Reimbursement for Early Hearing Detection and Intervention

Robert Fifer, Ph.D.
University of Miami
Health care economics: what got us into this mess?
Health Care Spending as a Share of GDP

Total spending, 2007 or latest available

% of GDP

Turkey, Poland, Czech Republic, Hungary, Slovak Republic, Finland, Spain, Average, Italy, Sweden, Greece, Netherlands, Austria, Belgium, Switzerland, United States

OECD Health Data 2009. France: Organisation for Economic Co-operation and Development and IRDES (Institute for Research and Information in Health Economics), 2009. (No authors given.)
38 years of per capita spending by country

- United States
- Switzerland
- Canada
- OECD Average
- Sweden
- United Kingdom
### Satisfaction Survey by Country

Source: Gallup.com

Access to Affordable Health Care

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>Great Britain</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very sat + sat</td>
<td>25%</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>Very unsat</td>
<td>44%</td>
<td>25%</td>
<td>17%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>Great Britain</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very sat + sat</td>
<td>48%</td>
<td>44%</td>
<td>52%</td>
</tr>
<tr>
<td>Very unsat</td>
<td>26%</td>
<td>23%</td>
<td>22%</td>
</tr>
</tbody>
</table>
Health Care Costs for American Families

Source: Milliman Medical Index

- 2002: $9,235
- 2003: $10,168
- 2004: $11,192
- 2005: $12,214
- 2006: $13,382
- 2007: $14,500
- 2008: $15,609
- 2009: $16,771
- 2010: $18,074
- 2011: $19,393
### International Health Care Rankings

<table>
<thead>
<tr>
<th>Country</th>
<th>Health Care</th>
<th>Per Capita Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Italy</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Spain</td>
<td>7</td>
<td>24</td>
</tr>
<tr>
<td>Austria</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Japan</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Norway</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>Switzerland</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Germany</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td>Canada</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td>United States</td>
<td>37</td>
<td>1</td>
</tr>
</tbody>
</table>
Factors Affecting Access

- Race/ethnicity
- Socioeconomic status
- Disparate language spoken by patient/family and physician
- Access to health insurance or Medicaid relative to enrolled providers
- Gender
  - Women have higher incidence of illness but better access to insurance
  - Men lag behind women for access to insurance
**1970s:** Reimbursement Freeze
- Control health care costs
- Ended in late 1970s

**1980s:** Costs Rise Faster Than Inflation
- Still based on “normal and customary” fee structure

**1990s:** RBRVS and More Restrictive Reimbursement Guidelines
- Initial valuation based on Harvard study
- Technology explosion
Timeline of Events

**2000s:** Technology Advances Continue
- Pharmaceutical direct marketing
- Malpractice increases for high-risk specialties
- Medicare Part D
- End-of-life care advancements
- Congressional “tinkering” of dollar multiplier for Medicare RVUs
- RACs and MICs

**2010s:** Desperation to Control Health Care Cost
- ~800,000 households with health care insurance coverage declared medical bankruptcy
- Revelation of uninsured, underinsured, cost-shifting
Uninsured: ~51 Million
Underinsured: ~60 Million
Uninsured

Uninsured: ~51 Million

Accountable Care Act Health Care Reform: 
Reduce Uninsured to ~18 Million

Health Insurance Exchanges
Medicaid Expansion
State Cooperation / Participation
Impact on Health Care Costs:

- Emergency room primary care
- Delay health care services until severity increases
Health Care Economics

- Cost inflation
  - *Risen 78% since 2000 vs. 20% for salaries*
  - Average 9% per year with range of 7%-13%
  - Defensive medicine (malpractice)
  - Unnecessary procedure/treatment (fee for service)
  - Ineffective treatment
  - Inefficient service delivery models
  - Pharmaceuticals
  - End of life care
Health Care economics: Do I turn right or left to get to the future?
MedPAC: Move Away From Fee-for-Service
- Encourages increased utilization
- More services => more payment
- Questions of true medical necessity

IOM and CMS: Move Away From Fee-for-Service
Value-Based Purchasing

- Promote evidence-based medicine
- Require clinical and financial accountability across all settings
- Focus on episodes of care
- Better coordination of care
- Payment based on outcomes, not number of sessions (performance-based payment)
- Focus on effectiveness of treatment
Bundled Payments

