Lilypad® Cost Report STATE Scorecard

2017 Medicare Cost Reports for Rural Health Clinics

How to Interpret the RHC Cost Report Scorecard

Data Management. Lilypad monitors Medicare Cost Reports for every Rural Health Clinic (RHC) in the United States by analyzing both provider-based and independent clinic reports. As part of the data management process, we evaluate the integrity of each Cost Report to determine if the data furnished by CMS are complete and accurate. Cost Reports that violate our integrity analysis are handled separately to prevent erroneous data from corrupting the final Scorecards. Thus, each Cost Report's data are evaluated on a field-by-field basis and data sourcing for our Scorecards are selected only if our integrity analysis confirms that the data are valid. Cost Reports with omissions or errors are considered "Incomplete." Some selected data from these incomplete Cost Reports may be used in our Scorecards, or depending upon our analysis, they may be excluded entirely. We divide clinics into two categories: Provider-based ("PB-RHC") and Independent ("RHC") clinics. For each Scorecard metric, we sum the values for the relevant data elements for all of the qualifying clinics in a given cohort (group of clinics) and perform a single, statewide calculation for the specified metric. Scorecards utilize the clinic's CMS-assigned annual reporting period (fiscal year).

Summary Statistics. The Count of Completed Cost Reports is driven by the methodology applied in Cost Report preparation; specifically, organizations have an option to report clinics individually or to consolidate clinics when filing their Cost Report. For example, a hospital that owns five PB-RHCs may elect to consolidate their clinics for Cost Report purposes into a single set of statistics as reflected in the Schedule M Worksheets. Those five PB-RHCs would be counted in the Scorecard as a single completed Cost Report. Therefore, in most cases the Count of Completed Cost Reports value will be fewer than the non-duplicated count of clinics in a State as enumerated in the Quality, Certification and Oversight Reports (QCOR) resource. "Incomplete" counts indicate the total number of Cost Reports Lilypad has flagged through the data integrity analysis process as containing erroneous data or omissions.

> **Minimum Productivity.** Physicians and Advanced Practice Providers (APPs) are subject to minimum visit productivity standards, or thresholds (4,200 and 2,100 visits per year, respectively) that must be met to enable the clinic to receive full cost-based reimbursement for care provided to Medicare and, in some states, Medicaid beneficiaries.
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> **Actual vs Adjusted Visits.** Actual Visits reflect the number of unique patient visits provided by the clinic while Adjusted Visits reflects the greater of the Actual Visits or the minimum productivity threshold for the clinic using a weighted average of FTE physicians and APPs. A greater count of Adjusted Visits relative to Actual Visits demonstrates a failure to meet minimum productivity standards within the State.
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> **RHC Cap Rate.** Independent RHCs and PB-RHCs that are owned by hospitals with greater than 50 beds are subject to an annual, capped per-visit rate established by CMS.

COST for Medicare Patients. The actual costs incurred to provide services by the state's RHCs.

REIMBURSEMENT for Medicare Patients. The dollar amount paid by CMS to the state's RHCs.

LOSS in Medicare Reimbursements. The difference between the cost and reimbursement paid by CMS for care in the State.

Visits and Cost Metrics (Actual). The Physician Visits per FTE and APP Visits per FTE metrics illustrate the ability of the State's provider community to meet minimum productivity standards while the Physician Cost per Physician Visit and APP Cost per APP Visit metrics reveal the variance between expenses related to visits managed by different provider types.

General Metrics (Actual). The Medicare Percent of Visits reflects the percentage of Medicare utilization relative to other payor classes and the three clinic cost metrics reflect the dollar amount related to Total Overhead metric indicates the per-visit dollar amount of overhead expenses for the cohort for the reporting period.

