy)		3/10/2012		799.8	OTHER ILL-DEFINED CONDI			-\$38.50
20237246	363569642 R	MED 446872159	3/13/2012	1	0 PRX	LEVETIRACETAM 750 M@75C	201204		
	ARGUS HEALTH (Pharmacy)		3/13/2012		799.8	OTHER ILL-DEFINED CONDI			\$40.18
20237248	363569642 R	MED 446975491	3/14/2012	1	0 PRX	PROAIR HFA 90 MCG I@90 M	201204		
	ARGUS HEALTH (Pharmacy)		3/14/2012		799.8	OTHER ILL-DEFINED CONDI			-\$38.90
20237247	363569642 R	MED 446975491	3/14/2012	1	0 PRX	PROAIR HFA 90 MCG I@90 M	201204		
	ARGUS HEALTH (Pharmacy)		3/14/2012		799.8	OTHER ILL-DEFINED CONDI			\$38.90
20606581	593574426 Y	MED 448519470	3/16/2012	1	2 77427	RADIATION TX MANAGEME	201205		
	PINELLAS RADIATION O (Radiation Oncology)		3/16/2012		173.32	ICD9 DESCRIPTION UNAVAI			\$144.30
20606579	363569642 R	MED 447331062	3/19/2012	1	0 PRX	ATROVENT HFA INHALE@17	201205		
	ARGUS HEALTH (Pharmacy)		3/19/2012		799.8	OTHER ILL-DEFINED CONDI			\$178.90
20606580	363569642 R	MED 447331062	3/19/2012	1	0 PRX	ATROVENT HFA INHALE@17	201205		
	ARGUS HEALTH (Pharmacy)		3/19/2012		799.8	OTHER ILL-DEFINED CONDI			-\$88.50
20606582	593574426 Y	MED 448519470	3/23/2012	1	2 77427	RADIATION TX MANAGEME	201205		
	PINELLAS RADIATION O (Radiation Oncology)		3/23/2012		173.32	ICD9 DESCRIPTION UNAVAI			\$144.30
20606609	363569642 R	MED 448804741	4/5/2012	1	0 PRX	PROAIR HFA 90 MCG I@90 M	201205		
	ARGUS HEALTH (Pharmacy)		4/5/2012		799.8	OTHER ILL-DEFINED CONDI			\$38.90
20606608	363569642 R	MED 448804740	4/5/2012	1	0 PRX	ATROVENT HFA INHALE@17	201205		
	ARGUS HEALTH (Pharmacy)		4/5/2012		799.8	OTHER ILL-DEFINED CONDI			-\$88.50
20606607	363569642 R	MED 448804740	4/5/2012	1	0 PRX	ATROVENT HFA INHALE@17	201205		
	ARGUS HEALTH (Pharmacy)		4/5/2012		799.8	OTHER ILL-DEFINED CONDI			\$178.90
20606610	363569642 R	MED 448804741	4/5/2012	1	0 PRX	PROAIR HFA 90 MCG I@90 M	201205		
	ARGUS HEALTH (Pharmacy)		4/5/2012		799.8	OTHER ILL-DEFINED CONDI			-\$38.90
20606615	363569642 R	MED 448882875	4/6/2012	1	0 PRX	PLAVIX 75 MG TABLET@75 M	201205		
	ARGUS HEALTH (Pharmacy)		4/6/2012		799.8	OTHER ILL-DEFINED CONDI			-\$38.50
20606611	363569642 R	MED 448882872	4/6/2012	1	0 PRX	HYDROCHLOROTHIAZIDE@	201205		
	ARGUS HEALTH (Pharmacy)		4/6/2012		799.8	OTHER ILL-DEFINED CONDI			\$5.00
20606614	363569642 R	MED 448882875	4/6/2012	1	0 PRX	PLAVIX 75 MG TABLET@75 M	201205		
	ARGUS HEALTH (Pharmacy)		4/6/2012		799.8	OTHER ILL-DEFINED CONDI			\$190.25
20606612	363569642 R	MED 448882873	4/6/2012	1	0 PRX	PRAVASTATIN SODIUM @10	201205		
	ARGUS HEALTH (Pharmacy)		4/6/2012		799.8	OTHER ILL-DEFINED CONDI			\$7.28
20606613	363569642 R	MED 448882874	4/6/2012	1	0 PRX	LISINAPRIL 20 MG TA@20 MC	201205		
	ARGUS HEALTH (Pharmacy)		4/6/2012		799.8	OTHER ILL-DEFINED CONDI			\$5.00
20606616	363569642 R	MED 448926166	4/7/2012	1	0 PRX	METOPROLOL TARTRATE@1	201205		
	ARGUS HEALTH (Pharmacy)		4/7/2012		799.8	OTHER ILL-DEFINED CONDI			\$5.00
20606617	363569642 R	MED 448926167	4/7/2012	1	0 PRX	CLONIDINE HCL 0.2 M@0.2 M	201205		
	ARGUS HEALTH (Pharmacy)		4/7/2012		799.8	OTHER ILL-DEFINED CONDI			\$5.00
20606618	363569642 R	MED 449084044	4/9/2012	1	0 PRX	TRIAMCINOLONE 0.1% @0.1 '	201205		
	ARGUS HEALTH (Pharmacy)		4/9/2012		799.8	OTHER ILL-DEFINED CONDI			\$8.76

