



Birth Centers: Better Outcomes and Lower Costs

ADVIS Futurecast

Projected CMS Rules Likely to
Change the Future of Healthcare:
Read what Advis Experts Think

**LOWER COSTS WHILE
BOOSTING COMPLIANCE
WITH DATA SCIENCE AND
ANALYTICS**

**MEET THE NEW ADVIS
TEAM MEMBERS**

**SPOTLIGHT ON ADVIS VICE
PRESIDENT, RYAN BAILEY**

A NOTE FROM LYNDEAN

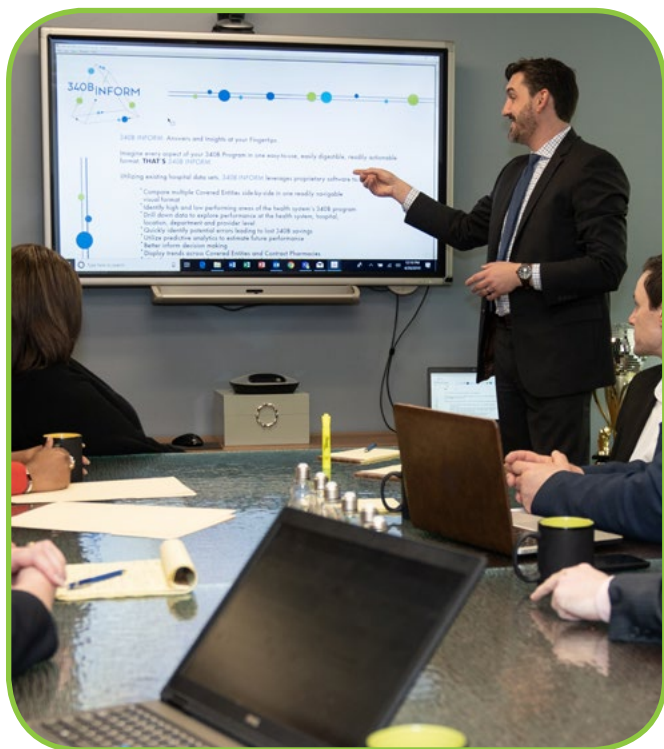
As we move into the fourth quarter, I would like to express to the team here at Advis, who take such pride in their work, just how grateful I am for your excellence. You exemplify our firm's values each and every day. We couldn't succeed without you. Thank you so much!

In this issue, readers will see that Advis is continuing to succeed and grow as we showcase four new creative young executives joining the Advis team. Additionally, there are articles on current topics including birthing centers, data analytics, and our leadership teams' predictions on how the recent CMS proposed rules to OPPI and PFS will affect the future of healthcare delivery.

In other news, our value-based approach to providing practical, high quality health care solutions that give our clients a competitive edge continues to expand. We're able to create strong connections with our clients because of our outside-the-box thought leadership and specialized healthcare expertise. Continually, Advis offers new and increasingly more valuable, highly tailored solutions built to answer our clients' most pressing business and regulatory needs.

Finally, Advis will continue to strive to transform hospitals and health care providers alike. Our experts continue to develop and implement innovative best-practices, embracing new efficiencies and creating new revenue opportunities for our clients.

Lyndean



SPOTLIGHT ON RYAN BAILEY

Ryan is a Vice President at Advis. He joined the team in 2014, and has since developed expertise in healthcare strategic planning and regulatory compliance. In addition to designing solutions for his clients nationwide, Ryan has also presented to hospital and compliance associations on topics such as Medicare “provider-based” status, reimbursement optimization, and the 340B Drug Pricing Program. Ryan is also part of the Advis data science team, and is helping to design mechanisms to incorporate live data analyses into healthcare planning, operations, and compliance processes.

Ryan specializes in regulatory compliance for healthcare providers, including physician groups, acute care and specialty hospitals, multi-hospital complex healthcare systems, and academic medical centers. This work includes ensuring optimum compliance with a wide range of federal and state regulations, as well as third-party payor guidance. Ryan also analyzes and achieves provider goals through organizational restructuring. This work includes preparing in-depth feasibility and strategy recommendations, via review and application of both federal regulations as well as state facility licensure and certificate of need laws.

