



NYU

**ROBERT F. WAGNER GRADUATE
SCHOOL OF PUBLIC SERVICE**

HPAM-GP 2845.001

Advanced Health Care Payment Systems Spring 2022

Instructor Information

- Professor **Alex Malarchuk**, Senior Director and Business Partner, NYU Langone Musculoskeletal Strategic Area
- Email: alex.malarchuk@nyumc.org
- Phone: (347) 514-0977
- 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.

Course Information

- Class Meeting Times: Thursdays, 6:45-8:25pm
- Class Location: See Zoom Tab

Course Prerequisites

- HPAM-GP.4830
- HPAM-GP.4840
- PADM-GP.4130 concurrently

Course Description

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

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 hospital reimbursement through Medicare, Medicaid, and commercial/private payment systems. We will also discuss the hospital revenue cycle process which includes pricing methodology, how bills are created, coded, billed, and paid including contracting and payment verification. The course will also focus on the need and

requirement for establishing a compliance program to identify and prevent fraud and abuse issues.

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.

Course and Learning Objectives

At the end of the course students will have acquired the knowledge base and skills set to:

1. Critically evaluate clinical, financial and strategic performance in acute and chronic care delivery systems.
2. Understand how organizations assess and adapt to the ever changing world of health care.
3. Apply ethical principle to clinical and administrative decision-making in health care organizations.
4. Understanding politics in health care and how the federal government plays an active role in determining health care reimbursement.
5. Learning how a hospital revenue cycle functions from beginning to end.
6. Learn about Medicare's prospective payment systems and how hospital and other provider types are reimbursed.
7. Exploring New York State Medicaid reimbursement issues along
8. Navigate commercial/private insurers and how they negotiate with providers.
9. The course will also focus on the need and requirement for establishing a compliance program to identify and prevent fraud and abuse issues.

Key Competencies Addressed in the Course

Assignments and participation in class will be used to assess progress against the competencies listed below. The level of competency expected to be achieved is denoted in brackets according to the following key:

- [1] = Basic: Foundational understanding of knowledge/skill/competency
- [2] = Intermediate: Student demonstrates greater depth of understanding of this knowledge/skill/competency and can use this ability to analyze a problem
- [3] = Advanced: Student demonstrates expertise in this knowledge/skill/competency and can use this ability to evaluate, judge, and synthesize information

Learning Assessment Table [for HPAM Courses]

| Program Competency | Corresponding Course Learning Objective | Corresponding Assignment Title | Level of Competency Expected to Achieve via the Assignment |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------|------------------------------------------------------------|
| The ability to draw implications and conclusions to develop an evolving vision that leads to organizational viability | #1, #3, #4 | All assignments, discussions, mid-term and final | 1 |
| The ability to use information systems and evidence-based management principles for problem-solving, strategic planning and decision-making, and measuring change | #1, #2, #3 #9 | All assignments, discussions, mid-term and final | 1 |
| The ability to present convincingly to individuals and groups the evidence to support a point of view, position or recommendation | #1, #2 | All assignments, discussions, mid-term and final | 2 |
| The ability to understand and apply legal and ethical principles to managerial and leadership decisions affecting healthcare organizations | #9 | All assignments, discussions, mid-term and final | 2 |
| The ability to align human resource capacity and practices and processes with strategic organizational goals | #2, #3 | All assignments, discussions, mid-term and final | 2 |
| The ability to assess population and community health needs from a public service perspective | #2, #4, #6 | All assignments, discussions, mid-term and final | 1 |

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|------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------|---|
| The ability to communicate and interact productively in a diverse and changing industry, workforce and citizenry | #1, #2, #3, #4 | All assignments, discussions, mid-term and final | 3 |
|------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------|---|

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.

Assessment Assignments and Evaluation

Standing Homework Assignment

Each week, students are required to submit a summary of a health care current event article with 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. The summary should be two paragraphs in length, the first paragraph summarizes the article and the second discusses the relevance to the course. The summary should be on WORD, add your name in the upper right of the page, citing your source (APA 7 style) directly following your summary. Other homework maybe assigned based on the lecture material or current events.

Grading

- 35% of your grade will be based on submission of homework and class participation.
- 30% of the grade will be based on the mid-term exam (Take-Home Project).
- 35% of the grade will be based on a final 3-5 page APA 7 formatted paper on a comparative of the U.S.health system and the health system of another nation.

Class Outline and Assigned Readings

Class 1: Thursday, January 27

Introductions and discussion of course objectives and requirements. We will discuss the *healthcare payment and revenue cycles* as well as the funding sources within these cycles.

Class 2: Thursday, February 3

We will discuss the *value proposition* in today's healthcare environment. What are the essential goals and components of a national healthcare system? Who are the stakeholders tied to the U.S. healthcare system? How does the U.S. healthcare system measure up and compare to healthcare systems across the

globe? Does the U.S. healthcare system actually meet those goals? **Additional Assignment: Determine the current payor mix of the patients you serve every day.**

Class 3: Thursday, February 10

We will discuss the politics of health care in the US and NY State and the current political climate. 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 (8) basic payment methods in healthcare and the incentives/disincentives that surround them. The concept of *moral hazard* will be discussed. **Additional Assignment: Determine the specific reimbursement methodology(s) that apply to the patients you serve every day**

Class 4: Thursday, February 17

This lecture begins an introduction to Federal Medicare Program and the Prospective Payment Systems (PPS) payment methodologies. We will examine the Medicare program from the beneficiary perspective to set the ground rules for Medicare reimbursement for hospitals and other providers. 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. **Additional Assignment: Please read the publication: “Medicare and You” located on CMS web site.**

Class 5: Thursday, February 24

Discussion on Medicare PPS systems will continue. **Assignment: Compute MS-DRG Price.**

Class 6: Thursday, March 3

Non MS-DRG services in acute hospitals will be discussed: Inpatient Rehabilitation Facility (IRF) and Inpatient Psychiatric Facility (IPF) payment methodologies. **Additional Assignment: Determine which national health system you have chosen to compare to the U.S. healthcare system for your final paper. The take-home midterm exam will be distributed.**

Class 7: Thursday, March 10

Hand in Mid-term Exam tonight.

Medicare's Outpatient Prospective Payment System (OPPS) and other Medicare ambulatory payment methodologies will be discussed.

Thursday, March 17 NYU Spring Break

NO CLASS SCHEDULED

NO STANDING HOMEWORK ASSIGNMENT DUE

Class 8: Thursday, March 24

Review the results of the Mid-term exam

Class 9: Thursday, March 31

We will discuss Medicare's Bundled Payment Initiatives and its impact on the future of Medicare reimbursement.

Class 10: Thursday, April 7

New York State Payment Methodologies and the history of NYS hospital reimbursement 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. We will also discuss how New York State handles reimbursement for items known as "Public Goods."

Class 11: Thursday, April 14

We will examine an actual Inpatient and Outpatient Medicaid rates.

Class 12: Thursday, April 21

Discussion on the ACA's Health Exchanges and an overview of private payer and hospital rate negotiation will be discussed. Discussion will include cost accounting principles necessary to determine service line profitability.

Class 13: Thursday, April 28 (LAST)

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.

Class 14: Thursday, May 5

NO STANDING HOMEWORK ASSIGNMENT DUE

FINAL PAPER DUE

Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner's Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me.

Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (212-998-4980 or mosescsd@nyu.edu) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

NYU Calendar Policy on Religious Holidays

[NYU Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify me in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.