The WHY & HOW: Assessing Your Midwifery Practice Financial Health

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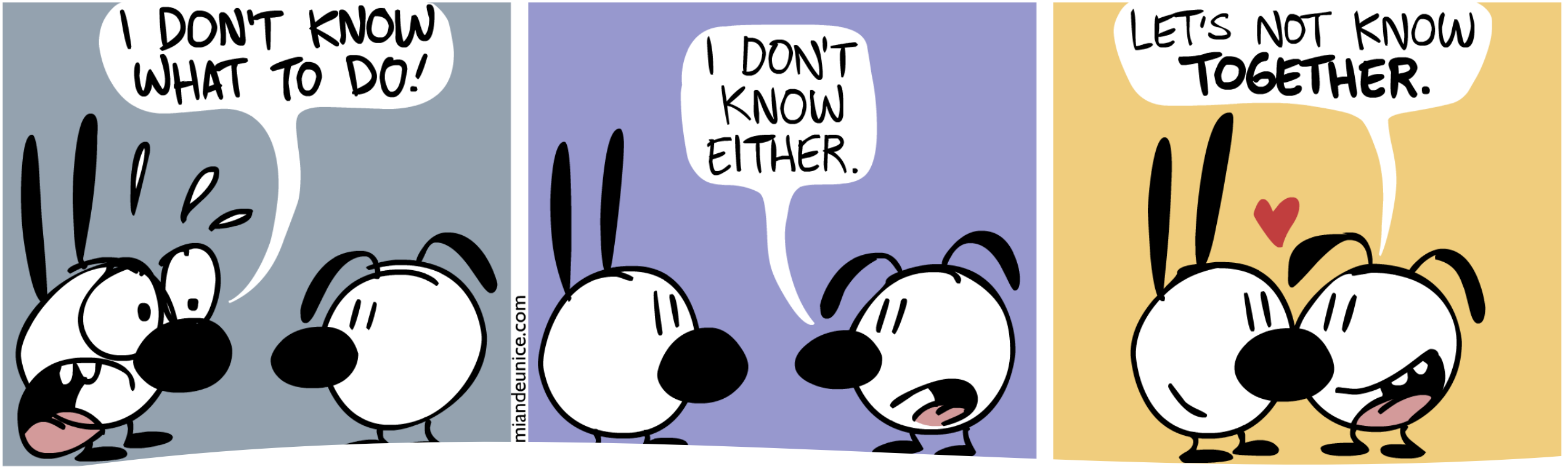
Objectives

Describe	common challenges midwives experience understanding the financial health of their practice.
Define	key terms and meaningful application to assess fiscal health of your practice.
Explain	10 steps to assess practice revenue generation and costs.
Consider	SWOT analysis to implement opportunities, increase revenue streams, and defend your practice fiscal contributions.



Getting Comfortable With Crucial Topics

Midwifery Practices Closing Due to Cost: True/False?

BLOCKCLUBCHICAGO.ORG

Swedish Hospital Is Merging Its Popular Midwifery Program, Devastating North Side Parents

NBC16.COM

Midwife care gap in Lane County: Officials discuss potential health risks and solutions after McKenzie Midwife Center closure

New Mexico Midwife Reimbursement Landscape

Independent Practice State for CNM and CPMs

CNMs receive 100% of physician rate for maternity care. 59400 is $1909.67

LM/CPM is paid at 77%

Birth Center Facility fee is paid at $1400

https://nashp.org/midwife-medicaid-reimbursement-policies-by-state/?fbclid=IwAR24nkMEaWsgqKcOowqYz2bMzmhvts9zDl98AjsY_Ftxp3TzNwLeO8xLg9E

Common Client Statements in ALL settings:

“I don’t know how or what we bill clients.”

“I don’t see how much we collect from billing.”

“I am not sure if all visits are coded correctly to capture everything billable.”

“I don’t understand wRVUs and A/R to determine my contribution of work to my compensation.”

“We are told we cannot access financial data and don’t know how to get it.”