Ryan is married and has 3 children – ages 5, 2.5, and 1. Ryan and his family live in Lisle, Illinois, and they enjoy spending time outdoors at the community parks riding bikes, sledding in winter, and learning to play sports. When not outside, Ryan can spend hours reading a good novel, playing guitar, or watching the latest Marvel movie. He also still manages to survive a few hours of pick up basketball each week on Sunday mornings.

TRANSFORMING LABOR & DELIVERY:

Birthing Centers Becoming A Viable Model for Both Providers and Patients

As reimbursement continues to shift from volume-to-value-based models, the demand for transformative health care that produces better outcomes continues to rise and evolve. Simultaneously, younger patients continue to seek alternative forms of care that are more individualized and patient-centered. Maternity care, in particular, is increasingly in the spotlight.

Notably, the Centers for Medicare and Medicaid Services (“CMS”) began an initiative in 2012, “Strong Start for Mothers and Newborns”, which sought to improve outcomes for pregnant women and newborns. Since that time, the dialogue on improving maternity care has continued to expand. One alternative form of maternal care that has rapidly picked up steam is the concept of a birthing center.

Typically, birthing centers are targeted toward women with low-risk pregnancies who are seeking a more comfortable environment for their pregnancy and birthing experience. Birthing centers take a more holistic approach to a woman’s pregnancy, focusing on the woman’s particular desires and needs throughout her pregnancy, complete with a midwife to help the mother-to-be through each stage along the way. Although birthing centers have been around for some time, it has long been seen as a more cost-prohibitive method for most. Despite the fact that birthing centers lead to better outcomes and lower costs for patients, historically few insurers covered services performed in a birthing center, causing many patients to pay for these expenses out-of-pocket. However, this may soon be changing.

In as early as 2014, payers began to experiment with a new type of bundled payment model for maternity care, with certain Medicaid programs leading the way. Soon, data began to show how this bundled payment model led to improved outcomes, greater patient satisfaction, and lower costs. Since then, various commercial payers have slowly begun to implement their own versions of a maternity care bundled payment model, with UnitedHealthcare being the most recent insurer to jump on board. As the number of Medicaid Managed Care Organizations continues to surge, MCOs are continually seeking ways to maintain a competitive edge, with maternity bundled payments and alternative birthing concepts being a feasible offering for payers and an attractive benefit for beneficiaries.

At the same time, demand for the type of environment a

birthing center offers, paired with the undeniable statistics supporting their effectiveness on patient outcomes, has caught the attention of hospital executives. While birthing centers have tended to be understood as freestanding and unaffiliated with a hospital, more and more hospitals have begun opening their own birthing centers, particularly in light of pressure from both state and federal levels for transformative demonstration projects from health care providers. Although birthing centers typically were not highly profitable due to inequitable payment models, the new bundled payment model for maternity care has paved the way for hospitals to improve maternal care, meet patient needs, all while maintaining the bottom line.

As the health care industry continues to demand transformative care and better patient outcomes, it is critical



that providers and payers alike continue to seek out and implement new and creative methods of care in order to remain viable in the market. Specifically, as a provider, establishing a birthing center as a hospital-based facility may be a unique way to remain competitive and retain patients who may otherwise seek out a freestanding birthing center to meet an increasing desire for alternative birthing methods. By establishing a birthing center as a hospital department, providers can shift its low-risk pregnancy patients to the birthing center, taking advantage of the emerging maternity bundled payment model, while freeing up traditional labor and delivery departments for more complicated pregnancies. At the same time, having a birthing center near an already existing hospital allows birthing center patients a quick method of transfer in instances where a low-risk pregnancy turns complicated during labor, a fear that many expectant mothers consider when choosing a birthing center. This arrangement promotes a smoother continuum of care, maintains a competitive edge in the market, improves patient outcomes, and satisfies patient desires – all qualities that providers must continually strive for in the evolving healthcare landscape.

Being innovators in the healthcare space and experts in healthcare regulation, Advis has unique experience in not only establishing birthing centers for providers, but in pioneering other novel concepts to transform the provision of healthcare while improving the bottom line. If you are interested in establishing a birthing center or discussing other creative avenues to enhance your organization, contact us through our website or by calling us at 708-478-7030.

