

CPC+ Financial Reconciliation and Forecast

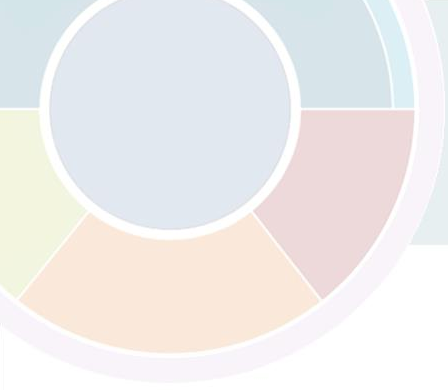
December 21, 2017

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Objectives

- ☑ **Overview and Tools**
- ☑ **Financial Reporting**
- ☑ **Deadlines and Due Dates**



Section 1

Overview and Tools



Why am I doing this?



Cost/Benefit

What portion of your overall budget goes towards CPC+ work.

Does the cost outweigh the benefit?



Resource Needs

What resources do I need to support my practice transformation through CPC+?

How much will that cost and can I afford that?



Measure Additional Revenue

How does my revenue compare to last year (pre-CPC+)?

Is my revenue increasing over time?

What are the increases/decreases from?




Strategic Operations

What areas of CPC+ work require the most support?

How am I using my CPC+ incentive payments?

CPC+ Resources (1/2)



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2017 CPC+ FINANCIAL REPORTING GUIDE

December 2017



CPC+ Resources (2/2)

Additional Resources

In addition to this fact sheet, the following resources to assist you with your CPC+ financial reporting are either available now or coming soon.

- **CPC+ Financial Reporting Guide** – This comprehensive guide provides an overview of financial reporting for CPC+ and includes mock-ups of what you will see and report on in the CPC+ Practice Portal (available for download from [CPC+ Connect](#) or from the July 25 On the Plus Side newsletter).
- **CPC+ Expenditures Worksheet** – You can use this optional worksheet as a template to help separate your CPC+ expenses from overall expenses (available for download from [CPC+ Connect](#) or from the July 25 On the Plus Side newsletter). Instructions on how to use this worksheet are within the file itself as well as in the CPC+ Financial Reporting Guide.
- **Financial Reporting on-demand webinar** – This recording will provide instructions on how you will submit your forecast and actuals within the CPC+ Practice Portal (early November 2017).
- **CPC+ Office Hour** – The CPC+ team will host a national event to address your questions related to financial reporting and submissions within the Practice Portal (early December 2017).
- **CPC+ Frequently Asked Questions (FAQ)** – An FAQ specific to financial reporting will be accessible from either CPC+ Connect or from the On the Plus Side newsletter (December 2017).



Financial Reporting Components

Recon

2017

- Attributed lives (Medicare and HMSA)
- CPC+ Revenue (Medicare and HMSA)/Total Practice Revenue
- CPC+ Expenditures/Total Practice Expenditures.

Forecast

2018

- Attributed lives (Medicare and HMSA)
- CPC+ Revenue (Medicare and HMSA)/Total Practice Revenue
- CPC+ Expenditures/Total Practice Expenditures



Attesting for the Reconciliation

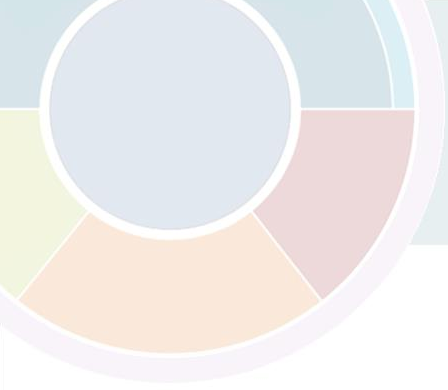
Attestation on Use of Funds

Note: You will submit this attestation in the CPC+ Practice Portal when you report your actual revenue and expenses at the end of each program year. We have provided this language here for your reference only, and you do not need to submit this sheet. For more information, please refer to the [Payment FAQ section on Use of CPC+ Payments](#).