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2017 Lilypad Cost Report Scorecard

State of North Carolina

Summary Statistics	State of North Carolina PB-RHC	State of North Carolina RHC	State of North Carolina TOTAL	NOSORH Region B PB-RHC	NOSORH Region B RHC	NOSORH Region B TOTAL
Completed Cost Reports / Incomplete	29 / 14	20 / 3	49 / 17	366 / 91	393 / 29	759 / 120
RHCs Not Meeting Min Productivity	11	3	14	102	67	169
% RHCs Not Meeting Min Productivity	37.9%	15%	28.6%	27.9%	17%	22.3%
Total Visits	315,814	268,480	584,294	3,300,915	4,578,561	7,879,476
Total Adjusted Visits	324,159	271,954	596,113	3,441,746	4,730,259	8,172,005
Variance	(8,345)	(3,474)	(11,819)	(140,831)	(151,698)	(292,529)
Cost per Visit	$220.11	$112.10	$170.48	$168.53	$116.46	$138.27
Cost per Adjusted Visit	$214.45	$110.67	$167.10	$161.63	$112.73	$133.32
Variance	$5.67	$1.43	$3.38	$6.90	$3.73	$4.95
Visits Subject to RHC Cap of $82.30	50,751	264,696	315,447	621,601	4,262,539	4,884,140

$25,209,696

COST

for Medicare Patients

$19,347,994

REIMBURSEMENT

for Medicare Patients

$5,861,702

LOSS

in Medicare Reimbursements

Visit and Cost Metrics (Actual)	State of North Carolina PB-RHC	State of North Carolina RHC	State of North Carolina TOTAL	NOSORH Region B PB-RHC	NOSORH Region B RHC	NOSORH Region B TOTAL
Physician Visits per FTE Physician	3,472	3,906	3,654	4,317	4,597	4,466
Physician Cost per Physician Visit	$92.36	$51.51	$73.99	$76.16	$60.47	$67.58
APP Visits per FTE APP	3,166	3,324	3,264	3,031	3,515	3,323
APP Cost per APP Visit	$43.71	$33.29	$42.49	$39.91	$33.12	$35.58
General Metrics (Actual)						
Medicare Percent of Visits	24.4%	26.4%	25.3%	24.2%	20.8%	22.2%
Total Overhead per Visit	$16.69	$54.57	$34.10	$23.38	$52.27	$40.17

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Lilypad is a Maine-based analytics firm that provides mobile and web-based strategies and improvement applications for healthcare provider organizations. We adhere to a core business principle that accountable physicians/clinical leaders and administrators require sound data and simple, innovative tools to be successful in their roles within the emerging value-based care delivery environment.
www.lilypad207.com

Lilypad® Cost Report CLINIC Scorecard

2017 Medicare Cost Reports for Rural Health Clinics

How to Interpret the Lilypad Provider-Based RHC Cost Report Scorecard

The Lilypad Clinic scorecard presents data from the most recent cost reports filed with CMS for Provider-Based Rural Health Clinics (PB-RHCs) based on the CMS Certification Number (CCN) listed on the hospital's Medicare Cost Report. How the hospital elects to consolidate or disaggregate groups of clinics under CCNs dictates the method under which Lilypad presents clinic-level data. Provider-based Rural Health Clinics can be reported on the Cost Report either as individual or consolidated practices.

Data Management. Lilypad monitors Medicare Cost Reports for every Rural Health Clinic (RHC) in the United States by analyzing both provider-based and independent clinic reports. As part of the data management process, we evaluate the integrity of each Cost Report to determine if the data furnished by CMS are complete and accurate. Cost Reports that violate our integrity analysis are handled separately to prevent erroneous data from corrupting the final Scorecards. Thus, each Cost Report's data are evaluated on a field-by-field basis and data sourcing for our Scorecards are selected only if our integrity analysis confirms that the data are valid. Cost Reports with omissions or errors are considered "Incomplete." Some selected data from these incomplete Cost Reports may be used in our Scorecards, or depending upon our analysis, they may be excluded entirely.

> **Data Integrity.** On a metric-by-metric basis, we evaluate the integrity and availability of the required data elements and if the clinic's data either violates an integrity rule or are missing, the metric value is presented as "-". If a cost report for a specified year is missing, or has been deemed to be invalid by Lilypad's integrity tests, all values are marked as "x". Invalid cost reports are missing essential data, and thus, none of the data for that year can be trusted. We encourage clinic leadership to investigate any metric value that is not calculated or included in the report as a means of validating if the clinic's Cost Report is accurate.
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> **Benchmarks.** For each state, region and national benchmark metric, we sum the values for the relevant data elements for all of the qualifying clinics in a given cohort (group of clinics) and perform a single calculation for the specified metric. Scorecards utilize the clinic's CMS-assigned annual reporting period (fiscal year). External benchmarks are organized according to the Clinic's state, NOSORH Region and national cohorts.

