Empowering Patients: Navigating the Medicaid Unwinding and Redetermination Maze

Strategic Insights on Enhancing Patient Services and Safeguarding the Bottom Line

CONIFER HEALTH SOLUTIONS®

The phase-out of the Families First Coronavirus Response Act (FFCRA) has begun, meaning states have twelve months to complete Medicaid redetermination on all beneficiaries in their state. The Department of Health and Human Services (HHS) estimates that more than eight million Medicaid recipients, including 5.3 million children and 4.7 million adults ages 18 to 34, will be impacted by the phase-out and will need to transition to other forms of coverage.[1] While CMS offers technical help and compliance oversight, states are responsible for determining eligibility.[2] The goal of HHS is to "reduce the number of eligible people losing Medicaid."

Impact on Patients and Health Systems

Navigating the healthcare system is challenging enough for patients, and the Medicaid re-enrollment process makes it even more so. Many affected patients may not realize they've lost coverage until they show up at a healthcare facility for services. Others may realize they've been disenrolled but do not understand how to find new coverage. This can cause them to delay needed care and preventive medical services, leading to deterioration of their conditions, hospitalizations, or expensive visits to the emergency department. In these cases, hospitals may incur expenses they cannot recover. At the same time, health systems will likely see a decrease in volumes as patients avoid care.

The increase in uninsured patients may also make it impossible for health systems to accurately predict and protect revenue, especially for those with volume-based payer contracts. According to a report by Kaufman Hall, hospitals were already experiencing an increase in "bad debt and charity care in April, signaling a material impact Medicaid disenrollment has had on hospital financial performance."[3] Health systems are also likely to experience a significant spike in denied claims due to increased difficulty determining eligibility and coverage. Increased collection costs and the challenges of collecting self-pay balances add additional roadblocks.

© 2023 Conifer Health Solutions, LLC. All rights reserved.

Automation in the Revenue Cycle

30.8%

of hospitals and health systems surveyed don't use revenue cycle automation.

50%

of provider organizations surveyed say they plan to invest in automation by the end of 2023.

$17.6B

is the estimated annual savings potential from revenue cycle automation

The Time to Act is Now

The most important step health systems can take to safeguard their bottom line is to be proactive in their Medicaid redetermination efforts. As of May 9, 2023, only 30 states had submitted their required renewal redistribution plan to CMS; however, all states say they have begun updating enrollee contact information.[4] Updating contact information, while a good first step, is not enough. Health systems must begin evaluating which patients are not eligible for Medicaid re-enrollment and which will need other coverage plans. This crucial process should start immediately.

Focus on Automation

Health systems increasingly realize the critical role automation plays in revenue cycle optimization. Before value-based care, high-deductible health plans, and increasing patient financial responsibility, the revenue cycle was fairly straightforward: See a patient, collect a co-pay (if any), bill the payer, and get reimbursed. Today's revenue cycle is much more complex, with growing regulations, skyrocketing administrative tasks, and complex, ever-changing payer requirements fueling the fire. Without automation, health systems must rely on manual processes, which are time-consuming and prone to error.

> According to the 2022 CAQH Index, "eligibility and benefit certifications remain the top savings opportunity" for the industry.[5]

One of the most inefficient manual processes is eligibility and benefits verification—the foundation of successful Medicaid reassignment. According to the 2022 CAQH Index, "eligibility and benefit certifications remain the top savings opportunity" for the industry.[5] The report indicates that the average time savings from automating these two processes is 14 minutes per transaction. Considering the industry conducts 569 million manual eligibility and benefits verifications each year, there is a significant time-saving opportunity. The potential revenue cycle impact of automating these processes is profound.

The most effective automated solutions include technologies such as artificial intelligence (AI) and robotic process automation (RPA). These technologies are particularly adept at automating tasks such as identifying and capturing accurate coverage, eligibility, and demographic data. They can also improve a health system's ability to collect social determinants of health (SDOH) data, which is vital for population health efforts.