I attest that for PY 2017, our practice has complied with all rules regarding use of CPC+ funds paid by CMS. In accordance with section IV.F of the CPC+ Participation Agreement, this practice is not using the CMS care management fees for prohibited expenses, which include, but are not limited to:

- Health IT, including upgrades, and hardware purchased solely for the purpose of accessing health IT;
- Income tax payments;
- Imaging equipment or other durable medical equipment;
- Medications;
- Continuing Medical Education (CME) (if not directly related to CPC+);
- Costs (personnel or other costs) related to any practice billing or coding not related to CPC+;
- Office space, supplies, or decorations;
- Payments to Participating CPC+ Practitioners for purposes other than supporting work related to CPC+; and
- Payments to a Care Management Company.

Further, as a Track 2 CPC+ practice, I attest we use the CPCP exclusively to fund the provision of medical care by participating CPC+ practitioners to Medicare beneficiaries, including but not limited to services with asynchronous communication and services performed outside the CPC+ practice site's physical location.



Section 2

Financial Reporting

What documents do I need?



CPC+ Incentive Payments

- Attribution Report (HMSA and CMS)
 - Attributed lives
 - CPC+ Incentive Payments
- EHR report – total active lives



Labor Costs:

- Payroll Register
- FTE Allocation
- Job Descriptions



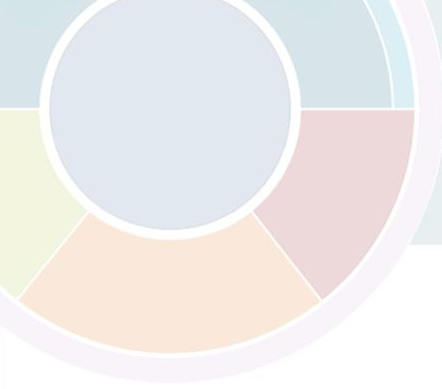
Profit & Loss Statement

- Total revenue (net of contractual adjustments)
- Total expenditures (include taxes and amortization)
- Non-labor expenditures



CPC+ Expenditures

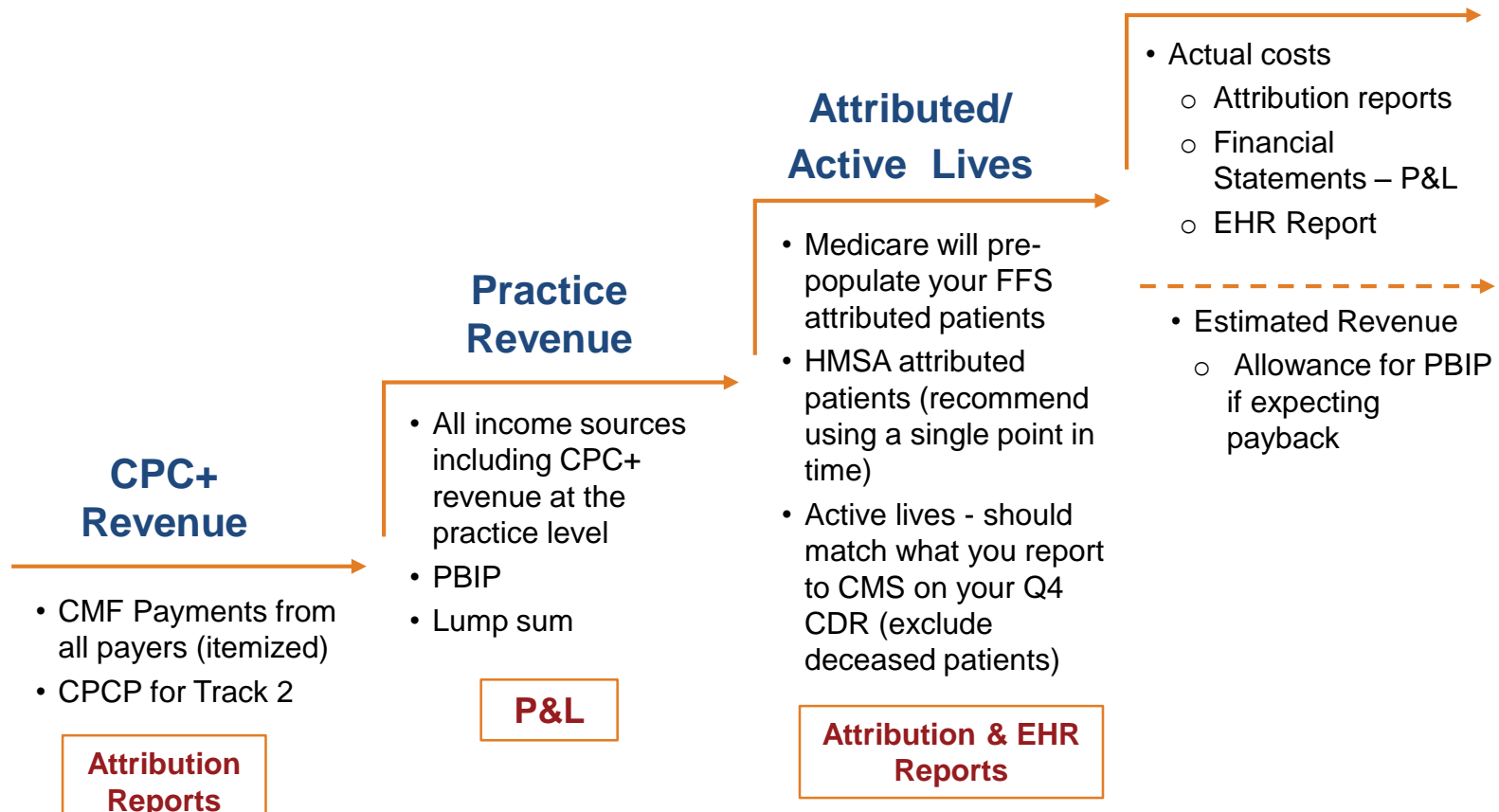
- General Ledger
- Trial balance
- Invoices