Clinic and Provider Metrics. Total Visits reflect the number of unique patient visits provided by the clinic while Adjusted Visits reflects the greater of the Total Visits or the minimum productivity threshold for the clinic using a weighted average of FTE physicians and Advanced Practice Providers (APPs). Nurse Practitioners and Physician Assistance are considered APPs. A greater count of Adjusted Visits relative to Total Visits demonstrates a failure to meet minimum productivity standards. Variance presents the count of visits between the Total and Adjusted count of visits.

Medicare. Physicians and APPs are subject to minimum visit productivity standards, or thresholds (4,200 and 2,100 visits per year, respectively) that must be met to enable the clinic to receive full cost-based reimbursement for care provided to Medicare and, in some states, Medicaid beneficiaries. Medicare calculations are performed on the most recent of the clinic's cost reports.

> **COST for Medicare Patients.**
> The actual costs incurred to provide services by the clinic.
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> **REIMBURSEMENT for Medicare Patients.**
> The dollar amount paid by CMS to the clinic.
>
> **LOSS in Medicare Reimbursements.**
> The difference between the cost and reimbursement paid by CMS to the clinic.

Provider Metrics. The Provider (Physician, NP and PA) Visits per FTE metrics illustrate the ability of the clinic to meet minimum productivity standards while the APP Leverage Coefficient (APP FTE / Physician FTE) reflects the proportion of advanced practitioners to physicians. Provider Cost per Visit metrics illustrate the variance between expenses related to visits managed by different provider types. Provider Cost per FTE metrics illustrate the variance between total annual expenses to employ different provider types.

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2018 Lilypad Cost Report Scorecard

[redacted] is a provider-based Rural Health Clinic (RHC) operated as a department of [redacted], a Critical Access Hospital with 25 licensed beds. It is not subject to a CMS per visit capped rate of $83.45 for 2018.

Clinic and Provider Metrics	CCN: [redacted] 2016	2017	2018	2018 PBC Benchmarks North Carolina	Region B	USA
Total Visits	x	2,953	7,735	365,589	3,365,084	21,832,600
Total Adjusted Visits	x	2,953	9,051	381,646	3,507,493	23,019,208
Variance	x	0	(1,316)	(16,057)	(142,409)	(1,186,608)
Cost per Visit	x	$202.01	$235.56	$233.27	$178.58	$221.37
Cost per Adjusted Visit	x	$202.01	$201.31	$223.46	$171.33	$209.96
Variance	x	0	$34.25	$9.81	$7.25	$11.41

$776,174
COST
for 2018 Medicare Patients

$658,110
REIMBURSEMENT
for 2018 Medicare Patients

$118,064
LOSS
in Medicare Reimbursements

Provider Metrics	CCN: [redacted] 2016	2017	2018	2018 PBC Benchmarks North Carolina	Region B	USA
Physician Visits per FTE Physician	x	–	2,829	3,819	4,284	3,983
NP Visits per FTE NP	x	–	–	2,522	2,914	2,852
PA Visits per FTE PA	x	2,558	2,500	3,524	3,349	3,185
APP Leverage Coefficient	x	–	1.1	0.9	1.4	1.1
Physician Cost per Physician Visit	x	$96.33	$180.95	$95.72	$78.61	$102.48
Nurse Practitioner Cost per NP Visit	x	–	–	$35.70	$41.18	$50.96
Physician Assistant Cost per PA Visit	x	$58.95	$76.13	$52.52	$42.61	$53.35
Physician Cost per FTE Physician	x	–	$511,835	$365,545	$336,729	$408,202
Nurse Practitioner Cost per FTE NP	x	–	–	$90,051	$119,971	$145,337
Physician Assistant Cost per FTE PA	x	$150,779	$190,317	$185,081	$142,692	$169,913

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