

Pitfalls and Pearls of Dermatology Practice 2016

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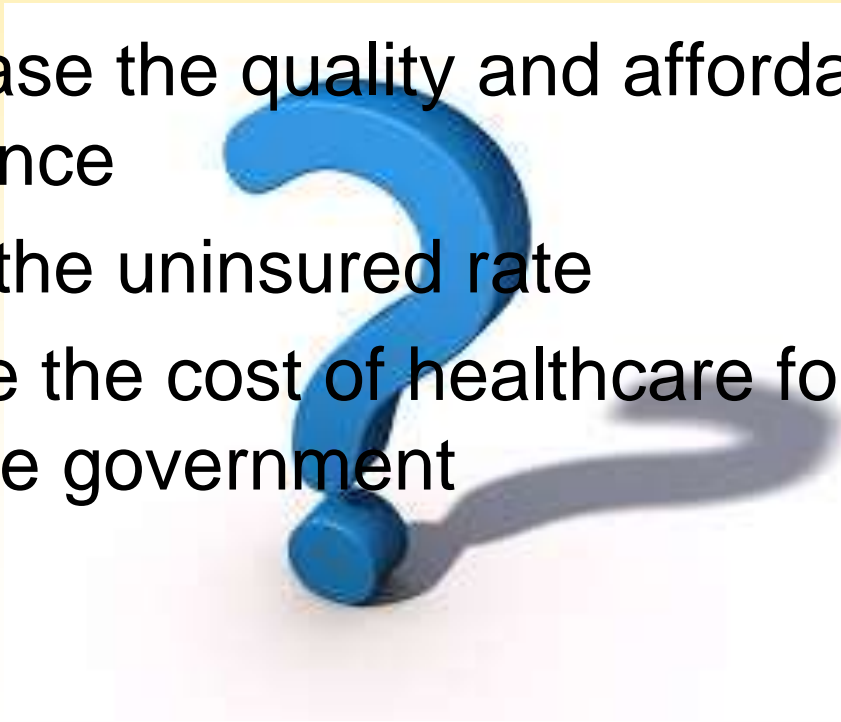


Objectives

- To discuss:
 - recent and anticipated changes made to healthcare policy
 - the effects that these changes may have on the dermatology practice
 - methods by which we can overcome the obstacles created by these changes in every day practice

What is the “Affordable Care Act?”

- Signed into law March 23, 2010
- Programs installed to:
 - increase the quality and affordability of health insurance
 - lower the uninsured rate
 - reduce the cost of healthcare for individuals and the government



Are these goals actually being accomplished?

- Studies demonstrate only a *modest* benefit in patient outcomes
- No actual decrease in healthcare spending
- More regulation and paperwork
- Less patient care and decreased reimbursement



What Can We Expect?

ACA 2016

- Annual IN Network, Out of Pocket maximum costs increase
- Deductibles, copays, and coinsurance increase up to \$6,850 individual and \$13,700 for family coverage

70 Changes to ACASo far

- Employee reporting delayed contrary to statutory language
- Medicare Advantage Patch
- Tax Credit for unlawful immigrants
- Closing of the High Risk pool. The money earmarked for this plan was spent by HHS to advertise Obamacare enrollment
- DOUBLING allowed deductibles



Increased Coverage

- **Millions of newly insured** Americans looking for physicians- including specialists
- Projected to add 12 million people to Medicaid by 2015
- **“Marketplace” insurance** to offer similar reimbursement?
 - **Likely 10%-20% cut**
- Can you survive financially on these new plans?

What will the newly insured look like?

The newly insured compared to the currently insured are...

Race

... less likely to be white



Health status

... less likely to rank self excellent/very good/good



Marital status

... more likely to be single



Language

... less likely to speak English



Educational attainment

... less likely to have a college degree



Employment status

... less likely to have full-time employment



	Median age	Median income
● Newly insured	33	166% FPL
● Currently insured	31	333% FPL

Sources: PwC HRI analysis for year 2021, Current Population Survey, Medical Expenditure Panel Survey and CBO
 Created by PwC Health Research Institute
pwc.com/us/healthexchanges

Marketplace Exchange

- Provides a set of *government-regulated* and *standardized* health care plans from which individuals may purchase health insurance eligible for federal subsidies
 - All exchanges must be fully certified and operational by January 1, 2014, under federal law
 - **What if patient fails to pay their bill?**



Higher Deductibles

- May largely impact specialists with expensive services
- This will force more **communication** between physician and patient about costs of procedures
- Will patients **opt out of services** because of cost?

