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# Managing Managed Care

Jerry Weber
Sr. Manager, National Accounts

Be
Brilliant™

# Evolution of Managed Care Timeline

**1929**

Introduction of annual fee schedules to cover healthcare in underserved communities

**1930s-1960s**

Beginning of Health Maintenance Organizations (HMOs) – prepaid health plans promote healthcare and preventative care

**1970s**

HMO Act – expand managed care, stimulate competition in healthcare markets and offer options for patients (outpatient services)

**1980s**

Congress caps Medicare reimbursements in hospitals, physicians move towards more group medical practices to capitalize on revenue (outpatient services)

**1990s & 2000s**

Individual states and employers enter managed care, lower cost than paying for employee health care/health insurance

Source: Appendix B. A Brief History of Managed Care | NCD.gov – National Council of Disability

# Healthcare: Evolution of Managed Care Summary

Managed care has existed in other aspects of healthcare for almost 100 years

Purpose is to promote overall healthcare and increase awareness for patients

Creates competitive landscape in healthcare markets and provides patients with options

Provides healthcare guidance for patients

For decades, hearing care was not included with majority of healthcare benefits

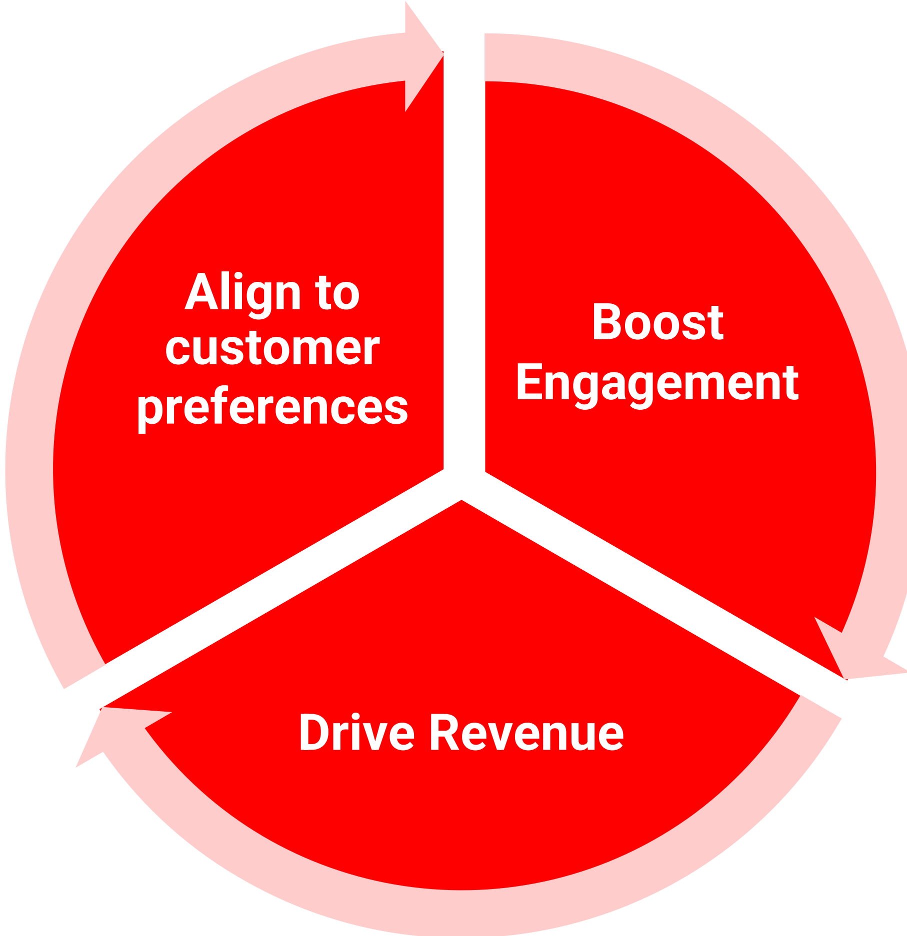
Our industry has now caught up to where pharma, dental, optical, and countless other aspects of healthcare have been

