

Gulf Coast Chapter MGMA
“State of Managed Care in Houston”
Presented by Reed Tinsley, CPA
Shareholder, Home CPA Group
January 10, 2001

I. Review of Enrollments

II. Highlights

A. *NAMM*

1. “Draining the talent”
2. Herb Fritch to the rescue

B. *HCA termination of capitation contracts*

C. *Phasing out of Medicare HMO participation*

1. Example: Five Medicare HMOs — Humana (“Humana Gold and Gold Plus”), HMO Blue (“Senior Blue Northeast Texas”), United Healthcare, Healthfirst HMO East Texas Medical Plan and Cigna -- have notified the U. S. Health Care Financing Administration (HCFA) they will stop providing Medicare coverage in some or all of the Texas counties they now serve.

D. *Consolidation, etc.*

1. Aetna/Prudential
2. Blue Cross/NYLCare
3. Humana/Memorial Sisters of Charity PPO
4. AmCare/Texas Health Choice (Sierra)
5. Methodist, St. Lukes/Kelsey Seybold
6. United Healthcare — open access plans
7. Physician consolidation continues

E. Clean claim rules

F. Collective bargaining law

III. Practical Considerations

A. Negotiate all contracts and develop a contracting strategy

B. Analyze all managed care contracts

1. In or out?
2. Cost accounting analysis
3. RVU analysis
4. Non-financial factors
5. Review of legal provisions

C. In managed care, coding is paramount for revenue optimization

1. Look at visit coding, especially in group practices
2. Coding for all services, supplies, etc.?
3. Modifiers, modifiers, modifiers

D. Watch those EOBs! (Are they organized for easy access?)

1. For incorrect reimbursement
2. For coding problems
3. For consistent billing errors
4. For collection turnaround with specific payers

Texas Department of Insurance

HMO Profiles

Information About Texas Health Maintenance Organizations

A

AECC Total Vision Health Plan of Texas Inc.

Aetna U S Healthcare

Aetna U S Healthcare Dental Plan

Aetna U.S. Healthcare

Aetna U.S. Healthcare Dental Plan Inc.

Aetna U.S. Healthcare Inc.

Aetna U.S. Healthcare of North Texas inc.

Alpha Dental Programs, Inc.

AmCare Health Plans of Texas Inc

Americaid Community Care

American Dental Corporation

AmenGroup Texas Inc

Amil

Amil International

Amil International (Texas), Inc.

B

Block Vision of Texas, Inc.

Bluecare Dental HMO

C

Cigna Dental Health

Cigna Dental Health of Texas, Inc.

Cigna Healthcare of Texas~ Inc.

Community First Health Plans Inc

Communjty Health Choice Inc.

Compdent

Comprehensive Health Services of Texas, Inc.

Cook Childrens Health Plan

D

Delta Care

HMO Profiles

Disclaimer: The following information is intended only as a guide and may in no respect be relied upon as an alternative or supplement to the data filed by the company. TDI assumes no responsibility for omissions, inaccuracies or ambiguities. Although every effort has been made to ensure the accuracy of the information, all parties are advised to consult the company directly and/or other sources regarding the extent and nature of this information.

Aetna U.S. Healthcare Inc.

Company Number: 28-05791

Doing Business As: *(if blank then same as name shown above)*

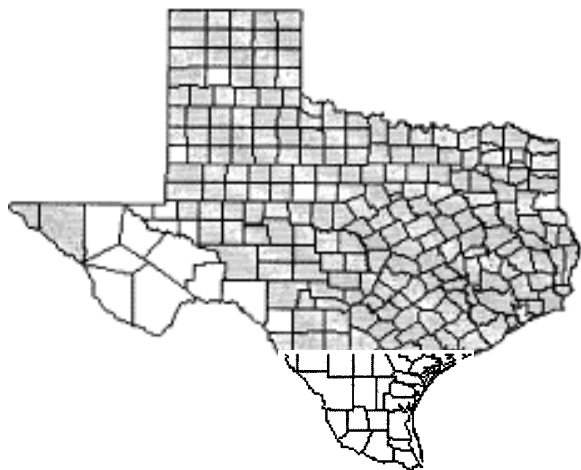
- Aetna U.S. Healthcare

Address

- 2425 West Loop South Suite 1000 Houston, TX 77027
(800) 992-7947

Attorney for Service *(if blank information not available)*

- Indicates counties with covered zip-codes:



