You Can and Should Use Medicare Advantage To Control Your Destiny

By Susan Saldibar

Are you considering getting approved as a Medicare Advantage plan provider?

I spoke recently with John Damgaard, President and CEO of MatrixCare (a Senior Housing Forum partner) about some interesting trends developing in senior living. And this is one of them.

It's a trend that, according to John, is blurring the line between providers and payors in long-term post-acute care (LTPAC), as providers get approved to operate as their own Medicare Advantage plans --- a move that gives them more control over their networks and greater financial rewards.

The silo walls between skilled, assisted and home care are coming down.

"Delivery networks are increasingly including their own insurance vehicles," John explains. "As a diversified operator, you can be approved as your own Medicare Advantage Plan. So, you define the populations you want to serve. Then Medicare will pay you a per-member, per-month stipend based on that population," he adds.

It's an interesting concept, in that it puts control in the hands of the operator to manage their population in a way that optimizes outcome quality and financial return. Of course, with that control comes more responsibility and risk, which John readily acknowledges. But for those who can do it, there is a huge upside. "Now, you get to manage your population across the spectrum of care," John says. "So, assuming you are set up operationally to do so, you can decide what the

best level of care is for an individual and place them there. If a resident needs memory care, you can place them in your memory care wing," he explains. "Or, if it is determined that you will get better outcomes by having the individual remain in his or her home, you can provide 'at home' services, which will actually cost you less with oftentimes similar, if not better, outcomes," he adds.

The walls are indeed coming down between the traditional skilled, senior living, and home care. But will it work?

Great opportunities to add value and revenue could be yours, if . . .

It isn't hard to see the upside here. But it's hard to imagine undertaking this without a lot of preliminary work in terms of planning, development and infrastructure. I asked John how a provider might actually put these wheels in motion. He agrees that there is work and coordination needed on the front end to make it happen. But technology may play the biggest role of all. "You can only do something like this if you have a strong digital backbone to support it," he says.

Indeed. The lack of strong infrastructure is already sidelining some providers who continue to put off implementing systems, such as EHR. For these new models to work, electronic medical records will need to follow the patient/resident and tools will be needed to coordinate and facilitate care at every point, across facilities. For many operators this remains a pipedream, but John tells me that progressive providers are already deploying the technology necessary to position themselves to take advantage of these and other opportunities as they become available.

Give us the risk of care delivery, but also the financial rewards in return.

With this new model, John tells me, providers who have historically operated at the mercy of an ever-declining reimbursement landscape can now pick their populations and use or acquire the tools to make sure they are getting the best cost, best quality, best outcomes, and ultimately, the greatest patient/resident satisfaction.

Could this become a game changer for the industry? John thinks it will. And those providers who lack the technology infrastructure and vision to be able to adapt to new care models, like this one, will miss out on some great opportunities. "This is what progressive providers have been begging for," he tells me. "They are saying, 'Hey, let us control our own destiny. We're happy to take on the risk of care delivery but we want the financial rewards in return.'"