Take Advantage of Propensity-to-Pay Analytics

Treating all patients the same when it comes to collection efforts is a futile pursuit. In some cases, the patient simply cannot pay all or even a portion of the amount owed. Yet, for many health systems, all patients fall into the same collection process. With so many people experiencing changing life circumstances due to the pandemic, identifying their ability to pay is more important than ever. Someone who could have easily paid their medical bills in 2019 may be facing a very different scenario in 2023. Leveraging

© 2023 Conifer Health Solutions, LLC. All rights reserved.

propensity-to-pay analytics can help, but it should be focused on an individual's propensity to pay their medical bills, not just bills in general. An individual's likelihood to pay their bills varies according to the type of bill. Bills such as the mortgage, car loans, and student loans typically take precedence over medical bills.

With a clearer picture of the patient's financial situation, health systems can better determine qualification for financial assistance or charity care. In these cases, health systems should take the time to help patients fill out and submit their applications rather than just provide the information. In this way, hospitals become an advocate for the patient, which goes a long way in helping to build loyalty and increase word-of-mouth referrals.

Make it Easier for Patients to Pay

In a 2021 consumer healthcare survey, more than half of respondents said paying their medical bill is a cause of anxiety and frustration. One in four said they were unhappy with the experience of inquiring about their bill, and 40% said they were "not satisfied" with how providers bill them. More than half said they have trouble understanding their coverage, benefits, and what they will owe. The ultimate message from the survey is that a poor financial experience can discourage patients from paying in full.

> 40% of patients surveyed who had inquired about what they would owe say the information was "inaccurate or difficult to locate," and 64% say they would "skip or delay" care if they didn't know the cost prior to service.[10, 11]

Making the payment process less stressful for patients can help improve a health system's chances of getting paid. The first step in making the process easier is to offer patient financial responsibility estimations. Providing estimates before or at the time of service allows patients to make more informed decisions about how to pay for their care. It also enables health systems to collect all or part of the payment upfront or arrange other payment options.

Once patients understand what their coverage will pay and what they owe, health systems should provide easy-to-understand statements and patient-friendly payment options. These choices should focus on convenience and flexibility and should include easy to understand printed and electronic statements. This should consist of mobile payments, payment portals, automated phone payments, and traditional options such as payments by mail or through a customer service representative. Offering multiple payment choices makes it more convenient for patients and customizes the patient's financial experience to their own preferences.

Partner with Industry Experts

In these challenging times, health systems are challenged to do more with less. That may be why most states say they will need the entire time allotted to complete Medicaid renewals.[12] With labor shortages continuing, including among revenue cycle teams, partnering with industry experts can help drive compliance while reducing stress on staff. The best partners are those that can assist health systems in meeting each of the guidelines listed above. Working with the right vendor can bring enhanced value and improved efficiencies that go straight to the bottom line—all without adding additional staff or investing in new technologies.

Success Story

A for-profit health system in a state that did not participate in Medicaid expansion found itself with a growing number of uninsured patients. The health system already used a vendor for its Medicaid eligibility process. However, that vendor's ability to integrate with the hospital's operations was limited at best. Because of the lack of integration, the vendor could not track productivity or accuracy, leaving it unaccountable for accepted inventory. This led to growing A/R aging and inaccurate accruals.

The health system partnered with Conifer Health Solutions to help improve its Medicaid eligibility operations. Conifer designed and implemented a dedicated in-house eligibility solution to ensure appropriate outreach to the health system's patient population for government programs and charity assistance.

© 2023 Conifer Health Solutions, LLC. All rights reserved.

Conifer also implemented automation tools to improve the efficiency of the program application process and expedite approvals. In addition to standardizing processes, Conifer implemented segmentation and developed a work listing to proactively identify patients for screening.