Service Area (by county)

Aransas	El Paso	Liberty	Wharton
Atascosa	Fort Bend	Live Oak	Williamson
Austin	Galveston	Matagorda	Wilson
Bastrop	Grimes	Medina	
Bee	Guadalupe	Montgomery	
Bexar	Hardin	Nueces	
Brazoria	Harris	Orange	
Caidwell	Hays	San Jacinto	
Chambers	Jefferson	San Patricio	
Colorado	Jim Wells	Travis	
Comal	Kendall	Walker	
Duval	Kleberg	Waller	

Type

- Basic

Date Company Licensed

- 8/20/1987

NCQA Accreditation

- <http://www.ncga.org>

Complaint Information

Justified Complaints (Year-to-Date)	<u>12/31/1998</u>	<u>12/31/1999</u>	<u>10/31/2000</u>
	111	62	76

Enrollment and Utilization

	<u>Annual 1999</u>	<u>2nd Quarter 2000</u>
Enrollment	181,765	236,496
Hospital Patient Days	28,836	22,102
Hospital Day/1,000 Enrollees	195	199

Financial Information

- Balance Sheet

	<u>Annual 1999</u>	<u>2nd Quarter 2000</u>
Assets	\$51,503,741	\$84,088,446
Liabilities	\$43,125,443	\$80,783,877
Net Worth	\$ 8,378,298	\$ 3,304,569
Uncovered Liabilities	\$15,107,574	\$41,726,671
Statutory Surplus	\$36,396,167	\$42,361,775

- Income/Expense(Year-to-Date)

	<u>Annual 1999</u>	<u>2nd Quarter 2000</u>
Commercial Premiums	\$223,826,797	\$178,400,499
Medicare Premiums	\$0	\$0
Medicaid Premiums	\$0	\$0
Medical & Hospital Expenses	\$197,766,388	\$160,378,026
Administrative Expenses	\$31,475,442	\$23,397,925
Total Expenses	\$229,241,830	\$183,775,951
Net Income	(\$2,502,442)	(\$2,904,192)

• Per Member Per Month PMPM (Year-to-Date)

	<u>Annual 1999</u>	<u>2nd Quarter 2000</u>
Commercial_Premiums	\$126.03	\$133.61
Medicare Premiums	\$0.00	\$0.00
Medicaid Premiums	\$0.00	\$0.00
Medical & Hospital_Expenses	\$111.35	\$120.11
Administrative Expenses	\$17.72	\$17.52
Total Expenses	\$129.08	\$137.64
Net Income	(\$1.41)	(\$2.18)

SOURCE: The information reflected above is compiled based on the data reported by the licensed HMO to the Texas Department of Insurance. This data may not reflect amendments filed by the HMO and may be subject to change.

TEXAS DEPARTMENT of INSURANCE
333 GUADALUPE - AUSTIN TX 78701
P.O. Box 149104- 78714-9104
WWW.TDI. STATE. TX.US

For further information, contact: *FinancialAnalysis@tdi.state.tx.us*

The Harkey Report, published quarterly by Harkey & Associates, is a series of **Managed Care Guides** for 13 states and Washington, D.C. These publications give a composite picture of enrollment trends, provider networks, hospital affiliations and contact information for the key managed care executives.

Your subscription to **The Harkey Report** includes the companion **Newsletter**, which is now available via e-mail.

Harkey & Associates also publishes **Market Trends**. This annual series provides a comprehensive market overview and includes 40+ full page charts depicting managed care developments in each state during the 90's. A PowerPoint presentation is also available.

Order by phone 888-293-9675, fax 615 385-4979 or on the web: www.harkeyreport.com

The Harkey Report Market Guide & Newsletter

- | | |
|---|-------|
| <input type="checkbox"/> Alabama Managed Care | \$325 |
| <input type="checkbox"/> Florida Managed Care | \$375 |
| <input type="checkbox"/> Georgia Managed Care | \$325 |
| <input type="checkbox"/> Kentucky Managed Care | \$325 |
| <input type="checkbox"/> Maryland Managed Care | \$325 |
| <input type="checkbox"/> No. Carolina Managed Care | \$325 |
| <input type="checkbox"/> Ohio Managed Care | \$375 |
| <input type="checkbox"/> Pennsylvania Managed Care | \$325 |
| <input type="checkbox"/> So. Carolina Managed Care | \$325 |
| <input type="checkbox"/> Tennessee Managed Care | \$375 |
| <input type="checkbox"/> Texas Managed Care | \$595 |
| <input type="checkbox"/> Virginia Managed Care | \$325 |
| <input type="checkbox"/> West Virginia Managed Care | \$175 |
| <input type="checkbox"/> Wash. D.C. Managed Care | \$325 |