# Today's Takeaways

**What are the benefits to my Practice?**

**3 Key Takeaways**

- General understanding of the managed care channel within the hearing industry
- How to align this channel to best fit your practice
- How to remain competitive/profitable with the rise of managed care



# Hearing Loss in the US Market

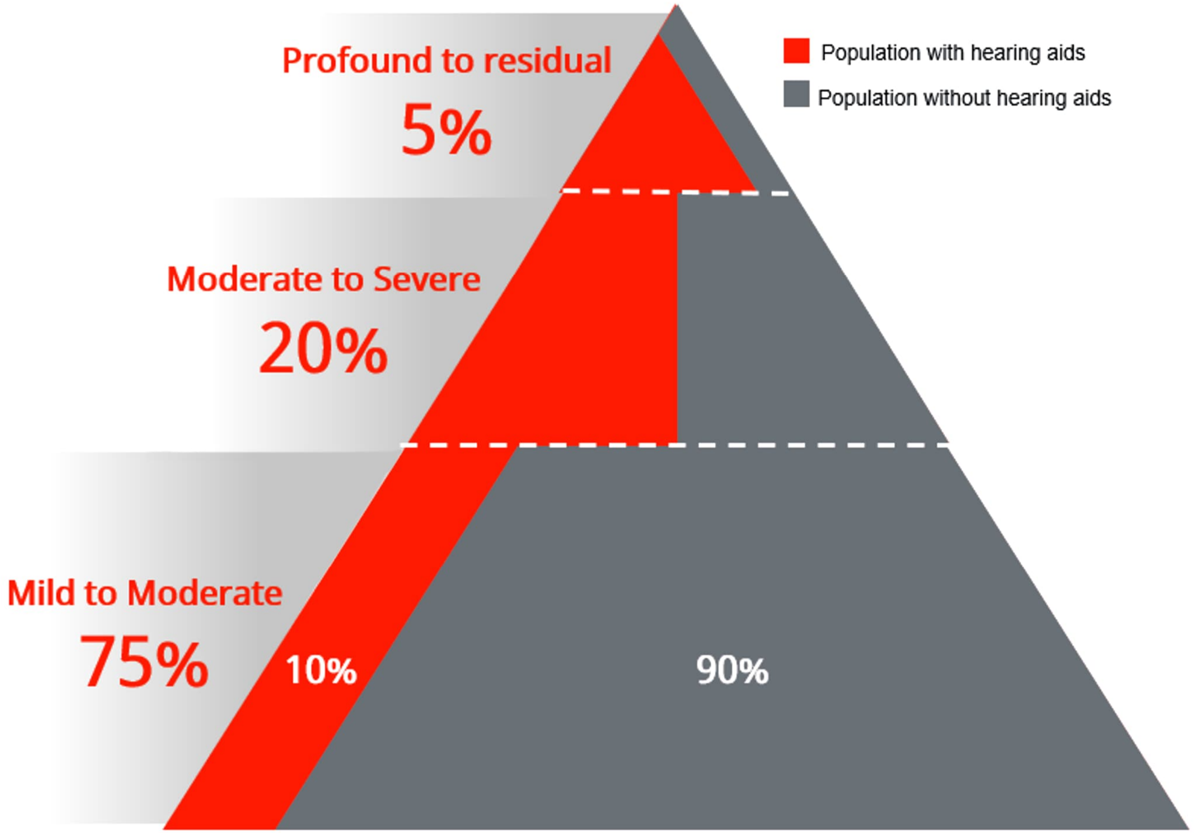