Medication	Price
Clonidine	\$5.00
Pravastatin	\$7
Symbicort	\$187

Patient C.W. Claims Report

20237226	000191759	P	MED 446239528	2/17/2012	1	2 333	RADIATION THERAPY	201204	
		HOSPITA (Hospitals(no specialty))	200942	2/24/2012		V58.0	RADIOTHERAPY		\$108.70
20237227	000191759	P	MED 446239528	2/17/2012	1	2 333	RADIATION THERAPY	201204	
		HOSPITA (Hospitals(no specialty))	200942	2/27/2012		V58.0	RADIOTHERAPY		\$108.70
20237228	000191759	P	MED 446239528	2/17/2012	1	2 333	RADIATION THERAPY	201204	
		HOSPITA (Hospitals(no specialty))	200942	2/28/2012		V58.0	RADIOTHERAPY		\$108.70
20237220	000191759	P	MED 446239528	2/17/2012	1	2 333	RADIATION THERAPY	201204	
		HOSPITA (Hospitals(no specialty))	200942	2/29/2012		V58.0	RADIOTHERAPY		\$108.68
20237215	000191759	P	MED 445942497	2/20/2012	1	2 77331	SPECIAL RADIATION DOSIM	201204	
		O (Radiation Oncology)	236898	2/20/2012		173.32	ICD9 DESCRIPTION UNAVAI		\$34.61
20237190	000191759	P	MED 445396890	2/24/2012	1	0 PRX	PROAIR HFA 90 MCG I@90 M	201204	
		H (Pharmacy)	236898	2/24/2012		799.8	OTHER ILL-DEFINED CONDI		\$38.90
20237216	000191759	P	MED 445942497	2/24/2012	1	2 77427	RADIATION TX MANAGEME	201204	
		O (Radiation Oncology)	236898	2/24/2012		173.32	ICD9 DESCRIPTION UNAVAI		\$144.30
20237191	000191759	P	MED 445396890	2/24/2012	1	0 PRX	PROAIR HFA 90 MCG I@90 M	201204	
		H (Pharmacy)	236898	2/24/2012		799.8	OTHER ILL-DEFINED CONDI		-\$38.90
20606588	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/1/2012		V58.0	RADIOTHERAPY		\$108.70
20606583	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/1/2012		V58.0	RADIOTHERAPY		\$103.73
20606589	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/2/2012		V58.0	RADIOTHERAPY		\$108.70
20606590	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/5/2012		V58.0	RADIOTHERAPY		\$108.70
20606591	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/6/2012		V58.0	RADIOTHERAPY		\$108.70
20606592	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/7/2012		V58.0	RADIOTHERAPY		\$108.70
20606593	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/8/2012		V58.0	RADIOTHERAPY		\$108.70
20606584	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/8/2012		V58.0	RADIOTHERAPY		\$103.73
20606594	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/9/2012		V58.0	RADIOTHERAPY		\$108.70
20606595	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/12/2012		V58.0	RADIOTHERAPY		\$108.70
20606596	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/13/2012		V58.0	RADIOTHERAPY		\$108.70
20606597	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/13/2012		V58.0	RADIOTHERAPY		\$108.70
20606585	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/13/2012		V58.0	RADIOTHERAPY		\$103.73
20606598	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/13/2012		V58.0	RADIOTHERAPY		\$108.70
20606599	000191759	P	MED 448553924	3/1/2012	1	2 333	RADIATION THERAPY	201205	
		HOSPITA (Hospitals(no specialty))	200942	3/13/2012		V58.0	RADIOTHERAPY		\$108.70
		Treatment					Price		
		Radiation Therapy					\$108		\$108.70