Client Case

- 3 Midwives employed in physician-owned practice over 10 years. Midwives were never provided financial data. Reported felt overworked, but happy.
- Practice bought out by large health system along with four additional physician-owned practices. Midwives were employed in two of other groups.
- Midwives now required to:
  - Sign new contracts within next 30 days
  - Agree to physician billing requirements for all services they render
  - Use superbill that requires new coding from previous practice
  - Meet 3500 wRVU threshold or pay back the difference from salary base
  - Paybacks from contract of origin if they don’t sign new contract

Identified Concerns:

- Lack of historical knowledge about % profit contribution
- New employer binds base salary to wRVU
- wRVU model overlayed on APPs in practice
- Billing Incident-to risks
- Unknown Paybacks by Contract of Origin

Wisdom About Billing Compliance

- The adage, “Ask for forgiveness not permission”, is not recognized by the DOJ or OIG
- Of the $5.6 billion in settlements and judgments reported in fiscal year 2021, over $1.6 billion arose from lawsuits filed under the False Claims Act.
- During the same period, the government paid out $237 million to the individuals who exposed fraud and false claims by filing these actions.

https://www.justice.gov/opa/pr/justice-department-s-false-claims-act-settlements-and-judgments-exceed-56-billion-fiscal-year

Case Example – Reddit 2020

Scammed by Birthing Center?

My wife and I used a birthing center last year. Their contract detailed a facility fee of $750 to be paid out of pocket, which we did, and a midwifery fee of $3000. At the time, they claimed that they would attempt to bill our insurance (Medicaid) and that it would almost certainly not be covered, in which event they would write off the balance. Because none of this was detailed in the contract, I requested they detail this in writing. I have this in writing on the contract. It reads Midwifery 100% Medicaid Facility fee $1200 ($750 if paid by 30th week). -signature of their accountant

Today, more than 10 months after our child was born, my wife received an invoice for more than $4k, which includes $3500 for the midwifery fee, as well as charges that presumably should’ve been covered by the facility fee.

Case Outcome Reported to Medicaid:

"After demonstrating that we never signed a form called an 'Agreement of Financial Responsibility' ***that is required to bill Medicaid patients outside coverage****, they deemed our bill was uncollectible and have since sent us documentation that we owe them nothing."*

"And we reported them!"