US population

**331m**
total population

**74 m**
are 65+

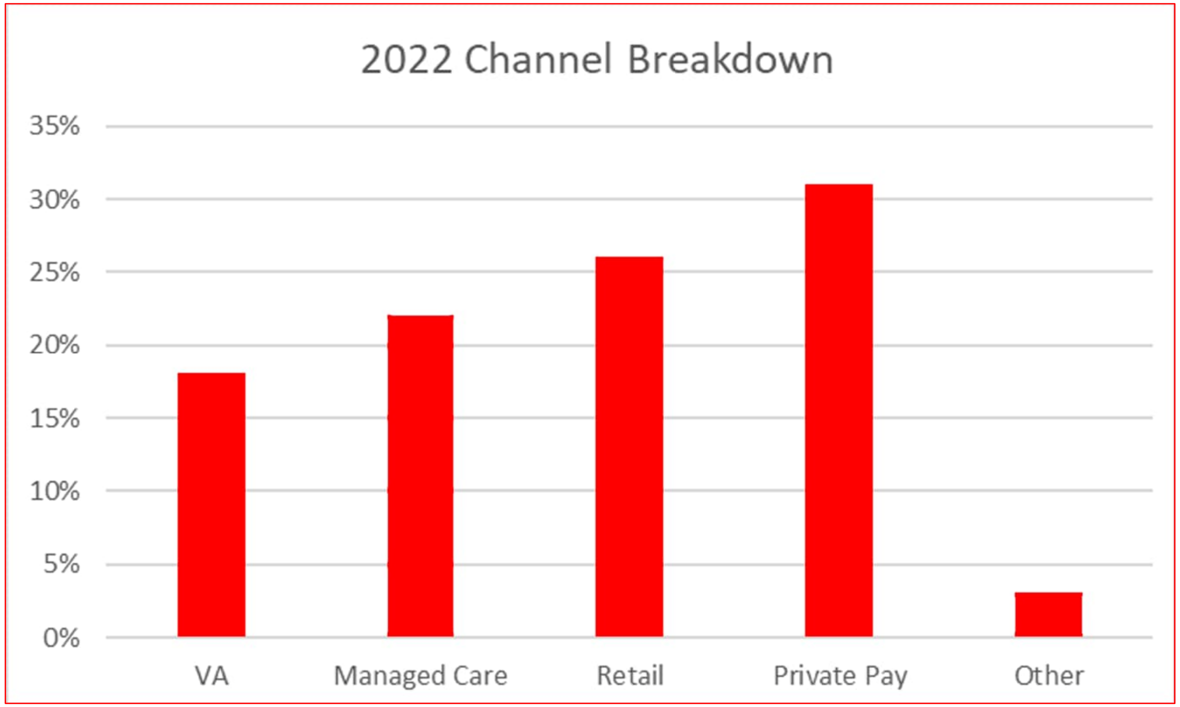
**36 m**
people are
hearing impaired

**12m** or **c. 34%**
penetration rate
of people with
hearing loss



# Channels

- VA – 18%
- **Managed Care – 22%**
  (Fastest growing)
- Retail – 26%
- **Private Pay – 31%**
  (Fastest shrinking)
- Other – 3% (OTC, online sales, etc)