Patient C.W. Potential MRA Claims

HCC	Member Name / Number	Condition	ICD-9	Short Description	Flag
		105 Vascular Disease	440.21	ATHEROSCLEROSIS OF NATIVE ARTERIES OF THE EXTREMIT	A
			443.90	PERIPHERAL VASCULAR DISEASE, UNSPECIFIED	A
		108 Chronic Obstructive Pulmonary Disease	496.00	CHRONIC AIRWAY OBSTRUCTION, NOT ELSEWHERE CLASSIFI	A
3.633		019 Diabetes without Complication	250.00	DIABETES MELLITUS WITHOUT MENTION OF COMPLICATION,	A
5.712	C.W.	010 Breast, Prostate, Colorectal and Other Cancers and Tumors	195.00	MALIGNANT NEOPLASM OF HEAD, FACE, AND NECK	A
		079 Cardio-Respiratory Failure and Shock	518.81	ACUTE RESPIRATORY FAILURE	A
		081 Acute Myocardial Infarction	410.71	SUBENDOCARDIAL INFARCTION, INITIAL EPISODE OF CARE	A
			410.91	ACUTE MYOCARDIAL INFARCTION OF UNSPECIFIED SITE, I	A
		082 Unstable Angina and Other Acute Ischemic Heart Disease	410.70	SUBENDOCARDIAL INFARCTION, EPISODE OF CARE UNSPECI	A
			410.72	SUBENDOCARDIAL INFARCTION, SUBSEQUENT EPISODE OF C	A
			410.90	ACUTE MYOCARDIAL INFARCTION OF UNSPECIFIED SITE, E	A
		131 Renal Failure	584.90	ACUTE RENAL FAILURE, UNSPECIFIED	A
0.882		009 Lymphatic, Head and Neck, Brain, and Other Major Cancers	204.10	LYMPHOID LEUKEMIA, CHRONIC, WITHOUT MENTION OF REM	A
1.233		083 Angina Pectoris/Old Myocardial Infarction	413.90	OTHER AND UNSPECIFIED ANGINA PECTORIS	
		105 Vascular Disease	443.90	PERIPHERAL VASCULAR DISEASE, UNSPECIFIED	A

5.712	010 Breast, Prostate, Colorectal and Other Cancers and Tumors	195.00	MALIGNANT NEOPLASM OF HEAD, FACE, AND NECK
	079 Cardio-Respiratory Failure and Shock	518.81	ACUTE RESPIRATORY FAILURE
	081 Acute Myocardial Infarction	410.71	SUBENDOCARDIAL INFARCTION, INITIAL EPISODE OF
		410.91	ACUTE MYOCARDIAL INFARCTION OF UNSPECIFIED SI
	082 Unstable Angina and Other Acute Ischemic Heart Disease	410.70	SUBENDOCARDIAL INFARCTION, EPISODE OF CARE UI
		410.72	SUBENDOCARDIAL INFARCTION, SUBSEQUENT EPISOI
		410.90	ACUTE MYOCARDIAL INFARCTION OF UNSPECIFIED SI
	131 Renal Failure	584.90	ACUTE RENAL FAILURE, UNSPECIFIED

Medicare Risk Adjustment (MRA)

MEMBER NAME / ID	HCC SCORES		PART AB FUNDING		STATUS	HCC CODE	CONDITION
	Current CMS	Prospective STAR	Current CMS	Prospective STAR			
CW	8.172	7.435	\$ 6,170.88	\$ 0.00	A	81	ACUTE MYOCARDIAL INFACION
					A	111	ASPIRATION AND SPECIFIC BACTERIA PNEUMC
					A	10	BREAST, PROSTATE, COLORECTAL AND OTHER
					A	79	CARDIO RESPIRATORY FAILURE AND SHOCK
					A	149	CHRONIC ULCER OF SKIN, EXCEPT DECUBITUS
					A	80	CONGESTIVE HEART FAILURE
					A	108	COPD
					A	7	METASTATIC CANCER AND ACUTE LEUKEMIA
					A	21	PROTEIN CALORIE MALNUTRITION
					A	131	RENAL FAILURE
					A	74	SEIZURE DISORDERS AND CONVULSIONS
					S	92	SPECIFIED HEART ARRHYTHMIAS
					A	82	UNSTABLE ANGINA AND OTHER ACUTE ISCHEI
					A	105	VASCULAR DISEASE

HCC Scores	
Current CMS	Prospective STAR
8.172	7.435

Part AB Funding	
Current CMS	Prospective STAR
8.172	7.435

Patient CW	
Status:	13 Approved, 1 Suspected
HCC CODE:	14 Listed
CONDITION:	14 Listed

HCC and MRA

- HCC Hierarchical Condition Category

Combination HCCs = MRA

Medical Risk Adjustment

The MRA = \$ dollar/ month

- $\$s$ change as HCC changes

Power of HMOs

- The **negotiating** and **buying** power of larger volumes

Re-insurance

- **cost affiliates up to 9%** of the gross.
- Reinsurance protects against year-long costs over \$30,000 in one IPA, \$75,000 in another IPA
- **Reinsurance exists to enable care of the very ill without undue fiscal danger to the affiliates.**

MSO Terms Are Negotiable

- Administration fees
- duration of reserve buildup,
- split of surplus, deficit & stoploss premium,
- noncompete clause,
- metrics of quality care
- . Federal code only rules on surplus
 - Remember you may be paying 100% of the deficit **no matter what your split of the surplus** .
 - **Although the federal rule limiting liability to 25% of cumulative annual deficit is the final protection:**
 - **Short term, deficits have to made up 100% to reach a position of collecting surplus.**

Credit

Dan Gerson, PowerPoint

Owen Linder MD FACP

(727) 726-4721 Office

mli3724603@aol.com