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### New Payment Models Within a Virtual Practice

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## New Payment Models Within a Virtual Practice

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# Medsthetics Office: Primary care & Aesthetic Care

Dr. K

Dr. C

Dr. A

# Type of practice

- \* Outpatient care, PCMH
- \* Location of practice: lower floor rented office space within a 2 floor medical center. EHR same for entire building.
- \* Walk in clinic for primary care
- \* For procedures: appointments needed
- \* Insurance: Medicaid, Medicare, all insurance, sliding scale & cash
- \* Languages spoken: Spanish, English

# PCMH Model Basics

## **1. Comprehensive Care**

The primary care medical home is accountable for meeting the large majority of each patient's physical and mental health care needs, including prevention and wellness, acute care, and chronic care. Providing comprehensive care requires a team of care providers. This team might include physicians, advanced practice nurses, physician assistants, nurses, pharmacists, nutritionists, social workers, educators, and care coordinators. Although some medical home practices may bring together large and diverse teams of care providers to meet the needs of their patients, many others, including smaller practices, will build virtual teams linking themselves and their patients to providers and services in their communities.

## **2. Patient-Centered**

The primary care medical home provides primary health care that is relationship-based with an orientation toward the whole person. Partnering with patients and their families requires understanding and respecting each patient's unique needs, culture, values, and preferences. The medical home practice actively supports patients in learning to manage and organize their own care at the level the patient chooses. Recognizing that patients and families are core members of the care team, medical home practices ensure that they are fully informed partners in establishing care plans.

## **3. Coordinated Care**

The primary care medical home coordinates care across all elements of the broader health care system, including specialty care, hospitals, home health care, and community services and supports. Such coordination is particularly critical during transitions between sites of care, such as when patients are being discharged from the hospital. Medical home practices also excel at building clear and open communication among patients and families, the medical home, and members of the broader care team.

## **4. Accessible Services**

The primary care medical home delivers accessible services with shorter waiting times for urgent needs, enhanced in-person hours, around-the-clock telephone or electronic access to a member of the care team, and alternative methods of communication such as email and telephone care. The medical home practice is responsive to patients' preferences regarding access.

## **5. Quality and Safety**

The primary care medical home demonstrates a commitment to quality and quality improvement by ongoing engagement in activities such as using evidence-based medicine and clinical decision-support tools to guide shared decision making with patients and families, engaging in performance measurement and improvement, measuring and responding to patient experiences and patient satisfaction, and practicing population health management. Sharing robust quality and safety data and improvement activities publicly is also an important marker of a system-level commitment to quality.

# PCMH Model: Our practice

## **1. Comprehensive Care**

- our office is located in a medical center
- we are centralized via EHR, although distinct entities, we can refer patients to services they need easily
  - mental health care available
  - social workers with local government resources available

## **2. Patient-Centered**

- care plans provided with each visit, records recommended follow up and care changes

## **3. Coordinated Care**

- Outside management labs and test results are promptly checked and returned
- Referral visits, especially if to a specialist within our building, will have readily accessible notes and results as EHR is centralized

## **4. Accessible Services**

- with appointments for procedures, and walk in clinics in a 4 physician office, we can readily see patients as they walk-in
- Extended hours on Fridays
- Communication available through our center's email with daily correspondence

## **5. Quality and Safety**

- healthcare education handouts given at each visit
- medication lists given and reconciliation done at each visit
- physicians have access to research tools: Essential evidence plus and Up-to-date

# Patient Population

- \* Setting: underserved area, inner-city in NY
- \* Age range: all ages
- \* Population: all - high population of hispanic, african american, and indian
- \* Estimated daily patient load: 95

# Practice Specifics

- \* Days: Monday through Fridays

- \* Hours: 8-5pm Mon - Thursday

- \* 8-7pm Fridays

- \* Services offered daily without appointments:

- \* Primary care

- \* Acute, non-emergency care

- \* OMT

- \* Services offered by appointments only:

- \* GYN - PAPs

- \* Acupuncture

- \* Botox

- \* Laser hair removal

- \* Tattoo removal

- \* Skin excisions/biopsy

- \* EHR: per practice we took over (MDLAND)



# Staff: Physicians

- \* Five physicians: 2 MD, 2 DO
- \* All board certified in family medicine as well as:  
acupuncture, botox/laser hair removal/ tattoo removal,  
and training and abilities to do OMT (physician to train  
on own accords prior to starting)

# Staff: Office

- \* Office Manager: responsible for billing of patients, employee salary disbursement, maintaining supply inventory. \$15/hr. Total: \$2,820.
- \* Front staff: 1 receptionist for check in/check out and appointments. Responsible for checking validity of insurances, PCP per insurance, balances/co-payments due. \$10/hr. Total: \$1,880
- \* (2) Nurse: will do vitals, phlebotomy, vaccines, other (EKG, PFTs, DEXA), pre-procedure set up. \$20/hr. \$1600/mo/pp. Total: \$7,520.