Budgeting 101 – Revenue and Attributed Lives

Revenue Breakdown

Recording and Tracking





Example Revenues

Line	Payer	Payer Name	Account	Amount
i	Payer #1	Medicare FFS	Attributed Patients	\$ 600
ii	Payer #1	Medicare FFS	Care Management Fees	\$ 201,600
iii	Payer #1	Medicare FFS	FFS Alternative Payments	\$ 10,300
iv	Payer #2	BlueCross BlueShield	Attributed Patients	
v	Payer #2	BlueCross BlueShield	Care Management Fees	\$
vi	Payer #2	BlueCross BlueShield	FFS Alternative Payments	\$
vii	Payer #3	UnitedHealthcare	Attributed Patients	
viii	Payer #3	UnitedHealthcare	Care Management Fees	\$
ix	Payer #3	UnitedHealthcare	FFS Alternative Payments	\$
x	Payer #4	Medicaid	Attributed Patients	
xi	Payer #4	Medicaid	Care Management Fees	\$
xii	Payer #4	Medicaid	FFS Alternative Payments	\$
1	Total Practice Revenue			\$
2	Total Active Lives			\$
3	Total CPC+ Attributed Patients			
4	Total CPC+ Revenue			\$
5	% of Revenue from CPC+			%
6	% of Patients Attributed to a CPC+ Payer			%

Source: CPC+ Expenditures Worksheet



Budgeting 101 - Expenditures

Expenditures

% allocation
allowed

CPC+ Expenditures

- Clinical Labor
- Non-clinical labor
- Non labor expenses

Practice Expenditures

- All Expenditures
- CPC+ Expenditures
- Lump sum
- Practice Level
- Include EBITA

Recording and Tracking

- Actual costs
 - Invoices
 - Timesheets

- Estimated Costs
 - FTE allocation
 - Average Hours
 - Expenditure allocation



Expenditure Breakdown

Clinical Labor



Traditional Visits

- FFS
- Office visit
- In-person



Alternative Visits

- Outside traditional office visit
- e-visits
- Phone visit
- Group visit
- Home visit
- Alternative location visit (i.e. assisted living center)



Care Management

- Traditionally non-billable wrap around service
- Patient-facing
- Chronic care management
- Transitional care management
- Closing the referral loop



Expenditure Breakdown

Administrative Expenditures



Team Activities and Meetings

- Huddles
- PFAC
- Warm Handoffs
- Meetings to address gaps in planned care, population health
- Conducting quality improvement work