Costs driving care

- How many of us have had patients ask how much a service will cost?
- How often were you asked prior to ACA?
- Have you even been asked to remove something and not send it for pathology?
- How many patients cannot afford your prescribed medications?

Increasing Rules and Regulations

- Higher practice costs
- New payment methodologies
- EMR
- Increasing penalties



Is it working

- Harold Pollack, Professor at University of Chicago states, “It’s hard to pull out an answer!”
- ACA was signed into law 6 years ago.
- “We’ve never shown in any randomized study that we’ve ever improved health behaviors by giving health insurance to the uninsured,” says Pollack

Examining the ACA's Design

- Was the Law actually focused on health?
- The political decisions that drove the creation of the bill led to a design that wasn't really focused on outcomes. According to Tevi Troy a former deputy secretary of HHS. Now President of American Health Policy Institute

PPACA

- Physician Value-Based Payment Modifier
- PQRS
- MIPS- Merit-Based Payment Incentive System
- First the formulaic approach to setting base payment rates is gone
- Replaced with automatic increases from 2015-2019

MIPS

- For 6 years after that... no automatic increases will be provided and doctors' respective rates will be altered based upon their MIPS performance
- MIPS is a consolidation of three pay for performance programs already in place and another added program

MIPS

Components of the MIPS Score

MIPS (0 - 100 pts)			
MU (25%)	PQRS/VBM Quality (30%)	VBM Cost (30%)	Clinical Practice Improvement (15%)



MIPS

MIPS Base Payment Adjustment Schedule

Excludes the Exceptional Performance Bonus

MIPS Score	Payment Year (2 years after Performance Year)				
	2019	2020	2021	2022	
100	+4x%	+5x%	+7x%	+9x%	Max%
PT to 100	Linear: 0% to Max%				
PT ("Performance Threshold")	0%				
25%*PT to PT	Linear: 0.75*Min% to 0%				
0 to 25%*PT	-4%	-5%	-7%	-9%	Min%

*x is a budget-neutrality factor to make the national incentive \$ pool equal to the national penalty \$ assessed, where x is capped at 3.0 (or 27% max base adjustment).



How Does MIPS consolidate and leverage the MU, PQRS, and VBM

- MIPS consolidates Medicare MU and PQRS penalties and VBM incentives and penalties, while continuing to measure provider performance as specified by those three component programs. **Note that Medicare and Medicaid MU incentives are not impacted by MIPS**
- Section 101(b)(1) of the bill sunsets separate MU payment adjustments starting with the 2019 payment year (the 2017 MU performance year), but continues the "application for purposes of MIPS"—the determination of whether an eligible professional is a meaningful Electronic Health Record (EHR) user. The EP can then earn a maximum of 25 points for complying with MU in the performance year
- Similarly, the MIPS quality category score (maximum 30 points) is determined by the mandatory PQRS reporting requirement, PQRS measures, and other VBM quality measures.
- Finally, the MIPS cost or resource use category score (maximum 30 points) is determined by the VBM cost measures. **The bottom line: MIPS amplifies and consolidates the application of incentives and penalties while relying on the performance measurement rules of the three individual programs**

MIPS

- Four categories of metrics:
 - Quality
 - Resource use
 - Meaningful use of EHR
 - Clinical practice improvement activities
- **The poorest performing physicians determined by their composite score will see their payments cut by up to ...9%**

MIPS

- Specific measure have not been selected
 - Likely based upon existing measures:
 - PQRS
 - VPM (Value based Payment Modifiers)
 - Clinical Practice Improvement
- **Financial impact of MIPS will be even larger than current VPM**

Clinical Practice Improvement

- What does this entail?
- Expanded practice access
- Population management
- Care coordination (telehealth)
- Patient safety and practice assessment
- (clinical check lists)
- Participation in APMs

Negative Payment Adjustments

- -4% in 2018
 - -5% in 2019
 - -7% in 2020
 - -9% in 2021
-
- This is a huge cut for physicians!!!

