



NCC Pediatrics Continuity Clinic Curriculum Guide to the Business of Medicine *Faculty Guide*



Goals

1. Describe the structure and funding of the civilian & military healthcare system.

Objectives

Upon completion of this module, the reader should be able to:

1. Recite basic stats on the size, costs, and outcomes of healthcare in the U.S.
2. Know the funding mechanisms of Medicare, Medicaid, SCHIP, and the Military Health System.
3. Describe the flow of money to providers for healthcare services.

Pre-Meeting Preparation

1. Read the 'Medicaid at a Glance' and 'Medicare at a Glance' sheets.
2. Use the internet to complete the matching and fill in the blanks for the 'economics of health care' & definitions of U.S. health care entities.
3. Trace the flow of money from individuals, businesses, & governments to healthcare providers
4. Skim the chart on the TRICARE options and note their differences & similarities.

Meeting Agenda

1. Each resident and preceptor will tell the group 3 statements about U.S. healthcare economics – 2 of which are true and 1 of which is false. The rest of the group will determine which is false. Go fast; do not dilly-dally here.
2. Resident born closest to Sioux Falls, S.D. will explain the differences between TRICARE Prime, Extra, and Standard.
3. In order of birth-month from January to December, residents & preceptors will draw the flow of money spent for healthcare for the following U.S. citizens on the whiteboard.

Uninsured person	An elderly person	A mother & child living below the poverty level
A mother & child living just above the poverty level in a state other than Arizona	A member of Congress	A child of a USMC Lance Corporal who sees a pediatrician at Walter Reed
A child of an USAF Major whose pediatrician is a civilian TRICARE network provider	A veteran who receives her care at the VA	An engineer who gets group-insurance through Lockheed-Martin

4. Name 3 suggestions from the Congressional Budget Office on how to reduce the cost of military health care.



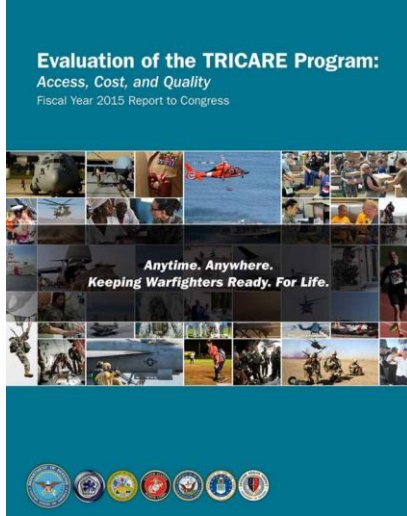
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REFERENCE MATERIAL

REPORTS



Evaluation of the TRICARE Program
Report to Congress Fiscal Year 2015

<http://www.health.mil/Reference-Center/Reports/2015/02/28/Evaluation-of-the-TRICARE-Program-Fiscal-Year-2015-Report-to-Congress>

Congressional Budget office Report on Approaches to
Reducing Federal Spending on Military Health Care

<https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/44993-MilitaryHealthcare.pdf>

VIDEOS

<p>Healthcare Systems Overview</p> <p>http://youtu.be/LMHxvzbFqc</p>	<p>Medicare</p> <p>http://youtu.be/VpLKdKkpg68</p>	<p>Blue Cross and Blue Shield</p> <p>http://youtu.be/S9xdJgPWO-w</p>
<p>Paying Doctors</p> <p>http://youtu.be/4J-dRA3MGc8</p>	<p>TRICARE Overview</p> <p>https://www.youtube.com/watch?v=8d06l9DAe_s</p>	<p>Type of TRICARE Providers</p> <p>http://www.youtube.com/watch?v=Q2phNvDhTKU</p>

Use any resource you want to answer these questions



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WRITE THE DEFINITIONS OF THE FOLLOWING TERMS

HMO An HMO gives you access to certain doctors and hospitals within its network. A network is made up of providers that have agreed to lower their rates for plan members and also meet quality standards. But unlike other insurance plan types, care is covered only if you see a provider within that HMO's network. There are few opportunities to see a non-network provider. There are also typically more restrictions for coverage than other plans, such as allowing only a certain number of visits, tests or treatments. Here are key features:

- Need to select a primary care physician (PCP) who determines what treatment you need.
- Need a PCP referral to be covered when you see a specialist or get some tests done
- Patient pays full cost if they see a doctor outside of an HMO network
- Premiums are generally lower for HMO plans, and there is usually no deductible or a low one.

TRICARE Prime is a HMO model.