PRESS RELEASE

Nurse Practitioner Sentenced in Twelve Million Dollar Health Care Fraud Scheme

Wednesday, April 5, 2023

Share

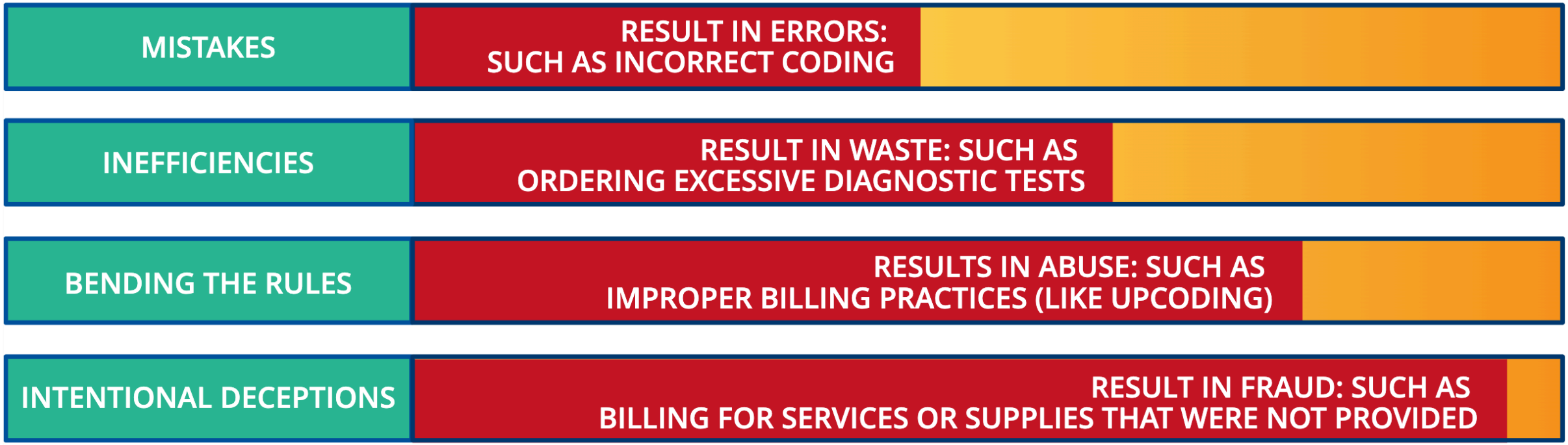
For Immediate Release

U.S. Attorney's Office, District of Rhode Island

PROVIDENCE, R.I. – A registered nurse and nurse practitioner, who defrauded commercial health insurers and Medicare of nearly $12 million by devising and executing fraudulent billing schemes in three states seeking payment for patient services that were never performed, has been sentenced to seven years in federal prison, announced United States Attorney Zachary A. Cunha.

Alexander A. Istomin, 57, pleaded guilty in October 2022 to an eleven-count Information charging him with health care fraud, mail fraud, aggravated identity theft, and causing the introduction of misbranded drugs into interstate commerce. Istomin admitted that he routinely submitted fraudulent claims for in-person patient services that he did not perform, including supposed patient visits at a "ghost office" in Rhode Island and at offices in Florida and New York. Istomin used seven different tax identification numbers while defrauding eight insurers out of a total of $11,923,686.30.

Protect your License with Annual Training on: Fraud, Waste and Abuse



https://www.cms.gov/Outreach-and-Education/MLN/WBT/MedicareFraudandAbuse/FradandAbuse/story.html

Just Do It!


Certificate of Completion
Ginger Breedlove
has participated in and successfully completed the educational activity tool
Medicare Fraud & Abuse: Prevent, Detect, Report
on
September 22, 2022
CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
Division of Provider Information Planning & Development | 7500 Security Boulevard, Baltimore, MD 21244


COMPLIANCE
Doing what's right, together.

Revenue Cycle Management

10 Simple Steps to Assess Fiscal Health

#1 Provider Tracking

- Days and Hours worked of Providers
  - Avg monthly and variance year/year. This may help understand fluctuations in billing – maybe a provider is out, maybe hired a new practitioner, someone went on vacation
- Count client facing hours AND non-billable administrative work (charting)
- **Average CNM works 48-52 hours/week with about 6-8 hours/week in administrative, charting, committee meetings and CME (non billable)**
- This is the BASIS for determining workload and work contributions

#2 Practice Charges

- Determine each Midwife (other) charges - average/month
- This can be impacted by:
  - A high or low fee schedule
  - Type and complexity of clients seen
  - Ancillary services that can be billed for
  - ACURRATE Coding
  - Billing method used (third party, trained/in-house, self billing)
- **Tracking average monthly charges and noting variances is best way to determine profitability over loss**

#3 Collections Ratio's

- If you don't know – you need to
- **What are midwife/practice collections as a percentage of charges?**
- May take 60-90 days to be captured based on payer and contract
- Collection to charges ratio of **50-80% is typical capture rate, in first billing**.
  - This significantly impacts cash flow
- Monitor the ratio monthly to identify for possible challenges and problems that can be corrected. Possible causes to lowering ratio:
  - change in payer mix
  - reimbursement rates
  - failure to collect co-pays
  - failure to follow up on denied claims

#4 Adjustments

- An area someone needs to consistently monitor that can identify possible symptoms of serious problems
- WHO is adjusting bills, notifying clients, and where/how is justification recorded
- Frequency of adjustments can help identify:
  - Embezzlement
  - Changes in billing patterns
  - Recurring data entry errors by provider or biller
- **Compare the month adjustments to charges and collections from previous months.**

#5 Accounts Receivable (AR)