Decreasing Reimbursement

- Independent Payment Advisory Board
 - 15 members appointed by President
 - Aim is to reduce per capita growth rate in Medicare spending
 - Physicians will be primary targets
 - A healthcare rationing body...?



Decreasing Reimbursement

- “Non-profit” Patient-Centered Outcomes Research Institute
 - Will examine clinical effectiveness of medical treatment, procedures, drugs, and medical devices
 - Possible detriment to clinical innovation in the delivery of care..?

New Payment Methods

- Bundled payments
- Patient-centered medical homes
- **Accountable Care Organizations (ACOs) APM**
- **Pay-for-Performance (P4P)**



Pay-for-Performance (P4P)

- Reimbursement reflects provider performance based on:
 - Certain care processes
 - Scores on patient satisfaction surveys
 - Patient outcomes



Pay-for-Performance (P4P)

- Rewarded for meeting pre-established targets
- Disincentives include eliminating payments for negative consequences of care or increased costs
 - Will this force physicians to deselect for patients?



Physician Quality Reporting System

- AAD is trying to develop meaningful quality measures, as there are currently few for dermatologists.



Physician Compare Website

- Created by Centers for Medicare and Medicaid Services
- Patients can search for and pick their physician
- PQRS data to be uploaded to this site
- 30-day period for physician review before data posted
- Criticized by AMA
- **CANNOT FIND IT ANYWHERE**



Increasing Penalties

- Penalty imposed on physicians who do not meet e-prescribe levels
 - Increasing from 1% to 2% in 2014
- 2015: Penalties for not having electronic health records (EHRs)
 - Purpose is to reduce paperwork and administrative costs, but for whom?
 - **Expensive**
 - Requires MORE administration
 - **Slows** practices down

How can we overcome the challenge of increased practice costs in the face of decreased reimbursement?

The only guarantee in life is change. Not only do I accept change, I embrace it. I am an agent for it, and I help others to accept and embrace it. I am committed to finding and creating new and better ways to serve our patients and their needs. This includes finding and implementing more innovative internal processes, products, procedures, and medicines.



Consolidate

- Independent physician practices declined from 57% in 2009 to 39% in 2012: NOW 35% in 2014! Predicted 33% in 2016
 - Declining reimbursement
 - Lowered contract negotiating power of smaller providers
 - Shifted referral patterns
- Consider joining groups to **spread out overhead** and **strengthen reimbursement, negotiations**



Dermatology Consolidation

- Currently 14-15 platforms
- Dozens have Equity behind them
- This means large financial institutions helping them to achieve success with all governmental requirements,
- I.E. Compliance programs, change management, payor negotiations

Dermatology Consolidation

- Protect Dermatology from Primary Care
- Protect Patient Access by large footprint
- Build Consumer Branding
- Patient satisfaction on all touch points

Dermatology Consolidation

- How does it work?
- PRIVATE PRACTICE WITH THE BENEFITS AND SUPPORT OF THE LARGE INSTITUTION

DERMATOLOGY CONSOLIDATION

- Change Management
- Allow the dermatologist to see patients and let the “suits” manage the complex environment of dermatology in 2016 and beyond!

Dermatology Consolidation

- Creates a pseudo Coalition
- Protects Dermatologists from Primary Care and Extenders Practicing
- Allows Patients Access
- Allows increase opportunities for profits for Dermatologists

Stay Informed

- Become familiar with **practice realities** in your respective marketplace
- Learn about the **different payment models**
- Policymakers predict the currently primary care-centered ACO payment model will spread to specialty care
- Suspect a different model as most ACO's are failing!

See More Patients

- What is the impact of a 2% cut on your bottom line?
- If average collection for office visit is \$150, reimbursement then becomes \$147
- $50 \text{ pts} \times \$150 = \mathbf{\$7500}$ vs $50 \text{ pts} \times \$147 = \mathbf{\$7350}$
- Add one more patient per day to fill gap
- HOW CAN I DO THIS WHEN I AM COMPLYING

What is a dermatologist to do?