Care Coordination

- Non-patient facing activities
- Meeting with specialist to negotiate CCA
- Work with community resource to create/maintain medical neighborhood
- Working with hospital on transitional care



Quality Improvement & Data Analysis

- Data analytics
- Reviewing eCQM data
- Review payer feedback reports



Other CPC+ Activities

- Participate in pilot project
- Panelist at learning session



Expenditure Breakdown

Non-CPC+ Labor Activities



Non-CPC+ Payer Quality measures

- MDX
- Any other payer requirements for reporting quality measures



Office Parties

- Holiday parties
- Decorations
- Staff gifts



Taxes & Banking

- Meeting with your bank to secure a loan to purchase equipment not related to CPC+
- Preparing documents to file your tax return

Example Labor Expenditures

Labor Expenditures

Labor Expenditures		Clinical Labor							Non- Clinical Labor			
Line	Total	MD/ DO	NP/ CNS	PA	RN	MA	LPN	Other Clinical	Admin	IT/ Analytic	Account- ing	Other Non- Clinical
Clinical Care												
16	Traditional Visits	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
17	Alternative Visits	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
18	Care Management	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administrative												
19	Team Activities & Meetings	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
20	Care Coordination	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
21	Quality Improvement & Data Analysis	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
22	Other CPC+ Activities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other												
23	Non-CPC+ Activities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
24	Total Labor Expenditures	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Source: CPC+ Expenditures Worksheet



Sample of FTE Allocation

Labor Breakdown	Emp #1	Emp #2	Emp #3	Emp #4	Emp #5
Clinical Care					
Traditional Visits	15.00%	100.00%	15.00%		25.00%
Alternative Visits	7.00%			20.00%	
Care Management	8.00%		75.00%		
Administrative					
Team Activities & Meetings	7.00%		10.00%	5.00%	5.00%
Care Coordination	2.00%			50.00%	
QI & Data Analysis	30.00%			10.00%	60.00%
Other					
Non CPC+ Activities	31.00%			15.00%	10.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
Check Figure (should be zero)	0.00%	0.00%	0.00%	0.00%	0.00%



Sample Payroll Allocation

Pay Type	Emp #1	Emp #2	Emp #3	Emp #4	Emp #5
Total Salary & Wages plus Fringe	63,559.22	109,635.01	46,326.98	55,479.65	49,683.82
Clinical Care					
Traditional Visits	9,533.88	109,635.01	6,949.05	-	12,420.96
Alternative Visits	4,449.15	-	-	11,095.93	-
Care Management	5,084.74	-	34,745.24	-	-
Administrative					
Team Activities & Meetings	4,449.15	-	4,632.70	2,773.98	2,484.19
Care Coordination	1,271.18	-	-	27,739.83	-
QI & Data Analysis	19,067.77	-	-	5,547.97	29,810.29
Other					
Non CPC+ Activities	19,703.36	-	-	8,321.95	4,968.38
NON-PROD	-	-	-	-	-
Total Non CPC+ Activities	19,703.36	-	-	8,321.95	4,968.38
Productive Check Figure	43,855.86	109,635.01	46,326.98	47,157.70	44,715.44
Total Wages Check Figure	-	-	-	-	-



Example Non-labor Expenses

Line	Non-Labor Expenses	Total Amount	CPC+ Portion
7	Facilities	\$	\$
8	Supplies	\$	\$
9	Training, Travel, and Conferences	\$	\$
10	Consultant Fees	\$	\$
11	Health IT Equipment and Maintenance	\$	\$
12	Non-Health IT Technology	\$	\$
13	Depreciation Expenses	\$	\$
14	Other	\$	\$
15	Total Non-Labor Expenditures	\$	\$

Source: CPC+ Expenditures Worksheet



Sample Non-Labor Expense Allocation

Expense Allocation for CPC+ Portion		
CMS Attributed Lives	[1]	250
HMSA Attributed Lives	[2]	2,500
Total CPC+ Participating Payer Lives	[3] = [1] + [2]	2,750
Total Active Lives	[4]	4,000
% of CPC+ Lives	[5] = [3]/[4]	68.8%

Be sure to keep a copy of your methodology and calculation if you plan to use the expense allocation method.



