

## From Surviving to Thriving for Local Health Departments

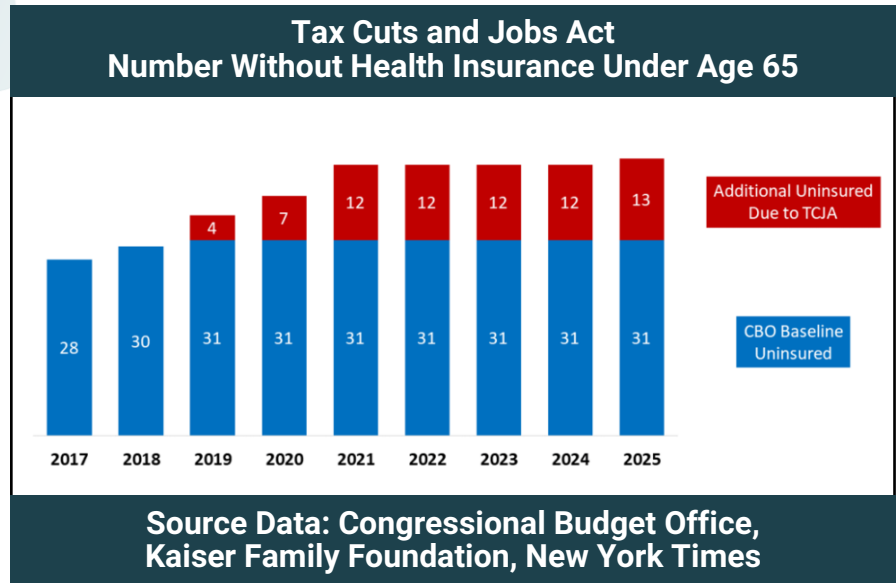
### Coordinating Care Across the Continuum

#### How Claims Management Can Save Local Public Health Agencies

##### The Time to Act is Now

Public health departments play a vital role in the national health care landscape by offering essential health services to Americans who need them most. Nonetheless, budget cuts in the face of increasing program requirements and costs has left the mission of protecting and maintaining the public's health in crisis.

With the Tax Cuts and Jobs Act of 2017 (TCJA), the Congressional Budget Office estimates the number of Americans with health insurance will drop by 13 million over the next 8 years. Additional consequences predict health insurance premiums will increase 10% more a year for those who have coverage under the Health Insurance Marketplace created by the Patient Protection and Affordable Care Act (ACA).



At the same time, public health budget decreases are driving worker layoffs and reductions in public health programs and outreach services just when there is likely to be a growth in need. The overall impact is expected to widen the pool of patients seeking health services at Local Health Departments (LHDs) at a time state and local organizations can least afford it.

Forced to ask how they will maintain existing services and plan for the future with steadily decreasing funding and limited resources, LHDs are finding they can sustain their own revenues, rather than rely on outside funding, by introducing a proven private business practice into the public health environment.

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The advent of public health claims management and development of effective billing programs for LHDs can capture revenue from private insurance payers as well as Medicaid and Medicare that will not only help alleviate funding issues, but also allow for staff retention and even increases to expand health services. This begins with the development of an infrastructure to bill private and public payers.

### The Promise of Immunizations

From the onset, building a billing program recommends analysis to determine the most optimal means of achieving increased revenue streams. For many LHDs, the greatest promise is found in immunizations. Vaccinations have long been not only the most cost-effective form of public health intervention, but may hold the most potential for funds recapture – for example, through the multi-billion dollar Vaccines for Children (VFC) program, which provides free vaccines to eligible children.

Nonetheless, some LHDs are scaling back flu clinics for lack of funds; while, others have been forced to stop offering immunizations altogether, putting the community at increased risk for the outbreak of disease. Compounding the problem, rather than dealing with the rising costs of vaccines and the stringent safety handling requirements, some private providers are referring patients to public health departments. Few LHDs are equipped to assume the costs of vaccinating the influx of children who are not VFC-eligible at all.



Vaccines for Children

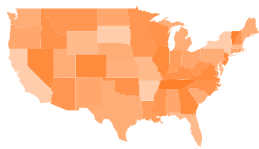
Vaccines For Children is a federally funded program that provides vaccines at no cost to children who might not otherwise be vaccinated because of inability to pay. The CDC buys vaccines at a discount and distributes them to grantees— i.e., state health departments and certain local and territorial public health agencies—which in turn distribute them at no charge to those public health clinics and private physicians' offices registered as VFC providers.

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This shift in the utilization of public health services has transformed public health organizations into a resource for more than the un- and under-insured. Though vaccine administration fees can be recovered from Medicaid and Medicare, the reimbursement process is so rife with issues that many clinics have given up or never even tried, instead relying largely on donations. Abandoning vaccinations is not an option; yet, the current paradigm is increasingly unsustainable.

The Centers for Disease Control and Prevention (CDC) estimates that vaccinating children born between 1994 and 2016 will:



Prevent 381 million illnesses—more than the entire population of the United States



Help avoid 850,000 deaths—more than the entire population of Seattle, Washington



Save more than \$1.6 trillion in societal costs— or about \$5,077 for every American

### Barriers to Billing

It is understandable that there may be some reluctance to undertake billing for immunizations and other health services. It's frankly arduous: determining patient eligibility and insurance coverage, correctly coding encounters and services, creating and submitting claims, not to mention the tracking, follow-up and having to deal with denials and resubmission. Some organizations hire additional accounting personnel just to manage the process, unfortunately diverting vital funding from clinical staff.

The reimbursement process is undoubtedly complex, especially for a sector inexperienced in billing practices. From the onset, lacking patient eligibility verification too often results in claims being submitted and resubmitted, and ultimately denied many days later, making the process both frustrating and a seeming waste of resources. Dealing with insurance, tracking claims and creating financial reports are also difficult, but essential facets of a successful billing program.

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### Becoming Sustainable

Though certainly a culture change for public health, LHDs must explore billing as an option to capture revenue in order to preserve their programs and services. With immunizations, evidence shows that the capability to bill leads to increased accountability and higher vaccination rates. Counties that have cast an even wider billing net have seen substantial increases to their revenues, all for services that they were already providing to their communities.

Streamlining and simplifying the billing and reimbursement process is the only way to balance the need to generate revenue with the need to provide continuous quality care. At the same time, having nurses and coordinators spend most of their time handling claims instead of administering vaccinations and other health care services is a poor use of skilled personnel. Providing LHDs with the proper tools for claims processing allows for optimal use of both revenues and staff.

To begin with, using such tools to verify a patient's eligibility when they walk into the clinic saves staff from having to contact insurance companies. It also prevents a claim from coming back denied months later if the patient was not actually covered at the time of service. A quality system additionally loads and maintains clinical codes, e.g., ICD-10, and automatically crosswalks between the EHR and billing for claims generation purposes. Additional features to look for include HIPAA 5010 compliance and claims management with a clearinghouse.

The right system will also provide a high level of business intelligence without which there is simply no capacity to predict the flow of funds with any level of reliability. With such built-in analytics, reports can be generated, and reimbursement can be projected so that health departments can better forecast resources and revenue capture. Such a global view of finances facilitates future planning, helping provide stability in a mission that is simply too big to fail.

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