- It will take more hours unless you delegate these tasks to others!
- You will work harder and make less money!
- **JOIN A DERMATOLOGY GROUP AND GO BACK TO PATIENT CARE!**

Establish a Dashboard

- Measure, measure, measure!
- Determine where you can improve revenues and increase efficiency
- Invest in resources that compare yourself to similar practices
- Assess practice patterns that may trigger an audit

Calculate

- What is the **procedure value per hour**?
- Utilize **non-physician clinicians** and other ancillary personnel to the full extent
- Free up the physician to see more pts and generate more revenue
- Cut wasteful spending. Analyze expenditures quarterly



Collect

- Collect **co-pays upfront**
- Keep credit cards on file
- A practice utilizing technology-driven solutions has increased patient collections from 42% to 50%
 - Patients check-in with tablets
 - Credit cards swiped and kept on file, automatically charging co-pays at every subsequent check-in
 - Prompted to pay outstanding balances

Improve Patient Satisfaction

- Prior experience is the most important antecedent of satisfaction
- Heed advice from business colleagues:
The customer is always right!
- Use your patient's name and details about personal life
- Give them realistic expectations of treatment outcomes

Our Mission

To provide the highest quality dermatologic care for the entire family in a compassionate, caring, and comfortable environment utilizing cutting edge medicines, procedures, and products.



Plug and Play

- Airlines provide satisfaction by demonstrating efficiency
 - Concept of line-up
 - Cohesiveness
 - Communication



Plug and Play

- Car dealerships know when lease is up
 - Reach out to patients
 - Is winter coming? Send reminder to atopic dermatitis patients

Send **reminder e-mails, texts or postcards** about appointments, full body exams, etc.



Text and Email reminders

Welcome [Redacted] | [Locations](#) | [Settings](#) | [Training & Community](#) | [Logout](#)

Demandforce
Growth. On Demand.

Dashboard | **Appointments** | Patients | Email | Text | Campaigns | Referrals | Surveys | Reviews | Results | Intuit Local

Appointments

How do I manage Appointments?

Search Patients

Appointment Calendar

Jan 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

Quick Links

- Hotlist Appointments

Weekly Appointments

Monday - Jan 20, 2014

Time	Patient	Status	Date	Sat. Score	Referred
8:00 AM	[Redacted]	Confirmed	Thu, Jan 16, 7:59 PM		
8:10 AM	[Redacted]	Confirmed			
8:20 AM	[Redacted]	Confirmed			
8:20 AM	[Redacted]	Confirmed	Thu, Jan 16, 9:06 PM		
8:30 AM	[Redacted]	Confirmed	Thu, Jan 16, 10:25 AM		
8:40 AM	[Redacted]	Confirmed	Thu, Jan 16, 9:01 AM		
8:50 AM	[Redacted]	Confirmed			
8:50 AM	[Redacted]	Confirmed			
9:00 AM	[Redacted]	Confirmed	Fri, Jan 17, 3:39 PM		
9:20 AM	[Redacted]	Confirmed	Fri, Jan 17, 8:50 PM		
9:30 AM	[Redacted]	Confirmed	Thu, Jan 16, 4:30 PM		
9:30 AM	[Redacted]	Confirmed	Sat, Jan 18, 10:10 AM		
9:40 AM	[Redacted]	Confirmed			
10:00 AM	[Redacted]	Confirmed	Thu, Jan 16, 12:40 PM		
10:00 AM	[Redacted]	Confirmed			
10:00 AM	[Redacted]	Confirmed	Thu, Jan 16, 10:01 AM		
10:10 AM	[Redacted]	Confirmed			
10:15 AM	[Redacted]	Confirmed	Fri, Jan 17, 3:11 PM		
10:20 AM	[Redacted]	Confirmed	Thu, Jan 16, 9:20 PM		
10:30 AM	[Redacted]	Confirmed			
10:30 AM	[Redacted]	Confirmed			
10:40 AM	[Redacted]	Confirmed			
10:45 AM	[Redacted]	Confirmed	Sat, Jan 18, 9:06 AM		