Sample Non-Labor Expenses

Your methodology should be consistent and documented.

#	Expenditure Category	Example	Total Amount	CPC+ Portion
7	Facilities	Rent, Utilities	19,000.00	13,062.50
8	Supplies	Office supplies	2,500.00	1,718.75
9	Training, Travel, Conferences	Airfare to attend CPC+ Conference	1,100.00	756.25
10	Consulting Fees	Professional fees for legal, accounting, billing, etc.	16,000.00	11,000.00
11	Health IT Equipment and Maintenance	EHR vendor	24,000.00	16,500.00
12	Non- Health IT Technology	Computers, i-pad,	5,000.00	3,437.50
13	Depreciation Expense		-	-
14	Other	anything that doesn't fit into one of the categories above (i.e. PFAC)	45,000.00	30,937.50
	Total Non-Labor Expenditures		112,600.00	77,412.50



CMS Clarification on Financial Reporting



Acceptable



Annualized expenses



Percentage Allocation for non-labor expense

Details

- No future correction to report actual data required
- Document methodology and calculation
- Document methodology and calculation
- Consistently apply ratio



Actuals vs. Forecast

Line	Item	Actuals	Forecast	Variance
25	Total CPC+ Revenue	\$	\$	\$
26	Total CPC+ Expenditures	\$	\$	\$

- Forecast was not required for 2017.
- Variance field will be populated after forecast for 2018 and actual revenues and expenditures are reported for 2017.