ADVIS Futurecast | American Healthcare Beyond 2020

The Centers for Medicare and Medicaid Services (CMS) recently released proposed updates to payment rates and regulations applicable to the Hospital Outpatient Prospective Payment System (OPPS) and updated payment policies, payment rates, and quality provisions for services furnished under the Medicare Physician Fee Schedule (PFS). Most of CMS's proposals would take effect January 1, 2020.

Advis CEO, Lyndean Brick, and members of the Advis leadership team, provide insightful forecasts on how they see the new rules affecting the future of healthcare.

Growth in ASC Medicare Market. The proposed new rules will allow some total knee replacements, hip replacements and a number of coronary intervention procedures to be reimbursed in ambulatory surgical centers (ASCs). CMS's proposal is largely based on clinical data that supports the provision of these services in ASC settings and is following the lead of Medicare Advantage payers that have stretched the bounds of the CMS inpatient-only list.



Lyndean Brick, J.D.
President and CEO

As a result, physician-owned ASCs will be stronger hospital competitors for the senior market. Watch for Medicare Advantage plans to continue to direct patients to ASCs for an even more expansive list of surgical procedures. Hospital systems will need a strong Medicare strategy to preserve present market share.



Monica Hon, J.D.
Vice President &
Director of Client
Solutions

Apps will emerge as price transparency takes effect. The CMS is proposing that hospitals make public their standard charges (both gross charges and payer-specific negotiated charges) for all items and services online in a machine-readable format. Once this information is available for all American Medicare-certified hospitals, the data world will develop apps to provide comparisons and assist the consumer to find the best value for their healthcare needs. The availability of this

information will open up to other service providers as well as to drug pricing. The consumer will demand, innovation will design and the best value will be found, at your fingertips.

CMS rules remain unclear in its terms and definitions. CMS seeks to implement a sweeping price transparency regulation that will require hospitals to post online "standard charges" reflected within their chargemasters, charges or rates negotiated with every third-party payer, specific charges for 300 common "shoppable" services, and charges for loosely defined "service packages". CMS acknowledges the extensive amount of data hospitals will need to publicly divulge, yet remains increasingly ambiguous in defining terms and requirements - what



Ryan Bailey, J.D., C.H.C
Vice President

is a "payer-specific negotiated charge" or a "consumer-friendly format" anyway? This opens the door for continued gamesmanship in compliance. Last year, many providers did the bare minimum with respect to publishing charge information and also pushed the boundaries of "machine readable format". Absent clarifications from CMS in the final rule, perhaps even step-by-step directions, Advis anticipates more of the same in CY 2020.



Michael French, J.D.
Senior Consultant

Reimbursement reduction for 340B drugs. The new OPPS proposed rule continues CMS' efforts to significantly reduce reimbursement for separately payable 340B drugs. The proposed rule also clearly states HHS' plan to appeal the previous court decision relating to the reductions included in the CY2018 and CY2019 rules. With the upcoming appeal unlikely to be decided and resolved in the near future, affected 340B hospitals should continue to factor in 340B reimbursement reductions into their budgets and strategic initiatives.

Interestingly, CMS is also seeking feedback on the most appropriate remedy for repayment to affected hospitals if its appeal is denied. Hospitals should meet internally with its finance, billing, and advocacy teams to determine the preferred structure of this repayment and provide comments to CMS accordingly. Advis can assist in ensuring these comments are written to have the maximum possible impact on CMS decision-making.

A New Part B Benefit for Opioid Treatment. CMS has proposed regulations to establish a new Medicare Part B benefit for medication-assisted treatment of opioid use disorder. Legislation requires this program to be in place by January 1, 2020.



Robert L. Monroe, J.D., LL.M.
Vice President

Preliminary CDC data suggests that the number of US overdose deaths in 2018 decreased for the first time since 1990. CMS's Part B benefit for medication-assisted treatment for opioid disorder will seek to continue the trend seen in the preliminary data. Provider treatment for opioids and prescription practices must continue to change in light of the forgoing and opioid dependence will again be a campaign issue. Providers must prepare for the Medicare rules as well as the mirroring policies from non-Medicare payers.



