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# **TennCare Proposed RHC Regulations**



**November 26, 2018**

# **H B S**

Healthcare Business Specialists

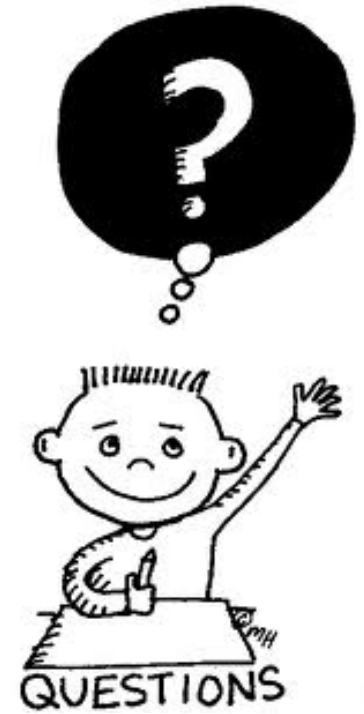


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## Questions or Comments?

**All of your Phone lines will be open for comment or questions as all time. Please mute your line and then unmute it when you want to talk.**





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# Questions about the Hearing

- 1. Who will represent RHCs?**
- 2. What provisions should be challenged or changed?**
- 3. How can we work with FQHCs to challenge these regulations.**



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# Questions about the Hearing

- 1. Should we meet up at the meeting.**
- 2. Who will present at the meeting.**
- 3. What is impactful.**



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# **My Major Issues with the Regs**

**1. The arbitrary nature of no longer paying only new RHCs.**

**A. When will payments be reinstated.**

**B. Will the lost payments be made up.**

**2. The retroactive nature of the regulations. TennCare wants to rewrite history as if these rules were in effect.**

**3. The 30% Administrative cap is unreasonable.**



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# RHCs caught in the Mortarium – Now 18

<a href="#">South Carolina</a>	2
<a href="#">Tennessee</a>	15
<a href="#">CIRCLE OF LIFE OBSTETRICS AND FAMILY CARE, PLLC</a>	1
<a href="#">EAST TENNESSEE PEDIATRICS</a>	1
<a href="#">FAST PACE URGENT CARE</a>	1
<a href="#">HANCOCK COUNTY FAMILY MEDICINE</a>	1
<a href="#">HARROGATE HEALTH GROUP LLC</a>	1
<a href="#">MAIN STREET FAMILY CARE PLLC</a>	1
<a href="#">MARTIN MEDICAL CENTER PC</a>	1
<a href="#">PEDIATRIC ASSOCIATES OF WEST TENNESSEE PLLC</a>	1
<a href="#">PRIMARY CARE CLINIC OF TREZEVANT</a>	1
<a href="#">SERVOLUTION HEALTH SERVICES INC</a>	1
<a href="#">TENNOVA FAMILY CARE - MADISON STREET</a>	1
<a href="#">TENNOVA FAMILY CARE-MAIN STREET</a>	1
<a href="#">TENNOVA FAMILY CARE-UNIONVILLE</a>	1
<a href="#">TENNOVA FAMILY CARE-WARTRACE</a>	1
<a href="#">TENNOVA URGENT CARE - SHELBYVILLE</a>	1

# Proposed RHC Regulations

## • Tennessee Proposed TennCare RHC Regulations

### Department of State

#### Division of Publications

312 Rosa L. Parks Ave., 8th Floor, Snodgrass/TN Tower

Nashville, TN 37243

Phone: 615-741-2650

Email: [publications.information@tn.gov](mailto:publications.information@tn.gov)

### For Department of State Use Only

Sequence Number: 09-21-18

Notice ID(s): 2915

File Date: 9/26/18

### Notice of Rulemaking Hearing

*Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.*

<b>Agency/Board/Commission:</b>	Tennessee Department of Finance and Administration
<b>Division:</b>	Division of TennCare
<b>Contact Person:</b>	George Woods
<b>Address:</b>	Division of TennCare 310 Great Circle Road Nashville, TN 37243
<b>Phone:</b>	(615) 507-6446
<b>Email:</b>	<a href="mailto:george.woods@tn.gov">george.woods@tn.gov</a>

*Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:*

<b>ADA Contact:</b>	Talley A. Olson, Director TennCare, Office of Civil Rights Compliance
<b>Address:</b>	Division of TennCare 310 Great Circle Road Nashville, TN 37243
<b>Phone:</b>	(855) 857-1673 TTY dial 711 and ask for 855-857-1673
<b>Email:</b>	<a href="mailto:hcfa.fairtreatment@tn.gov">hcfa.fairtreatment@tn.gov</a>

### Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	Division of TennCare 310 Great Circle Road, Conference Room 1 East A
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# A Hearing will be held November 27th

Address 1:	Division of TennCare 310 Great Circle Road, Conference Room 1 East A
City:	Nashville, TN
Zip:	37243
Hearing Date :	November 27, 2018
Hearing Time:	9:00 a.m. <input checked="" type="checkbox"/> CST/CDT <input type="checkbox"/> EST/EDT