Forecasting Triggers



**Additional
Revenue Streams**



PFAC



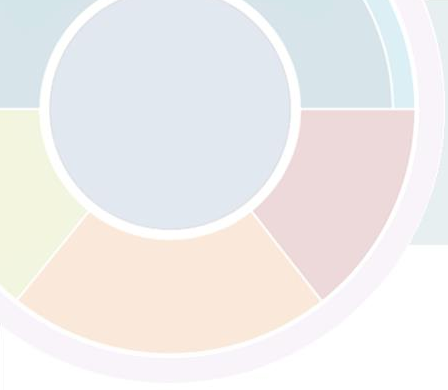
**Training and
Certifications**



Technology Upgrade



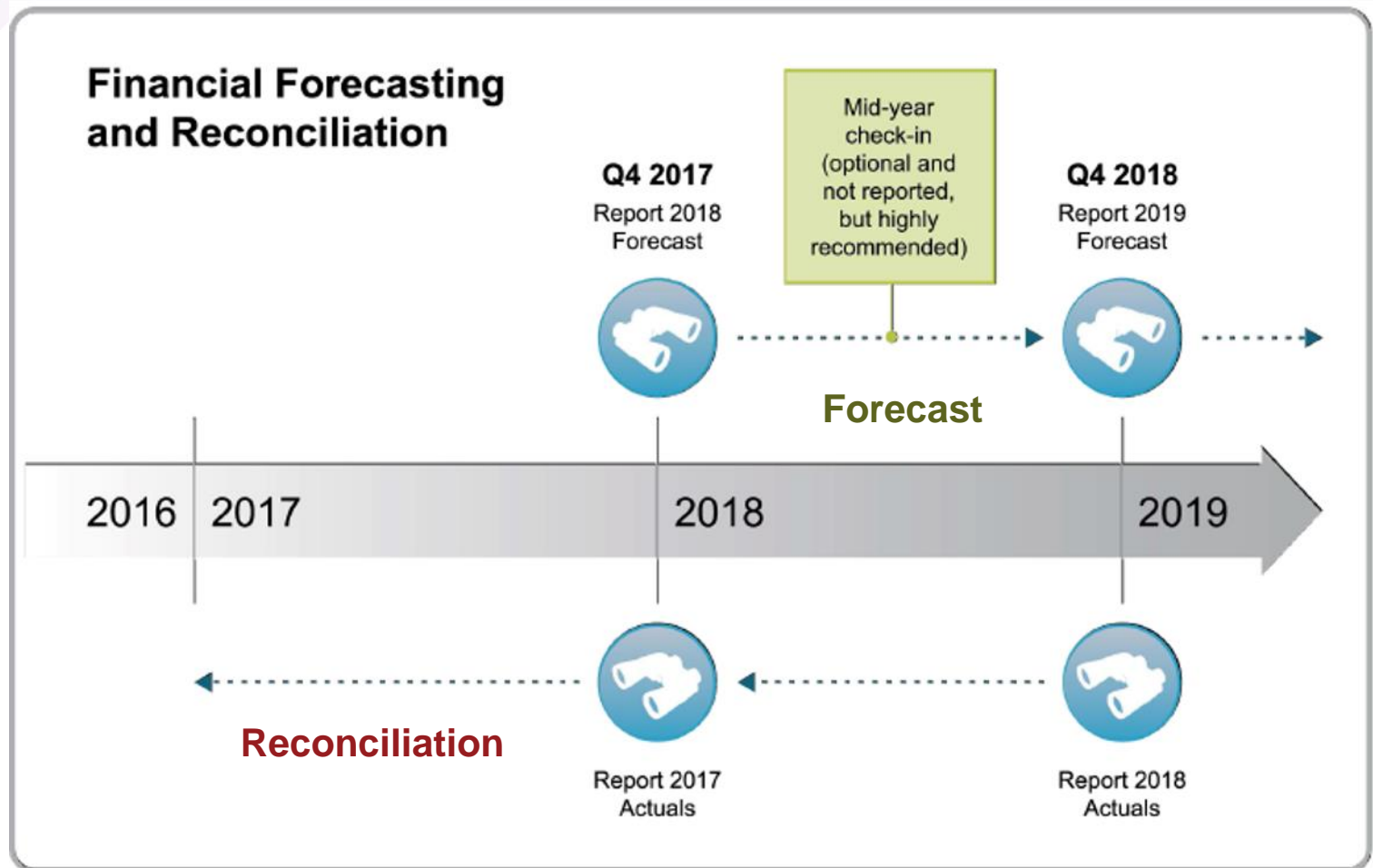
Hiring New Staff



Section 3

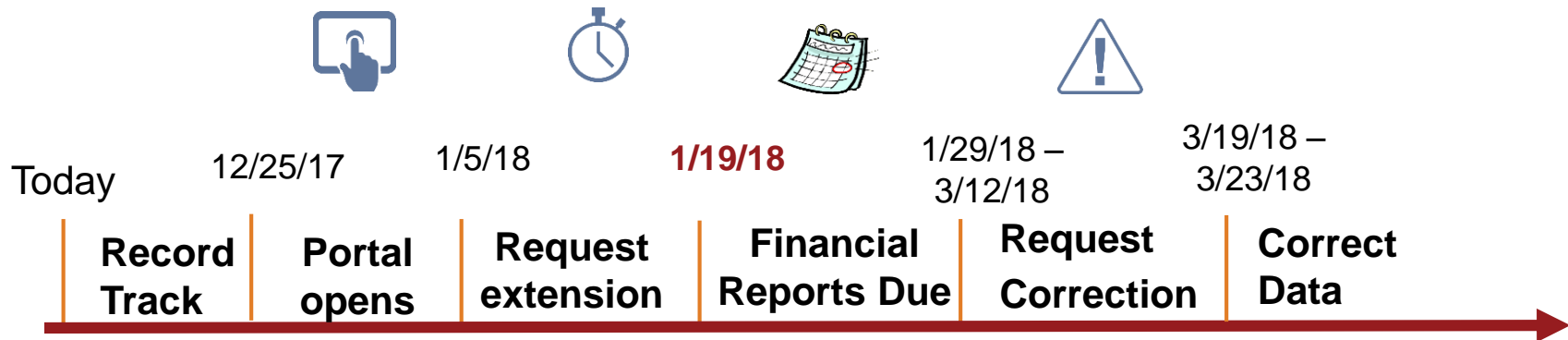
Deadlines

Financial Reporting Timeline



Source: CPC+ Financial Reporting Guide

Financial Reporting Deadlines



Financial reporting includes forecast for 2018 and reconciliation of revenue and expenditures for 2017.

Deadline aligns with CDR

Forecast not
subject to audit

Recon is
subject to audit



Questions?