# Staff: Employee Benefits

- \* 2 weeks of paid vacation yearly
- \* Sick leave: 7 days
- \* Health insurance: per employee
- \* legal contractual agreements to be made and reviewed for each employee

# Other Perks

- \* Top floor of medical center: rented out by psychologist, psychiatrist, ophthalmology, assemblyman with social and case manager

# Medical Equipment (Startup)

- \* Included in practice when bought by previous physician:
  - \* examination tables ( 10 rooms), EKG, spirometry, otoscopes/ophthalmoscopes in each room, DEXA machine, desks, chairs, computers in each room, refrigerators
- \* Laser machine: \$7,000
- \* Acupuncture-ready set up of (4) rooms: \$800

# Monthly Expenses (Reoccurring)

- \* Office space rent: \$4500
- \* Staff salaries: \$12,220
- \* EMR: \$300
- \* Cleaning services: \$400
- \* Utilities (TV, phone, internet): \$120
- \* Office/medical supplies: \$800
- \* **Total: \$18,340 monthly**

# Patient Sliding scale coverage

## Monthly Basis

<b>Monthly Income Thresholds by Sliding Fee Discount Pay Class and Percent of Poverty</b>					
<b>Family Unit Size</b>	<b>Minimum Fee</b>	<b>25% pay</b>	<b>50% pay</b>	<b>75% pay</b>	<b>100% pay</b>
<b>Poverty</b>	<b>100%</b>	<b>133%</b>	<b>166%</b>	<b>200%</b>	<b>201%</b>
1	\$867	1,153	1,439	1,733	1,734
2	\$1,167	1,552	1,937	2,333	2,334
3	\$1,467	1,951	2,435	2,933	2,934
4	\$1,767	2,350	2,933	3,533	3,534
5	\$2,067	2,749	3,431	4,133	4,134
6	\$2,367	3,148	3,929	4,733	4,734
7	\$2,667	3,547	4,427	5,333	5,334
8	\$2,967	3,946	4,925	5,933	5,934

# Patient out of pocket costs

(non-sliding scale)

\* Primary visit: general care/establish care/OMT/Acupuncture:

\* \$125 adults; \$100 children

\* Thereafter primary care/acute care/OMT/Acupuncture:

\* \$100 adults; \$75 children

\* Labs: per lab billing companies

\* Procedures:

\* Acupuncture: \$80 for 30 minutes

\* Laser hair removal per session: small area: \$50 Medium area: \$75 Large area: \$100

\* Tattoo removal per session: small area: \$40 Medium area: \$60 Large area: \$80

\* Botox: \$15 per unit\*

\* Aesthetic procedures (botox, acupuncture [if not covered by insurance], laser procedures): no sliding scale coverage for these

## \* Botox:

- crows feet bilaterally 18-24 units
- horizontal forehead lines 8-16 units
- bunny lines on the nose 4-6 units
- upper vertical lip lines 4-8 units
- Marionette lines bilaterally 2-8 units
- Chin dimpling 4-8 units.



# Gross income

(non-sliding scale)

- \* Daily procedures: 15 (\$75 pp avg) \$1,125 total
- \* Daily primary/acute care visits: 20 patients
  - \* 10 adults: (\$112.50 pp avg) \$1125.00 total
  - \* 10 children: (\$87.5 pp avg) \$875.00 total
- \* **Monthly procedures: \$22,500**
- \* **Monthly patient visits: \$40,000**

# Gross income

(insurance avg reimbursement)

\* 99212: \$30

\* 99213: \$57

\* 99214: \$88

\* 99215: \$126

\* 99203: \$85

\* Daily patients with insurance fall into 99213 reimbursement categories. 2% 99212. 90% 99213 visits. 7% 99214. 1% 99215. 52 pts daily

\* 12: (1): **\$600 monthly**

\* 13 (47): **\$53,580 monthly**

\* 14 (3): **\$5,280 monthly**

\* 15 (1): **\$2,520 monthly**

\* New patients are coded 99203 about 100% of the time: 8 new pts per day:

\* **\$13,600 per month**

# Gross income

(PCMH reimbursement: NY payment models)

Payment Model Component	PMPM Payment
Practice transformation cost payments (year 1 only)	\$1.67 PMPM

- \* Daily visits: 80 patients
- \* **Monthly: \$2,672**

# Monthly net profits

(non-inclusive of startup costs)

- \* Income (procedures + visits): **\$140,752**
- \* Expenses: **\$18,340**
- \* Net income: **\$122,412**
- \* Income per physician: **\$30,603/month** (exclusion of taxes)