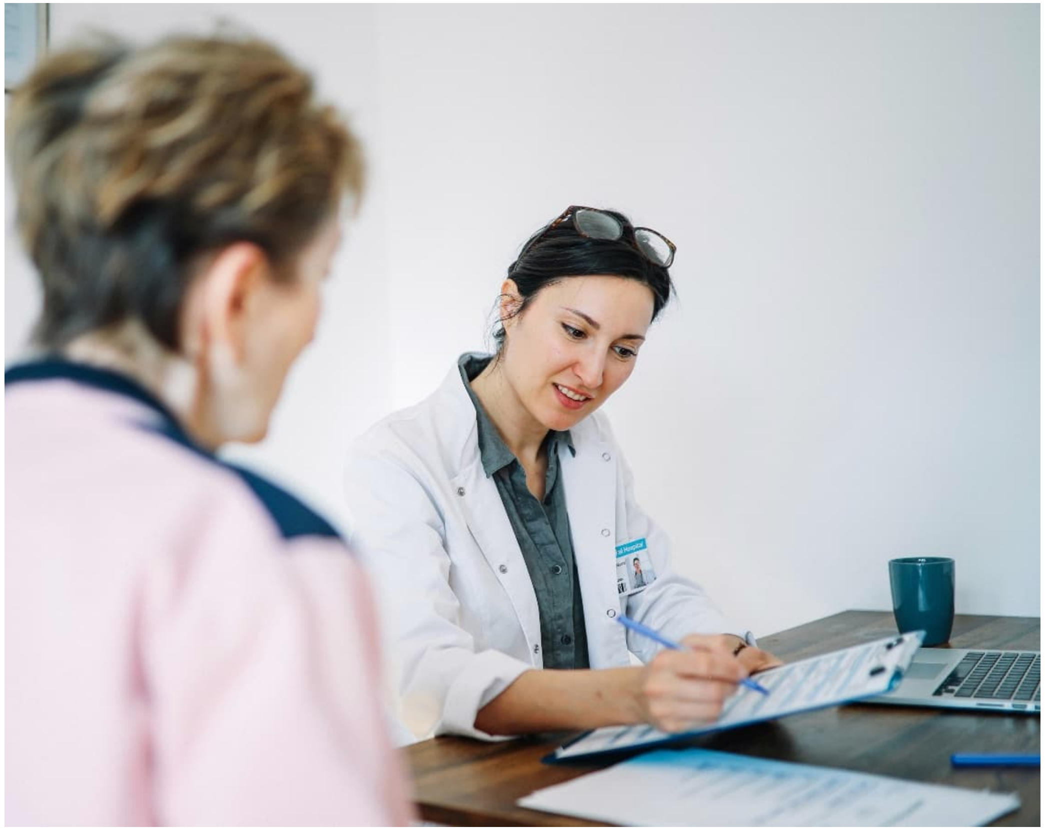


# Managed Care: Why?

- More accessibility to hearing care
- Increased awareness of benefits of treating hearing loss
- Increased patient education
- Increased patient volume in the practice
- Positive reputation of practice in the community
- More hearing aids on more patients!

# General Terminology

- **Third Party Network (TPN)** – Contract with major insurance companies, employers, and membership groups and act as middlemen between the provider and these companies.
- **Internet-Based Referrals** – Internet-based marketing lead generation pushed out to a network of providers.
- **Fee For Service** – Insurance network that bills by code. You paid in an unbundled method.
- **Insurance Discount** – Networks that contract with insurance companies to offer reduced cost aids to patients.
- **Fitting Fee** – Payment to the clinic from TPN for services rendered during fitting and follow up. Zero cost of goods to clinic on products ordered.



# Third Party Examples

| Internet | FFS | Discount |
| --- | --- | --- |
| ▪ Hear.com<br>▪ Zip Hearing | ▪ United Healthcare Hearing (formerly EPIC) | ▪ TruHearing<br>▪ Hearing Care Solutions<br>▪ AHHC<br>▪ HearUSA<br>▪ Yes Hearing<br>▪ Nations Hearing |

# Receiving a Lead

1. Patient discovers they have a benefit
2. Patient calls/reaches out to TPN
3. TPN will refer them to a local clinic
4. TPN typically will set up appointment with clinic for the patient
5. Clinic conducts hearing test, consult, and fitting (multiple appts)
6. Follow up care policies vary per TPN/specific patient plan

# Who Gets the Referral?

Multiple clinics in same market can be signed up with various TPNs

When patient calls in, TPN will typically only provide 1 clinic option unless patient asks for specific clinic/other options

Most TPNs refer based on a certain “score” the clinic has within the TPN

“Score” usually based on treatment rate, patient reviews, and geography

The more positive patient experiences a TPN sees with your clinic, the more referrals you will receive

# Reverse Referrals vs. Traditional Referrals

**Traditional Referral:**

Patient that is referred directly to the practice from a TPN. Typically, patient either calls the group directly to find a provider or is led to the practice through a digital campaign. These referrals MUST remain in the program that referred them per terms of TPN contracts.

**Reverse Referral:**

Patient that comes to the practice organically and not directly from TPN referral, but happens to have a hearing benefit administered by a TPN.

