HEALTH CARE HOME AAPM WEBINAR
BUSINESS MODELS

Notes from AAPM Webinar 5 December 2016:

- The Commonwealth is clear that it is not its role to advise HCH practices as to how to manage the payments;
- Before signing up to be a HCH, practices need to ensure the funding model is viable in their practice;
- Practices should seek independent advice on how to manage payments;
- The fundamental difference between the bundled payments & FFS is that the bundled payments are paid to the practice. It is up to the practice to determine the means of managing these funds internally;
- Service delivery model should drive the approach to managing payments rather than the reverse;
- Practices need to consider whether their existing practice infrastructure is sufficient to enable HCH. Consider how HCH services will be delivered in the context of the particular way they practice;
- GPs are central in identifying teams, team roles and team members;
- HCH is a more planned system of care. Need to be proactive in scheduling of patients;
- Unknowns for practices prior to commencement of Stage 1 (addressing these questions is an integral part of Stage 1):
  How many patients will be eligible?
  How many patients will enrol?
  Which patients will be eligible for the respective Tiers?
- HCH opens up new delivery channels, models and players:
  Phone, email, virtual monitoring/portals
  EN or Medical Assistants employed to support Tier 3 patients; Nurse led clinics targeting disease groups
  Doctors roster of 3x30min appointments + 30 mins of phone + 1hour 10 minute appointments
  Non-dispersing pharmacists, mental health nurses, allied health; Links workers, social workers, case managers; Nurses of all types from AN to Nurse Practitioners
- Allows for Nurse led care – allowing for Nurses to specialise;
- The whole process of how GPs work can change under this model. Top of scope; creation of a medical neighbourhood. Not all about billing;
- Bundled payments are a huge change to practices. Have capital and work flow implications. Planning the cycle of monthly payments and incorporating the changes into practice budget;
- Expected that many practices will use some of the $10K grant for accounting advice specific to the new model;
- Practices need to undertake a break even analysis. Webinar provided an example of a payment analysis & Case Studies for practices (I took photos of these slides for reference);
- The financial modelling will depend on the size and model of the practice. Local area demographics will influence;
- Costs can be driven down by determining & planning who sees the patient, and for what;

- New internal systems required – practices need to have systems to account for the specific items for HCH patients;
- Funding models for practices to consider. The allocation of HCH income depends on choice of model:
  Distributed
  Pooled
  Salaried
- All above models can be adapted to include a patient contribution. Determination & management of patient contributions will be up to the HCH and must be agreed with patient at time of enrolment;
- Payment approaches need to be congruent with current contractual arrangements. If not, contractual arrangements will need to be revised;
- Patient contribution is collected at the time of the service and should be aligned with payment model used for bundled payments. An alternative is for the practice to collect the patient contribution & retain this revenue, but this approach may change the dynamics of the existing contractual arrangements;
- Patient contribution won't be associated with any Medicare rebate;
- Payroll tax implications – beware of tipping over the threshold. Caution to practices – if they do utilise more employees as the delivery players, they need to monitor salary costs including potential payroll tax costs;
- Internal systems in the practice needed to allocate, monitor, report & reconcile payments to practitioners and nurses. This is key to successfully managing HCH payments;
- Practice Nurse salaries for HCH activities need to be funded through the HCH revenue;
- Accounting & tax implications will depend on the structure of the practice. Need a separate chart of accounts / P&L. Allocate extra costs for HCH accordingly;
- Up to individual practices to design their service delivery models;
- Appears to be OK in allowing for patient contributions under bulk billing;
- Recommended that practices Google the HARP tool to see what it would cover for the HCH patients;
- DoH advice being sought on any issues if HCH patient refuses MyHR;
- AAPM may advocate for Payroll Tax exemption for HCH activities

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