Jake W. Beechy, J.D.
Senior Consultant

Price Transparency and Diagnostic Imaging. No longer will hospitals be able to provide patients with the bare minimum information regarding their expected costs. The proposed rule will most impact those “shoppable” services, such as imaging, that patients can plan in advance. The proposed rule will require hospitals to provide a list of specific costs for 300 shoppable services, 70 of which will be picked by CMS. Coupled

with commercial payer trends that refuse to pay for hospital-based imaging and Medicare site neutral payments; the potential for hospital-based diagnostic imaging is beginning its descent, and IDTFs may become the viable alternative.

Enrollment Requirements for Opioid Treatment Programs.

CMS’s proposed Medicare Physician Fee Schedule and Part B rules allow for the Medicare enrollment of opioid treatment programs (OPTs). While OPTs will follow a number of conventional enrollment rules and requirements now in existence, there will be OTP-specific enrollment variables that providers entering this sphere will have to anticipate. For instance, certification of programs by Substance Abuse and Mental Health Services Administration (SAMHSA) will be a prerequisite for OTP enrollment and maintaining Medicare certification for providers.



Valerie Ford
Vice President,
Enrollment

New enrollment processes that are specific to a single provider/supplier type often present challenges for new and existing service providers. However, the importance of accurate enrollment from compliance, certification and reimbursement standpoints cannot be overstated.



Preston Sisler, J.D.
Senior Consultant
Solutions

Minimal Provider-Based Implications. From a provider-based perspective, CMS is completing its two-year phase-in to reduce payment for clinic visits performed in grandfathered hospital outpatient departments to 40% of the OPPS. This reduction was part of prior CMS rulemaking so it is not a huge surprise to hospitals. However, it is noteworthy that CMS is proposing no further reductions in reimbursement for non-excepted hospital outpatient

departments, which will remain at 40% of the OPPS. CMS also did not propose to limit the expansion of services in grandfathered hospital outpatient departments, which had previously been considered on a number of occasions. As such, several different provider-based strategies remain viable.



Dan Avants, J.D.
Vice President

services to reduce the overall cost of care and improve patient satisfaction.

Increased patient confusion.

CMS is proposing that all hospitals be required to make public a yearly list of the hospital’s standard charges for items and services provided by the hospital. Charges are to be identified in conjunction with a common billing code. I predict that the price transparency of hospital charges will result in need for increased hospital resources allocated to patient/customer services. Meaningful use of increased information largely depends on the level of patient sophistication of those who assess the data. I foresee price transparency causing increased patient confusion and hospital’s being inundated with calls from patients. As such, I predict many hospitals will commence outsourcing some of its patients’ services to specialized firms to address such matters.



Ryan Yokley, J.D., MHA
Vice President



Amanda Bogle, J.D.
Senior Consultant

Price Transparency Risks Higher Costs in Exchange for Patient Control. With the goal of greater transparency in health care, HHS has proposed that hospitals should be required to publicize all standard charges for common “shoppable” services. While transparency and patient-centric care is always a welcome change, price transparency may come at an unexpected cost. In the current market, hospitals

are able to negotiate with payers to obtain favorable rates for their patients -- rates which are kept close to the vest. It is this confidentiality that oftentimes keeps market rates low, although admittedly impeding a patient’s ability to make informed decisions while shopping for health care. However, once these rates are made public, hospitals that may have negotiated favorable rates lose their bargaining power and, as a consequence, may even cause rates to skyrocket across the board -- a repercussion that goes against the very purpose behind the push for transparency.

INSIDE ADVIS

Notes About Advis Staff and Activities

ADVIS ADDS FOUR NEW TEAM MEMBERS



Corinne Brandt

Corinne is a recent graduate of Valparaiso University School of Law, and is one of Advis' newest consultants. Corinne has worked periodically at Advis since she was fifteen years old, beginning by filing and scanning. As she obtained experience and education, she began assisting consultants in client-related work and engraining herself into the Advis team. In addition to her work at Advis, Corinne participated in internships at Community Hospital in the Quality and Risk Management Department after working for HealthLinc as their Medical-Legal Partnership Intern.