# Maximizing Referrals

1. Ask for a review!
2. Monitor your TPN "treatment rate"
3. Monthly TPN check in calls
4. Promotional offer for referrals
5. Service package for TPN patients
6. Patient has TPN benefit, their friends/family may not

# Quick Tips for TPN Integration

## Busy vs. Productive

1. Managing calendar: Block scheduling
2. Fill the gaps in your schedule
3. Time spent per appointment
4. Assign provider
5. AuD Tech for follow up
6. Itemized $0 invoices
7. Additional/optional service packages

# Example – What's Included?

**Visits paid for by United Healthcare Hearing for ONE year**

**What's included in these visits?**

- Routine cleaning, programming and maintenance

**What's not included in these visits?**

- Repair processing, earwax removal, real-ear verification, electroacoustic analysis, extra replacement hearing aid wax traps & domes, Bluetooth troubleshooting

Diagnostic hearing evaluation

2 hearing aids every 3 years (plan dependent)

3-year manufacturer warranty (between wearer & hearing aid manufacturer)

**PAYMENTS MADE TO UNITED HEALTHCARE**

# Example – What's Not Included?

**Annual service plan = $250/year**

**Includes:**

| | |
|---|---|
| ▪ Hearing Aid Clean & Check | $65 |
| ▪ Hearing Aid Programming | $65 |
| ▪ Firmware Updates | $45 |
| ▪ App Setup and Tutorials | $90 |
| ▪ Electroacoustic analysis as needed | $75 |
| ▪ Real Ear Verification | $45 |
| ▪ Redux Dry | $20 |
| ▪ Ear Wax Removal | $45 per ear |
| ▪ Replacement Domes and Filters | $10 |
| ▪ Loaner Fee | $150 |
| ▪ Repair Processing | $30 |
| ▪ Telecare Visit | $90 |

**Highly recommended additions to optimize fitting success:**

- **Electroacoustic analysis = $75**
- **Real ear verification = $45**

**PAYMENTS MADE TO ABC HEARING**

# Example – Service Agreement

ABC Hearing

*partnership with managed care insurance companies*

Dr. XYZ has fully explained that my managed care plan covers the following and payment will be made directly to the managed care entity:

Diagnostic hearing evaluation

3-year manufacturer warranty (between wearer & hearing aid manufacturer)

Visits paid for by managed care entity for ONE year:

- What's included in these visits?
- Routine cleaning, maintenance, and programming
- What's NOT included in these visits?
- Earwax removal, real-ear verification, electroacoustic analysis, additional replacement hearing aid wax traps and domes, Bluetooth trouble shooting, and loaner fees

By signing I am acknowledging that I understand what is included in my one year of visits and acknowledging that I understand after the one-year period I will pay for office visits:

Patient Signature: ______________________________ Date: ________________________

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Dr. XYZ has fully explained that my managed care plan DOES NOT cover the following services and payment will be made directly to ABC Hearing. I understand, and acknowledge, that these services are optional. By signing I am agreeing to pay out of pocket for the following selected additions to my treatment plan:

High recommended to optimize fitting success:

- [ ] Electroacoustic analysis= $75
- [ ] Real ear verification= $45

Total= $120

Patient Signature: ______________________________ Date: ________________________

I am choosing to decline the additional services offered by Audiology Always.

Patient Signature: ______________________________ Date: ________________________

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Provider Signature: ____________________________ Date: ________________________

# Marketing


- Critical to success
- Maintains healthy private pay percentage
- Continues to spread awareness of your brand
- Even if patient has TPN benefit, still additional revenue
- Patients may request your clinic when calling TPN
- Friends/family may not have a benefit
- Educational seminars

# What Do I Do Now?

Put together your plan

Read and understand your TPN contracts (if participating)

Train your staff

Patient messaging

Reach out to your Signia team

# Questions

# Thank you for joining us today!

Jerry Weber
Sr. Manager, National Accounts

gerald.weber@wsa.com
248-225-3118

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