This course is intended for Wagner students who are interested in either expanding knowledge of health care financial reimbursement issues or pursuing careers that involve financial management in the health care sector.

**Course Objectives**

Advanced Health Care Payment Systems is designed to familiarize students with the various health care payment systems that are used by health care payers. We will discuss the role of politics in health care and how the federal government plays an active role in determining health care reimbursement. The course focuses on Medicare's prospective payment systems for hospital and other provider type reimbursement. It also covers New York State Medicaid reimbursement issues along with private insurers and how they negotiate with providers. We will also discuss hospital pricing methodology and how charges impact payment. The course will also focus on the need and requirement for establishing a compliance program to identify and prevent fraud and abuse issues.

**Course Description**

Payment methods serve as a regulatory and market mechanism guiding the direction and activities of health care providers. It is essential that decision makers understand and assess the impact of reimbursement methodologies and the interaction between health care regulation, reimbursement methodologies and financial decision making. The course includes analysis of actual reimbursement techniques and will familiarize students with the source documents. The course will also teach the processes necessary for analysis of Federal and New York State regulations. Current reimbursement topics will also be discussed and references will be made to newly released information from governmental agencies. This course includes lectures and active class participation. All students should be prepared to participate in class discussions.

**Required Readings**

Reading materials include, but are not limited to, power point class presentations, sections from the Code of Federal Regulations (CFR), the Federal Register, and other industry publications. Additional handouts may be distributed during the course.

**STANDING HOMEWORK ASSIGNMENT**

Students are required to submit a weekly health care current event article with a summary of the article and its relevance to the course. Please use either major newspapers, such as The New York Times or Wall Street Journal, or trade journals for articles. Other homework will be assigned based on the lecture material. The article must be two paragraphs in length and NO MORE. The first paragraph summarizes the article, and the second discusses the relevance to the course. Please cite the source of the article and date. Such as New York Times, 01/26/12 by XXXX. Do not attach the article. Please put your NAME IN THE UPPER RIGHT HAND CORNER OF THE PAGE AND NO OTHER LOCATION. All homework must be in MS-Word.

**Grading**

20% of the grade will be based on submission of homework and class participation. 40% of the grade will be based on the mid-term exam. 40% of the grade will be based on the in-class final exam.

**Office Hours**

Students may contact me via phone or e-mail as indicated above concerning problems with course material. Students who wish to meet individually, should e-mail me for an appointment.
Class Outline and Assigned Readings

Class 1 - Thursday Jan. 31: Introductions and discussion of course requirements and objectives. This lecture will focus on the “Politics of Health Care”. Our first guest speaker: Jonathan Cooper, Vice President of Government Affairs, GNYHA, will discuss how politics drives health care in the United States. Mr. Cooper will discuss the political process that led to the passage of the American Taxpayers Relief Act of 2012 and its impact on health care reimbursement. Provisions of the Health Care Reform Act (ACA) of 2010 will be discussed throughout the course.

Class 2 – Thursday Feb 7: Hospital price/charge setting will be reviewed. Discussion on the interaction between charges, cost, ratio of costs-to-charges and third-party reimbursement will be the basis for this lecture. Accounting versus reimbursement concepts of contractual allowances, bad debt, and charity care and other write offs will be reviewed. We will examine the Medicare program from the beneficiary perspective to set the ground rules for Medicare reimbursement for hospitals and other providers.

Class 3 - Thursday Feb. 14: This lecture begins an introduction to Federal Medicare Program and the Prospective Payment Systems (PPS) payment methodologies. Hospital-based inpatient rates of payment will be the first topic. Focus will be on Inpatient PPS which includes Medicare Severity (MS) Diagnostic Related Groups (DRGs), relative weights, cost outlier payments, and case mix index. Please read the publication: “Medicare and You.” Find it on the CMS web site. www.cms.gov.

Class 4 - Thursday Feb. 21: Graduate Medical Education and other add-ons will be discussed. Guest speaker: Tim Johnson, Senior Vice President, Finance & Graduate Medical Education, Greater New York Hospital Association.

Class 5 - Thursday Feb. 28: Discussion on Medicare PPS systems will continue. Disproportionate Share Payments (DSH) will be reviewed and non MS-DRG services in acute hospitals will be reviewed: Inpatient Rehabilitation Facility (IRF) and Inpatient Psychiatric Facility (IPF) payment methodologies. The take-home midterm exam will be distributed.

Class 6 - Thursday Mar. 7: Two new efforts to encourage innovation established through the Affordable Care Act (ACA) will be discussed. The Medicare Value-Based Purchasing Program - Value-based Purchasing is an effort by CMS to link Medicare payment to performance on selected quality indicators. The intent is to transform Medicare from a passive payer of claims to an active purchaser of care which emphasizes clinical quality, patient-centeredness and efficiency. Under this program, all hospitals would receive reduced payments and would be eligible, based on their performance or improvement on specific measures, for incentive payments to offset the loss (Sections 3001 and 10335 of the ACA). The Partnership for Patients - The Partnership for Patients is public/private partnership led by the Center for Medicare and Medicaid Innovation (CMMI) to make patient care safer and to support safer transitions to non-hospital based care. The goals of the program are to reduce hospital acquired complications by 40% and preventable readmissions by 20% by the end of 2013 (Sections 3021 and 10306 of the ACA). Guest speaker: Vincent Fitts, Vice President & Managing Director of THEORI, a division of GNYHA.

Class 7 - Thursday Mar. 14: Review of the Patient Protection & Affordable Care Act (AC) and its impact on payment systems.

Class 8 - Thursday Mar. 21: SPRING BREAK NO CLASS SCHEDULED

Class 9 - Thursday Mar 28: Hand in Mid-term Exam tonight. Medicare’s Outpatient Prospective Payment System (OPPS) and other Medicare ambulatory payment methodologies will be discussed.

Class 10 - Thursday Apr. 4: New York State Payment Methodologies will be discussed. We will review New York State Department of Health’s website as a tool for locating information concerning Medicaid rules and regulations and payments systems.

Class 11 - Thursday Apr. 11: Review the Mid-term exam. One student will be selected to give an oral presentation on the solution to the exam. New York State Medicaid ambulatory services payment methodologies will be discussed.

Class 12 -Thursday Apr. 18: Introduction to the Medicare Institutional Cost Report. Its composition and use will be discussed.
Class 13 - Thursday Apr. 25: Federal and New York State Long Term Care reimbursement systems will be discussed covering Home Health, Skilled Nursing Facility and Hospice Care. In addition, we will discuss Medicare Part D – The Prescription Drug benefit program.

Class 14 - Thursday May 2: An overview of private payer and hospital rate negotiation will be discussed.

Class 15 - Thursday May 9: A discussion on compliance programs as required by Centers for Medicare and Medicaid Services (CMS) for the Medicare program, the Office of Inspector General (OIG) and New York State initiatives for the Medicaid program. A case study will be used to illustrate the importance of accurate financial reporting and the need for compliance programs. There will also be a brief review for the final.

Class 16 - Thursday May 16: IN CLASS – FINAL EXAM