- | | |
|---|-------|
| <input type="checkbox"/> Market Trends | \$195 |
| <input type="checkbox"/> on ManagedCare.com | \$195 |

Subtotal \$ _____

Discounts _____

Sales Tax (TN only) _____

Total \$ _____

Check # # _____

Tax Exempt ID# # _____

Credit Card Type _____ Exp. Date _____

Account No. _____

Credit Card Holder _____

Name _____

Company Name _____

Address _____

City _____ State _____

Zip _____ Phone _____

Fax _____ E-Mail _____

Make check payable and mail to: Harkey & Associates, P.O. Box 159025, Nashville, TN 37215

HIGHLIGHTS

- **BCBSTX has added NYLCare's non-Medicare HMO/POS enrollment boosting its HMO market share, but the plans it acquired lost large amounts in 1999. (Page 1)**
- **The state employee health plan is projected to go into the red without reform. Final decisions will be made soon. (Page 6)**
- **See an update on SHA and profiles of Texas Children's and Vista (pages 3-5)**

HARKEY

& ASSOCIATES, INC.

P.O. Box 159925 · Nashville, TN 37215

Phone (615) 385-4131 · Toll Free 888-293-9675

Fax (615) 385-4979 · Email information@harkeyreport.com

www.harkeyreport.com

HMO/HEALTH PLAN	HMO	HMO	HMO	HMO	POS	POS	Total Enrollees HMO/POS	PPO (not included in total at left)
	Medicare Risk	Medicaid Risk	Fully Funded	Self Funded	Fully Funded	Self Funded		
AmCare Health Plans (HOU)	-	-	6,413	-	372	-	6,785	74
AmeriHealth of Texas (HOU)	-	19,257	18,086	-	-	-	37,343	9,734
AmeriHealth of Texas (DFW)	-	-	3,435	-	-	-	3,435	6,285
CIGNA HealthCare of Texas (DFW)	-	-	56,438	153,959	5,128	98,894	314,419	179,807
CIGNA HealthCare of Texas (HOU)	2,571	-	54,054	95,180	2,060	114,552	268,417	112,251
Community Health Choices (HOU)	-	-	-	-	-	-	-	-
Community First Health Plans	-	22,300	17,500	-	-	-	39,800	-
Harris Methodist Health Plan (DFW)	43,563	-	89,924	-	1,955	-	135,442	3,564
HealthPlan of Texas/Heritage (E TEX)	-	-	5,802	-	5,861	-	11,663	-
MetroWest Health Plan	-	3,311	-	-	-	-	3,311	-
One Health Plan (DFW)	-	-	49,262	-	-	-	49,262	209,919
Pacificare of Texas, Inc. (DFW)	19,056	-	45,624	-	22	-	64,702	317
Pacificare of Texas, Inc. (HOU)	14,805	-	27,326	-	-	-	42,131	237
Pacificare of Texas, Inc. (SAN)	33,475	-	54,949	-	1,348	-	89,772	246
Scott & White Health Plan	23,058	-	126,075	-	-	-	149,133	-
Seton Health Plan (AUS)	5,818	565	8,652	14,550	-	-	29,585	-
Superior Health Plan	-	26,800	-	-	-	-	26,800	-
Texas Children's Health Plan (HOU)	-	9,937	14,463	-	-	-	24,400	-
Texas Universities Health Plan	-	-	2,854	-	-	40,949	43,803	-
UTMB Healthcare Systems (HOU)	-	16,609	9,950	-	29,894	-	56,453	-
Valley Baptist Health Plan, Inc.	-	-	7,443	-	-	-	7,443	-
WellCare Health Plans of Texas	-	-	2,454	-	-	-	2,454	-
TOTALS	142,346	98,779	600,704	263,689	46,640	254,395	1,406,553	522,434
% Membership by Category	10%	7%	43%	19%	3%	18%	100%	

Please assign a score between 1 and 5 for each health plan listed below on their performance on the topics listed.
1 is Poor, 3 is Average and 5 is Excellent

- (PP) Promptness of Payment: Pays claims promptly, without unreasonable information requests or re-submissions.
- (A) Accessibility: Able to reach a provider relations or customer service representative in a reasonable period of time.
- (C) Competence: Provider relations is able to provide timely, definitive answers to questions.
- (N) Network: Referral panel is not restrictive (selection of participating physicians and hospitals).
- (MM) Medical Management: The plan has a user-friendly utilization management program (efficient system for obtaining referrals, authorizations, pre-certifications, etc.)