Prior to obtaining her J.D., Corinne graduated with highest distinction from Valparaiso University College of Nursing and Health Professions with a Masters in Health Administration. As recognition for her work in the Master's program, Valparaiso University Graduate School accepted Corinne as an Athenaeum Honor Society Member. Corinne also obtained her Bachelor of Science in Health Care Leadership from Valparaiso University.



Chris Cardullo

Chris joins Advis as our newest Data Scientist. Chris will utilize techniques from data mining and statistics to gain actionable insights from healthcare data. He is skilled in many analytics languages such as python, R, SAS, and SQL to build statistical models, automation tools, and data processing tools. He uses these skills to assist the team at Advis with understanding the details surrounding a problem, and discover innovative solutions that help the client make the best decisions.

Prior to joining Advis, Chris received his MS in Analytics from North Carolina State University Institute for Advanced Analytics. While there, he worked with the North Carolina State Treasurer's Department on the State Healthcare Plan. His group built a calculator for use by new and returning state employees to understand their potential healthcare costs on the plans available to them. Prior to getting his Master's, Chris received his B.S. from North Carolina State University in Mathematics.



Mary Hannosh

Advis welcomes Mary as one of our newest consultants. Mary clerked at Advis for two years while attending law school. At Advis, Mary assists healthcare systems with regulatory compliance, focusing in areas of provider-based status and ambulatory care, CLIA, billing and coding, DEA, the 340B Drug Pricing Program, and federal certification and state licensure requirements. She also supports clients with overall strategic planning, including venue selection and reimbursement optimization. Additionally, Mary has successfully helped healthcare systems receive federal certification from CMS and enroll them in state and federal healthcare programs.

Mary recently received her Juris Doctor degree from Loyola University Chicago School of Law, where she graduated with two certificates in Health Law and Compliance Studies. While at Loyola, Mary was a Beazley Health Law Fellow and served as the Editor-in-Chief of the Annals of Health Law and Life Sciences Journal.



Chris Monaco

Chris Monaco, J.D., is a consultant with Advis. Chris graduated from Lewis University with a Bachelor of Science in Chemistry. Chris then attended The University of Illinois College of Law, where he graduated magna cum laude. Chris is admitted to the Illinois Bar and the General Bar of the U.S. District Court for the Northern District of Illinois, and is registered to practice before the U.S. Patent and Trademark Office.

Prior to joining Advis, Chris was an Associate Attorney at Saper Law Firm in Chicago, where he specialized in business entity organization, licensing agreements, and intellectual property litigation. While practicing at Saper Law Firm, Chris worked with clients ranging from sole proprietors to Fortune 500 organizations and had the opportunity to argue cases on behalf of these clients in both state and federal court.



Myron and Lyndean Brick celebrate with the newest member of the PGA Tour.

ADVIS & ROBBY SHELTON – A HOLE IN ONE

Since 2017, Robby Shelton, a brilliant golfer from the University of Alabama, has sported the Advis logo on his shirt sleeve and bag. He's already won twice this year on what was the Web.Com Tour (now the Korn Ferry Tour). He's secured his PGA Tour card for next year's tour to commence in the fall. One more win this season and he heads straight to the next PGA Tour event. Robby has won at every level of competition he's faced, and he's expected to keep on winning as he progresses to the big show. Robby is always after the next big win, just like Advis is always after one more great client. Here at Advis, we're hoping that our affiliation with professional golf will help score that next great business association.

It's been obvious from the start, however, that Advis and Robby Shelton share a common work ethic and goals. Both speak plainly and keep their word. Both are practical minded. Both started small and worked hard to get where they are. For both, a promise made is a promise kept. "The affiliation with Brick and Advis has been great for me," said Shelton. "Advis was my first sponsor from outside the world of golf. It's great to have someone see themselves through golf and my swinging a club. Mrs. Brick is a good person, and apparently quite an expert when it comes to healthcare. I'm honored to represent her and Advis."