- Normal AR should be evaluated monthly if you have OB clients enrolled in global maternity care plans.
- High AR rates can be attributed to delayed claim submission, fraudulent claims, excessive fee schedules and many other issues of concern.
- **Your BILLING service should be able to explain your practice AR % and you should know this, regardless of the setting you work in.**

#6 Client Encounters

- Is someone tracking monthly the new and established client encounter types?
- Fee for new client's is significantly higher and should be coded
- Are there more global OB client's than well woman encounters (revenue will be lower as well as monthly cash flow)
- Are more tests/ procedures involved with the OB's or women's health
- Do you see more clients in the ambulatory or in-hospital setting
- Is the billing accurately representing all types of encounters on the hospital side e.g. Triage, ED, Antepartum, First Assist

#7 Average Visits Per Day

- A common measure of productivity and efficiency (in most settings)
- Some employment agreements base bonus compensation on this (FQHCs)
- **An average number of ambulatory visits for a Midwife is 15-20/day in a revenue + generating model**
- The more complex the client – the longer the visit
- The style of practice will also dictate the length of visit
- Midwife coverage at both clinic and call will impact this number
- Adequate support staff and sufficient exam rooms will impact efficiency of work

#8 wRVUs

- If your practice tracks wRVUs (regardless of any compensation) it can be a better measure of productivity than charges or visits since it adjusts for acuity
- **Average for CNMs is 3200/year**, equals 266-291 wRVUs/month
- Because it is impractical to report daily wRVUs it's not an effective measure to base day-to-day behavioral change strategies
- Comparative wRVUs
  - Fam Medicine average 350-500/month
  - OB/GYNs average 666 wRVUs/month
- You can request reports on wRVUs even if not bonused or compensated on this metric. **It IS important to be aware of and track!**

#9 Expenses

- **Understand your expenses by category in order to track what is going on**
- A surge in medical supply costs could be from unexpected price increases
- This can also help detect common embezzlement schemes (sending checks to fake company, retaining cash in purchases, or purchasing duplicative items)
- If you run the business, using an Excel-based Chart of Accounts (expanded list) Helps you AND your Accountant. Quick Books is great example.
- Total expenses typically average 60-70% of collections
- Total supplies typically average 5-8% of collections

#10 Net Income and Midwife Compensation

- **THE metric you should care the most about and often know nothing about!**
- Benchmarks should be understood upon employment for transparency purposes and pre-set expectations to meet established metrics e.g. work/hours/encounters
- What is the income you are generating – AFTER salary/benefits/overhead?
- IF you are working 60 + hours/week then your FTE is 120%. Your income should reflect your level of work and contribution!!

Learn and Practice Fiscal Habits

- Identify the key financial metrics you receive as well as those missing
- Assess what you do and do not understand
- Seek help!
  - The CFO, Comptroller, Practice Manager Billing Service or an Accountant
- 10-step process will take about 10 minutes/month

10 Steps are part of Vital Signs Series from AAFP (Citation in References)

Ask Questions

- What billing information can you personally access with an LIP and NPI number?
- Who do you ask to get financial information?
- Where can you look in EMR software to access information?
- How do I know if the billing service is capturing all the services provided?
- How do I know if the billing service is fraudulently billing?
- What can I do to prove my worth if my practice setting is not providing any data?

OIG Statement on Right to Access Billing Information

- A physician who reassigns to any entity his or her right to bill the Medicare program and receive Medicare payments has the right to access the entity's billing information concerning the services the physician is alleged to have performed and for which the entity billed Medicare.