Plan Name	Category and Weight					Total Score
	5 PP	4 A	3 C	3 N	5 MM	
Accountable Health Plan PPO		3	3	3	3	70
Aetna Managed Choice PPO, POS and HMO	3	3	3	3	2	55
Affordable Health Care (First Health)		2	3	4	3	69
Affiliated Health Plan (Unicare PPO)	3	2	3	2	3	53
Alliance Health PPO		3	3	3	3	70
Americaid (Medicaid HMO)	1	1	3	1	1	26
America's Health Plan PPO		3	3	3	3	70
Amerihealth (Medicaid HMO)	1	1	3	1	1	26
Amerihealth (HMO Group)		3	3	2	2	62
Anthem HMO		2	2	2	2	55
Anthem PPO		3	3	3	3	70
Baroid Health Plan PPO		3	3	3	3	70
Beech Street-Capp Care PPO		4	4	4	4	85
Bellaire IPA	1	3	3	1	2	39
NYLCare	1	3	3	1	2	39
NYLCare 65	1	3	3	1	2	39
Humana/PCA	1	3	3	1	2	39
Humana Gold/Qualicare	1	3	3	1	2	39

Urology Associates
E & M CODES UTILIZATION REVIEW
YTD 6-97

CPT Code	Dr. Tully Jr.		Dr. Leitner		Dr. Morgan		Dr. Russell		Dr. Sanfelippo		Dr. Dennis	
	# of Times	%	# of Times	%	# of Times	%	# of Times	%	# of Times	%	# of Times	%
99201 OV, New, Straightforward	5	2.76%	0	0.00%	3	1.06%	5	5.10%	2	1.06%	1	0.55%
99202 OV,New,Expanded	98	54.14%	8	2.79%	17	5.99%	11	11.22%	46	24.47%	12	6.56%
99203 OV,New,Low	72	39.78%	197	68.64%	255	89.79%	72	73.47%	120	63.83%	98	53.55%
99204 OV,New,Moderate	6	3.31%	82	28.57%	6	2.11%	10	10.20%	20	10.64%	59	32.24%
99205 OV,New,High	0	0.00%	0	0.00%	3	1.06%	0	0.00%	0	0.00%	13	7.10%
Totals	181	100.00%	287	100.00%	284	100.00%	98	100.00%	188	100.00%	183	100.00%
99211 OV,Est.,Minimal	68	2.88%	116	4.35%	133	6.47%	74	5.49%	16	1.13%	65	3.82%
99212 OV,Est.,Straightforward	1655	70.16%	257	9.64%	226	10.99%	833	61.80%	58	4.10%	535	31.45%
99213 OV,Est.,Low-Expanded	475	20.14%	2046	76.72%	1542	74.96%	314	23.29%	721	50.95%	689	40.51%
99214 OV,Est.,Moderate-Detailed	125	5.30%	224	8.40%	128	6.22%	108	8.01%	589	41.63%	357	20.99%
99215 OV,Est.,High-Comp.	36	1.53%	24	0.90%	28	1.36%	19	1.41%	31	2.19%	55	3.23%
Totals	2359	100.00%	2667	100.00%	2057	100.00%	1348	100.00%	1415	100.00%	1701	100.00%
99241 Consult,Brief	0	0.00%	1	3.33%	0	0.00%	1	0.43%	40	20.20%	0	0.00%
99242 Consult,Expanded	211	78.44%	4	13.33%	4	3.03%	122	52.36%	124	62.63%	22	6.71%
99243 Consult,Detailed	47	17.47%	25	83.33%	126	95.45%	92	39.48%	33	16.67%	147	44.82%
99244 Consult,Moderate	11	4.09%	0	0.00%	2	1.52%	18	7.73%	1	0.51%	159	48.48%
99245 Consult,High	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Totals	269	100.00%	30	100.00%	132	100.00%	233	100.00%	198	100.00%	328	100.00%