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Category/Indicator	2015			2016			2017		
	Mean			Mean			Mean		
	TN	Southern	Nation	TN	Southern	Nation	TN	Southern	Nation
<b>Number of Facilities</b>	62	708	1,242	71	672	1,154	74	628	1,056
<b>Encounters per FTE:</b>									
Physicians	5,209	4,970	4,729	5,167	4,941	4,651	4,577	4,725	4,577
Physician Assistants	3,435	3,677	3,639	3,574	3,834	3,740	2,967	3,911	3,738
Nurse Practitioners	3,215	3,487	3,327	3,267	3,497	3,332	3,242	3,469	3,286
Visiting Nurses	0	119	375	0	200	525	595	538	815
Clinical Psychologist/Social Worker	980	1,658	1,876	1,620	1,356	1,478	1,140	1,643	1,746
Midlevel Staffing Ratio	80%	55%	54%	80%	57%	57%	81%	59%	58%
Midlevel Visit Ratio	72%	46%	46%	72%	49%	49%	74%	52%	51%
<b>Cost per Encounter:</b>									
Physician	56.84	55.83	59.10	63.93	58.88	62.04	69.22	62.80	64.96
Physician Assistant	36.38	33.84	33.82	31.04	31.25	33.06	36.05	31.91	34.63
Nurse Practitioner	32.81	32.05	34.37	34.54	33.23	35.19	34.45	34.21	37.09
Visiting Nurse	#DIV/0!	313.49	97.39	0.00	263.49	103.50	117.07	111.29	69.26
Clinical Psychologist/Social Worker	165.53	89.32	52.67	96.58	92.61	69.71	53.73	72.72	55.53
Total Health Care Staff Cost	11.47	12.51	14.19	10.78	12.78	14.74	11.17	13.34	15.23
<b>Cost per FTE:</b>									
Physician	264,333	266,709	269,434	306,012	279,334	276,635	292,911	290,846	288,698
Physician Assistant	124,961	124,427	123,069	110,934	119,809	123,661	106,947	124,798	129,446
Nurse Practitioner	105,480	111,750	114,345	112,868	116,211	117,254	111,682	118,694	121,874
Visiting Nurse	28,001	37,413	36,524	0	52,791	54,352	69,655	59,818	56,466
Clinical Psychologist/Social Worker	162,220	148,073	98,810	156,460	125,626	103,017	61,251	119,484	96,944
Total Healthcare Staff Costs per Provider FTE	42,539	52,546	57,439	40,642	53,339	58,968	39,858	54,220	59,977
<b>Clinic Cost per Encounter:</b>									
Total Health Care Staff	51.69	57.24	61.57	53.60	58.35	62.87	55.26	61.28	65.82
Total Direct Costs of Medical Services	63.14	67.38	72.52	66.27	68.57	74.17	69.76	71.36	76.99
Facility Cost	13.89	9.59	10.19	11.96	9.69	11.10	12.23	9.70	11.17
Clinic Overhead	58.49	47.41	54.20	55.36	48.54	58.44	57.95	48.90	59.63
Allowable Overhead	54.16	43.97	47.63	50.77	44.96	49.02	54.90	45.65	50.02
Allowable Overhead Ratio	93%	93%	88%	92%	93%	84%	95%	93%	84%
Total Allowable Cost per Actual Encounter	117.30	111.02	119.97	117.04	113.51	123.18	124.66	116.60	126.77
Total Allowable Cost per Adjusted Encounter	113.26	108.92	116.96	113.58	111.25	119.82	119.42	114.12	123.30
Cost of Vaccines and Administration per Adjusted Encounter (Reimbursed Separately)	(2.65)	(2.62)	(3.47)	(2.73)	(2.89)	(3.99)	(2.01)	(3.24)	(4.13)
Payment Rate per Adjusted Encounter	110.61	106.30	113.49	110.85	108.36	115.83	117.41	110.88	119.17
<b>Total Encounters</b>	469,666	8,501,938	15,452,512	558,284	8,198,077	14,340,172	592,558	7,780,195	13,469,393
<b>Total Medicare Encounters</b>	75,336	2,029,889	3,634,757	83,802	1,846,994	3,210,685	92,153	1,648,929	2,895,111
<b>Medicare Percent of Visits</b>	16%	24%	24%	15%	23%	22%	16%	21%	21%
<b>Injection Cost:</b>									
Cost per Pneumococcal Injection	220.94	173.43	188.83	282.22	201.14	229.88	274.63	245.80	270.32
Cost per Influenza Injection	44.09	48.89	49.13	43.52	48.15	51.14	54.66	68.29	66.41



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# Administrative Limitation Impact

Description	Amount
Total Cost per visit	\$117.41
30% of Total Cost per visit	35.22
Actual Administrative Cost per visit	57.95
<b>Impact per Visit</b>	<b>\$22.73</b>

# PPS Rate Setting

- (5) Upon implementation of this chapter, the Comptroller will review all PPS rates using the cost reports used to set those rates if available, or if not, using the best available cost report data, in order to determine if the included costs are allowable costs according to the requirements in this chapter. If it is determined that some of the costs are not allowable costs according to this chapter, the RHC, FQHC, or FQHCLA will be offered the opportunity to change to the APM methodology and either:
  - (a) Change to the APM methodology and a rebase will ensue under rule .09; or
  - (b) The PPS rate will be frozen and not allowed to experience any annual inflationary adjustments until the point that the Comptroller determines that the appropriate original rate, plus annual inflationary adjustments for each year, would surpass the current rate.



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## **What does this mean?**

- any RHC that has had their final rate already set, they will have the option to have their rate frozen if their original rate is determined to have been set too high because of excessive allowances.
- Then, once the rate is redetermined, they will add back in the yearly adjustments and their rate will not be increased until this new rate passes their frozen rate.
- So the only affected RHCs are those whose final rate are not set. Then all those proposed changes in how the rates are set will affect them.



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# Questions, Comments, Thank You



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