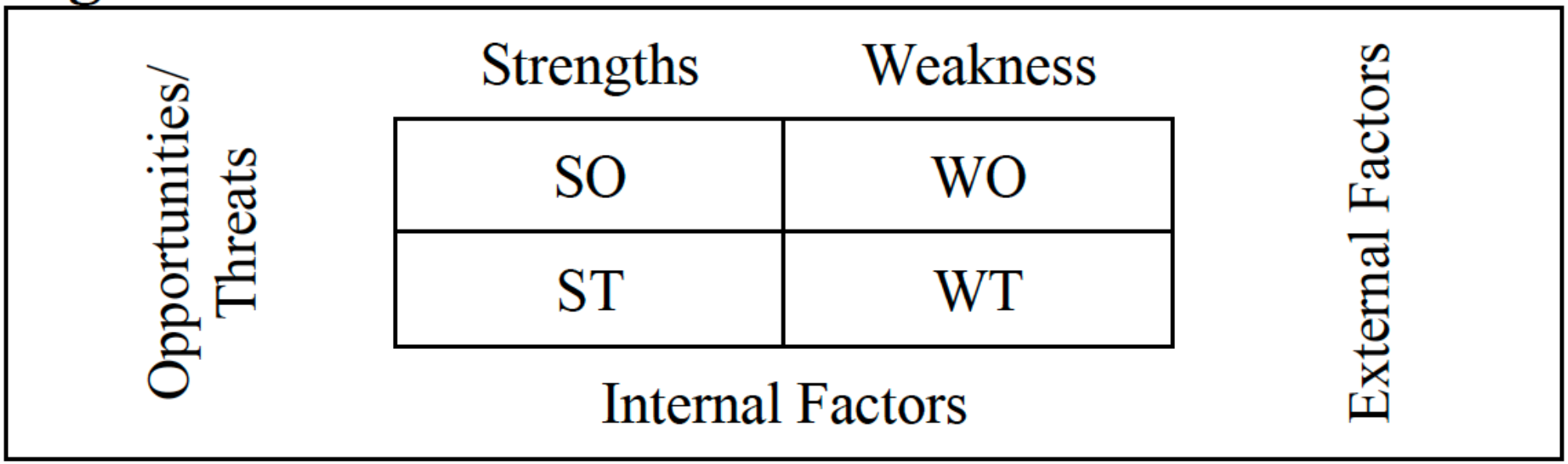
- Physicians have unrestricted access to claims submitted by an entity for services that the entity billed using the physicians' reassigned provider numbers to provide added assurances that the services for which the entity billed Medicare were, in fact, performed and were performed as billed.

https://oig.hhs.gov/compliance/alerts/other-guidance/oig-alerts-physicians-to-exercise-caution-when-reassigning-their-medicare-payments/#:~:text=Note%3A%20A%20physician%20who%20reassigns,which%20the%20entity%20billed%20Medicare.

Consider Fiscal-Based SWOT Analysis

(Benzaghta et.al; Journal Global Business Insights, 2021)

Figure 1. The SWOT Matrix



What are Fiscal-Based:

Strengths

- Diversity of Services
- Billing Services are good
- Funding for marketing
- Transparency in financial data
- Overall understanding of financial decisions
- Can influence revenue cycle management
- Adequate staffing
- Collegial staff engaged in growing service

Weaknesses

- Narrow range of services offered
- Inadequate space to maximize encounters
- Rising costs
- Lack of adequate staffing
- Poor understanding revenue cycle management
- Limited communication with billing service
- No voice in revenue cycle management decisions
- Little interest from colleagues on finance issues

Fiscal Based Opportunities

- Expand business with Staff and/or Services
- Overcome practice barriers
- Increase participation in Revenue cycle management decisions
- Set benchmarks for desired % of A/R per quarter and share
- Expand midwife providers knowledge of financial metrics and their individual contributions to profit margin
- Reduce rivalry among staff by recognized compensation for work
- Evaluate revenue cycle management monthly

- Staff kept at bay on financial health of practice
- No access to data for services rendered
- Barriers, or reduction of scope, that limit services
- Corporate takeovers that do not engage midwives impacted by buy-out
- Staff departure due to feeling devalued, excessive work expectations, burned out
- Changes in economy e.g., depression, recession, cost of living increases, and COVID
- Rising salary expectations

And Fiscal Based Threats

Grow Midwives LLC

Began: 2017 • **CEO:** G Breedlove • **Size:** 14 • **Revenue:** **Steadily Growing Year/Year**