Obviously, the feeling is mutual. According to Lyndean Brick, "Robby Shelton is a stand-up guy and tremendous

young golfer. If Advis is lucky and keeps working hard, maybe someday we'll be as well-known as Robby is going to be." Advis thinks it is important to be known for its values, solid work ethic, and for winning. That's why the association works so well for the firm. "Golf is a game of integrity. The players police themselves, call penalties on themselves when they infract the rules. It's that kind of integrity we want our clients to think of when they think of Advis", said Brick. And so it is.

And so, too, it would be easy to say that Advis got lucky choosing to back Robby Shelton. But we did our homework. Just as clients know what they're getting when they hire Advis, Advis knew what it was getting with Robby. A fine young man of humble origins. A flawless swing. A brilliant golfer. And as close to a lock to succeed on the PGA Tour as ever emerged from the University of Alabama and College golf.

Congratulations to Robby on having a wonderful season, and here's to a brilliant future. The hot streak in April and May, which included two wins and two other top-five finishes, vaulted Robby to the top of the points race and secured his card for the 2019-20 PGA Tour season. Knowing Robby, he'll be playing a full schedule. And Advis will be on his sleeve, his bag, and at his back with caring and support. Continued success, Robby Shelton! We'll continue to watch in awe. At Advis, we're thrilled by your accomplishments.

ENRICH YOUR DATA WITH REGULATORY EXPERTISE



With the addition of our Data Science team, Advis is uniquely positioned to combine analytics and data science best practices with unsurpassed knowledge and broad experience with regulatory matters, ranging from provider Conditions of Participation and provider-based regulations to complex Medicare and Medicaid reimbursement issues. Our team has experience with implementing and designing automated dashboards and visualizations, algorithms, machine learning models and artificial intelligence to ensure and enhance all areas of compliance. From Billing and Coding and Medical Record Documentation to Internal Employee Oversight and Population health, Advis is ready to simultaneously boost compliance while lowering costs by introducing various areas of data science into compliance programs. The Advis approach can analyze numerous areas of a compliance program, including but not limited to:

- Revenue Cycle Compliance
- Clinical Appropriateness
- Length of Stay Modeling
- Physician Referral Patterns
- Custom Credentialing Tools
- Readmissions Modeling
- MACRA / MIPS
- Population Health Needs and Preventions

Advis can assess all aspects of compliance programs to determine the best course of action to implement analytics and data science techniques not only giving compliance officers and analysts increased visibility into key compliance areas but taking programs from descriptive and diagnostic to predictive and prescriptive. To learn more about taking your compliance program from “What Happened?” to “What Will Happen Next?” please contact Advis today at 708-478-7030.

THA PARTNERSHIP

Advis has partnered with the Texas Hospital Association (THA) to offer a series of webinars to their Texas Healthcare Trustees (THT) membership. The THA chose Advis to lead their member education initiative based on our deep knowledge and expertise in the healthcare field. As a nationally recognized, premier developer of market-based solutions, Advis has more than 30 years working with a variety of academic medical centers, post-acute venues, large multi-facility hospital systems, physician management groups, community hospitals, and other health providers. Expertise at Advis runs deep. We are well-equipped to deliver solutions on items ranging from regulatory and compliance issues, to operations, financial, and new revenue stream analysis and implementation.



Texas Hospital Association

The THT upcoming webinars include the following topics:

- Revenue Growth Strategies for Hospitals in a Changing Market
- Lessons Learned from Navigating the FEMA Reimbursement Process for Private Non-Profit Hospitals
- Optimizing Telehealth Opportunities: New Regulations and Reimbursement

The experts at Advis can even customize a webinar series based on your particular learning needs, including such topics as:

- Navigating the Recent CMS CY 2020 OPPS and MPFS Proposed Rules Price on Transparency and Rate Increases: What the New Rules Mean for You
- IDTFs – The New Market Strategy for Hospitals and How to Recover Lost Revenue
- Conceptualizing a Business Strategy Around Micro-Hospital Development
- Diversity and Inclusion in Healthcare: The Importance of Staying Current on Changing Demographics
- How to Set-up and Operate a Successful 340B Program

For more information on how Advis can partner with you, please call us at 708-478-7030.

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