With an increased focus on eligibility services for outpatient and emergency visits, the health system was able to achieve bottom-line improvements by strengthening processes that included financial clearance, including its women's health clinics, county indigent services, and local case management.

With Conifer, the health system experienced significant results, including:

$1.2M

decrease in vendor costs in one year

$4M

reduction of bad debt in one year

41%

improvement in cash collections – $21.3M

25%

improvement in certifications – 10,550

Protecting Patients and the Bottom Line

Medicaid redetermination is just one more challenge health systems have to deal with alongside shrinking revenue, increasing costs, and labor shortages. The first step in effectively navigating the year ahead is to optimize eligibility and coverage verification processes. Partnering with industry experts like Conifer can help health systems get ahead of the curve by providing hands-on support and onsite and/or patient advocacy center enrollment specialists to:

- Identify and re-enroll in-house Medicaid patients at risk of losing Medicaid
- Ensure responsiveness and completeness of information for Medicaid enrollment patients, including:
  - conducting field visits/house calls,
  - text messaging,
  - links to state enrollment sites, and
  - easy and faster document collection.
- Enroll patients in alternate insurance plans as appropriate if they do not qualify for Medicaid re-enrollment (e.g., health exchange plans, commercial insurance, other government programs)
- Leverage industry-leading expertise in all 50 states, innovative technology focused on data analytics, and automating patient data assimilation
- Deploy certified application counselors to support patients through the application process

If you would like a **free assessment** or more information about how Conifer can help your organization successfully navigate Medicaid redetermination, contact us at coniferhealth.com.

© 2023 Conifer Health Solutions, LLC. All rights reserved.

Sources

1. https://aspe.hhs.gov/sites/default/files/documents/a892859839a80f8c3b9a1df1fcb79844/aspe-end-mcaid-continuous-coverage.pdf
2. https://aspe.hhs.gov/sites/default/files/documents/a892859839a80f8c3b9a1df1fcb79844/aspe-end-mcaid-continuous-coverage.pdf
3. https://revcycleintelligence.com/news/hospital-finances-break-even-as-phe-ends-medicaid-unwinds
4. https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-the-unwinding-of-the-medicaid-continuous-enrollment-provision/#:~:text=Medicaid%20enrollment%20increased%20since%20the,of%20the%20continuous%20enrollment%20provision.
5. https://www.caqh.org/sites/default/files/2022-caqh-index-report%20FINAL%20SPREAD%20VERSION.pdf
6. https://revcycleintelligence.com/news/third-of-hospitals-systems-dont-use-revenue-cycle-automation
7. https://www.gartner.com/en/newsroom/press-releases/2020-05-21-gartner-says-50-percent-of-us-healthcare-providers-will-invest-in-rpa-in-the-next-three-years
8. https://www.caqh.org/sites/default/files/explorations/index/2021-caqh-index.pdf
9. https://revcycleintelligence.com/news/consumers-dont-pay-patient-financial-responsibility-after-bad-experience
10. https://revcycleintelligence.com/news/consumers-dont-pay-patient-financial-responsibility-after-bad-experience
11. https://www.fiercehealthcare.com/sponsored/survey-shows-terrifying-truth-about-americas-healthcare-affordability-crisis-patients-put
12. https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-the-unwinding-of-the-medicaid-continuous-enrollment-provision/#:~:text=Medicaid%20enrollment%20increased%20since%20the,of%20the%20continuous%20enrollment%20provision.

Your Partner in Care. We provide revenue cycle and value-based care solutions that optimize financial performance, improve business outcomes and elevate the healthcare experience

Visit ConiferHealth.com/LetsTalk

CONIFER HEALTH SOLUTIONS®

©2023 Conifer Health Solutions, LLC. Nothing in this material constitutes, or should be construed to constitute, any legal advice or provide any guarantees. This material is for informational purposes only. All logos and trademarks are the sole property of their owners. All rights reserved. 08_17_2023.