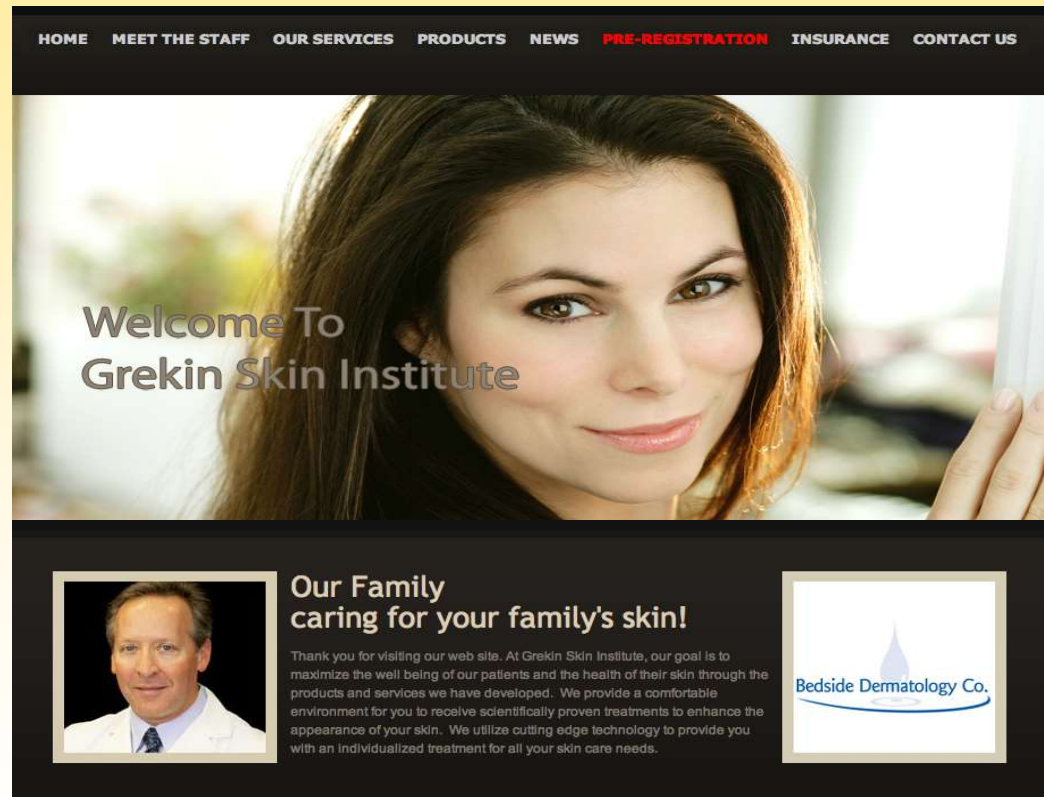
Social Media

- Keep up with the times
- Facebook, Instagram and Twitter are all **FREE** outlets for advertising
- SNAPCHAT



Create a Website

- Create a **website** that sells you and your practice
 - Provide educational material
 - Provide a link for “feedback” for continued improvement



Alter Perception

- AAD researched the perceptions of dermatology practice by other physicians
- Dermatologists are perceived as *valuable* colleagues

Get Involved

- **Word-of-mouth** is the most important method for referrals
- Accept consults at a hospital
- Stay in contact with your referring physicians
- Offer free services, such as skin cancer screenings



Bottom Line

- Do not ignore the business aspect of medicine
- Constantly measure for constant improvement
- Cut wasteful spending
- See more patients
- Communicate to increase efficiency and reduce errors
- Continue improving patient satisfaction
- Utilize all staff and mid-level providers

"The only human institution which rejects progress is the cemetery."

-Harold Wilson



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Why put off until tomorrow what can be done today? I act with purpose and a sense of urgency to accomplish tasks and follow up with those involved. I return all phone calls the same day. I work creatively to immediately find solutions to obstacles.



Highly
Responsive



"Nobody cares how much you know until they know how much you care."

-Theodore Roosevelt



Integrity

I am impeccable with my word. When I say I'm going to do something, I do it. My thoughts, words, and actions are all aligned. I trust and I am trusted. I act in the best interest of the practice, my team members, and our patients.





Welcome To Grekin Skin Institute



Our Family caring for your family's skin!

Thank you for visiting our web site. At Grekin Skin Institute, our goal is to maximize the well being of our patients and the health of their skin through the products and services we have developed. We provide a comfortable environment for you to receive scientifically proven treatments to enhance the appearance of your skin. We utilize cutting edge technology to provide you with an individualized treatment for all your skin care needs.