PPO PPO plans provide more flexibility when picking a doctor or hospital. They also feature a network of providers, but there are fewer restrictions on seeing non-network providers. In addition, your PPO insurance will pay if you see a non-network provider, although it may be at a lower rate. Here are key features:

- You can see the doctor or specialist you'd like without having to see a PCP first.
- You can see a doctor or go to a hospital outside the network and you may be covered. However, your benefits will be better if you stay in the PPO network.
- Premiums tend to be higher, and it's common for there to be a deductible.

TRICARE Extra is a PPO.

	HMO	PPO
<i>Access to a network of doctors, hospitals and other healthcare providers</i>	✓	✓
<i>Ability to see the doctor you want without a PCP to authorize treatment</i>		✓
<i>Referral from a PCP not needed to see a specialist</i>		✓
<i>Low or no deductible and generally lower premiums</i>	✓	
<i>Coverage for medical expenses outside the plan's network</i>		Possibly

SCHIP Program administered by the United States Department of Health and Human Services since 1997 that provides matching funds to states for health insurance to families with children. Designed to cover uninsured children in families with incomes that are modest but too high to qualify for Medicaid. Each state determines its own eligibility.



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CMS federal agency in the U.S. Department of Health and Human Services (HHS) that administers Medicare and works in partnership with states to run Medicaid & SCHIP. CMS also has responsibility for the administrative simplification standards from the HIPAA, quality standards in nursing homes, the CLIA clinical laboratory quality standards and oversight of HealthCare.gov
TRICARE Network Provider Provider that signed a contract with a TRICARE region to accept a negotiated rate as payment in full, file claims instead of the patient, and not ask for any additional money from a patients above the TRICARE dictated copay or cost-share.
TRICARE Non-Network provider A civilian provider who is authorized to provide care to TRICARE beneficiaries, but has not signed a contract. They can 'participate' which means they can accept TRICARE payments as full payment and direct from TRICARE (and not thru the patient). They can do so on a case-by-case basis. A 'non-participating' non-network provider can bill up to 115% of the TRICARE allowed payment.
MHS Direct Care Care received in military run hospitals.
MHS Purchased Care Care in civilian hospitals through network or non-network providers
US Family Health Plan DoD-sponsored non-profit civilian healthcare plan that serves military family members exclusively and is equivalent to TRICARE PRIME. There are 6 of them in the US. (Hopkins runs one of them).
TRICARE Managed Care Support Contractor A large health insurance company that is awarded a contract by the DoD to run TRICARE in their region. There are 3 regions (North – Health Net Federal Services), South (Humana Military Healthcare Services, Inc), and West (United Healthcare). The NCR is in North.
Multi-Service Market (eMiSM) Network of military treatment facilities that are integrated. There are 15 – 11 CONUS and 4 overseas. The NCR is one.

CIRCLE THE RIGHT NUMBER

Average U.S. per capita health spending 2014 (\$)	2,210 / 5,253 / 9,523 / 10,001
% U.S. Gross Domestic Product devoted to health care in 2014	9 / 11 / 18 / 22
The Military Health System budget for FY 2015 (\$ billions) [hint p13 of MHS report]	39 / 49 / 54 / 89
Number of beneficiaries in the MHS in FY 2015 (millions) [hint p13 of MHS report]	1.2 / 5.3 / 9.5
Percentage of the DoD budget spent on health care in FY 2015	3 / 8 / 10 / 18
Monthly premium for TRICARE Young Adult Prime (\$) [hint p61 of MHS report]	23 / 208 / 235 / 478 / 498
Average monthly premium for health insurance for a single person, nationwide (\$)	23 / 208 / 235 / 478 / 498
TRICARE Prime monthly premium for a non-active duty person 2015 (\$) [hint p13 of MHS report]	23 / 208 / 235 / 478 / 498
Number of TRICARE Regions	3 / 5 / 12



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ANSWERS

Average U.S. per capita health spending (\$)	9,523 (up from \$8402 in 2012)
Share of U.S. Gross Domestic Product devoted to health care in 2010 (%)	17.5%
The Military Health System budget for FY 2015 (\$)	49 billion
Number of beneficiaries in the MHS in FY 2015	9.5 million
Percentage of the DoD budget spent on health care in FY 2015 [see CBO report p2]	8
Monthly premium for TRICARE Young Adult Prime (\$)	208
Number of TRICARE Regions	3
TRICARE Prime monthly premium for non-active duty (\$)	\$23
Average monthly premium for health insurance for a single person, nationwide (\$)	\$235
Number of TRICARE regions	3



Three ways CBO suggests to save money in MHS

1. Better chronic disease management (savings: \$10-110 million/year)
2. Close USUHS & hire more auditors (savings: \$150 million/year)
3. Make retirees pay a share of health-care costs (savings: \$2-6 billion/year)