STRENGTHS

- Established, positive reputation as experts in field
- Provide broad and diverse scope of services
- Nationwide market
- A go-to for Midwives, Midwife and Physician Practices, Academic Centers and Birth Centers
- Recognize gaps in professional needs and seek to fill

WEAKNESSES

- Unwilling to take line of credit for partners to have predictable quarterly draw
- Improve financial justification for bidding larger contracts
- Future visioning for hold on planning continued growth and services offered

THREATS

- Rapidly increasing demand for services with uncertainty for cost to add FTEs.
- FTE vs Independent Contractor growth
- Need for specialized skills/talents in this area in overall administrative and operations management. Will add to overall costs of business.

OPPORTUNITIES

- Quarterly free webinars
- Continue holding annual retreat in to strengthen personal relationships, find consensus on short and long term goals
- Create an annual budget
- Advance growth of billing service GM Billing & Recovery Solutions
- Launch GM Match - recruiting services for midwives and employers

To my younger colleagues – Kathy Loebel, CNM Director Nurse-Midwifery
Swedish Covenant Hospital, Chicago, 1998-2007
Now Closing after 25 Years!

Administration is sending the message that even though we are in the business of patient/human care they only care about $$. You cannot ignore a budget, always know your productivity, track your referrals colpo's, peds, etc. Know your value and quarterly report your success!!

I am so passionate about this profession and unfortunately have seen so many GREAT practices collapse because the midwives weren't involved in "budget talks". Don't ever miss an opportunity to sit at the table. So many midwives are too busy or don't want to go to quality meetings, administration, department development meetings, marketing, ob meetings, etc.

Going to meetings gives a face to the midwifery group and if not invited to meetings get yourself invited.

10 Key Take Aways!

1. Do you have adequate training in compliant billing and coding for the scope of care provided?

2. Do you or your team have access to fiscal data to analyze and better understand the health of practice?

3. Are midwives regularly at the table with Finance Leadership?

4. Do you receive monthly revenue cycle reports, and can you interpret them?

5. Do you participate annually in required fraud, waste, and abuse training?

6. Do you have access to who bills for your services if you have specific questions?

7. Do you know where to reach out and/or how to request a fiscal audit?

8. Do you understand your legal accountability for services billed under your NPI?

9. Does your billing entity provide audited provider feedback on quarterly or annual basis?

10. Do the midwives regularly talk about fiscal trends and data that builds the business case?

Additional References

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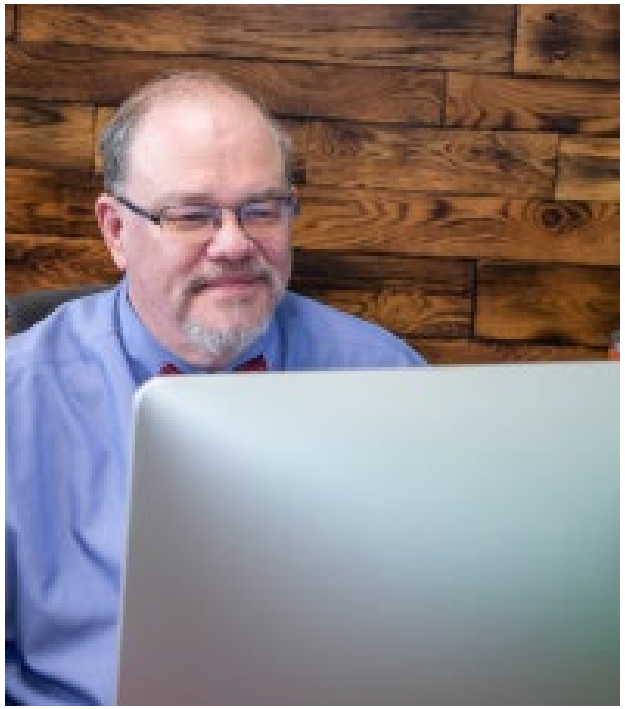


Q&A

Congratulations on 30 Years!!
From the Grow Midwives Team

www.growmidwives.com