- Bundled payment models de-emphasize services that increase utilization and cost
- Initiative by Center for Medicare and Medicaid Innovation called *Bundled Payments for Care Improvement*
- Working to identify procedure groups to bundle, based on diagnosis rather than procedure(s)
Current CMS Actions to Reduce Payments

* Medicare screens for procedures reported together => new, combined procedure CPT codes (92540, 92550, 92570)
* Re-survey and re-validation of procedure value (92587)
* Bundled payments under Medicaid reform (more on this later)
Primary care physician becomes medical manager

All referrals will go through PCP

- Different from “gate-keeper” concept of HMOs
- PCP paid to coordinate and manage all care of that patient
- With rare exception, no physician/health care provider will have “direct access” under medical home model
Diagnosis Coding

- October 1, 2014
- To International Classification of Diseases, 9th Revision, Clinical Modification ICD-10-CM

- ICD-9-CM: Approximately 18,000 codes
- ICD-10-CM: Approximately 160,000 codes
  - Provides more flexibility for adding new codes
H90 Conductive and Sensorineural Hearing Loss

Includes:
- Congenital deafness

Excludes:
- Deaf mutism NEC (H91.3)
- Deafness NOS (H91.9)
- Hearing loss NOS (H91.9)
- Noise-induced (H83.3)
- Ototoxic (H91.0)
- Sudden (idiopathic) (H91.2)
H90.0 Conductive hearing loss, bilateral
H90.1 Conductive hearing loss, unilateral with unrestricted hearing on the contralateral side
H90.2 Conductive hearing loss, unspecified
  - Conductive deafness NOS
H90.3 Sensorineural hearing loss, bilateral
H90.4 Sensorineural hearing loss, unilateral with unrestricted hearing on the contralateral side
ICD-10-CM

- **H90.5** Sensorineural hearing loss, unspecified
  - Congenital deafness NOS
  - Hearing loss:
    - central } NOS
    - neural } NOS
    - perceptive } NOS
    - sensory } NOS
  - Sensorineural deafness NOS
How will the hearing loss affect the child’s ability to participate in the activities of life?

What limitations will the hearing loss create for the child’s ability to

- Engage in play activities
- Develop academic skills
- Participate in family activities
Changing Landscape

- International Classification of Functioning, Disability and Health (ICF)
- Describes body functions, body structures, activities, and participation
- Useful for understanding and measuring outcomes
- ASHA has information available online
Florida Medicaid Budget - How it was Spent
Fiscal Year 2011-12

* Adults and children refers to non disabled adults and children.
The Evolution of Florida Medicaid Delivery Systems

1970 - 1983
Fee-for-Service

1984 - 1996
- HMOs – Since 1984
- MediPass (PCCM) – Since 1991
- Prepaid Mental Health Plans – Since 1996

1997 - 2003
- Fee-for-service Provider Service Network - Since 2000
- Disease Management
- Nursing Home Diversion
- Prepaid Dental Plans – Since 2004

2004 - Present
Improvements in:
- Integrated Care Management/ Care Coordination
- Outcomes Management/Improved Clinical Decision Making
- Quality Assurance
- Enhancements to Fraud and Abuse Controls

New:
- Medicaid Reform Pilot (2006)
- Specialty Plan (HIV/AIDS)
- Capitated Provider Service Networks (Since 2008)
Medicaid Reform

- Move to privatize Medicaid in many conservative states
- Audiology:
  - Unpredictable payments
  - Restrictions on coverage
  - HMO payment panels
- Hospital changes in reimbursement:
  - From per diem to DRG
  - Newborn hearing screening exempted
Questions?
Medicaid Payments

- Continue to be “fee for service” for now
- Not all codes and procedures are recognized
- Important to read Hearing Services Handbook for authorized procedures and limitations
- Note: Florida Medicaid does NOT recognize the new screening OAE code (92558). Continue to use 92587.
Indirect Reimbursement Issues Documentation

- Necessary for
  - Reimbursement audits and appeals
  - Medical-legal requirements
  - Tracking to reduce lost to follow-up

- Elements
  - Risk factor (history)
  - Procedure (description of what was done) and Result (description of what was found)
  - Comments (assessment) (can be handled by outcome)
  - Recommendations
  - Date of service
  - Signature