Contracting with Providers: Key Considerations for Health Plans

As more states expand managed long-term services and supports (LTSS) options, there will be new opportunities to integrate acute and long-term care. This will require plans, which may already have considerable experience contracting with acute care providers, to negotiate agreements with LTSS providers. LTSS providers include nursing facilities, personal care agencies, and other home and community-based services (HCBS) providers. LTSS providers also include paid caregivers under participant-directed service options, under which members hire, train, and manage their own direct service workers. LTSS providers may have limited experience contracting with health plans.

Key Considerations

- **Understand state requirements.** Most states have requirements that will affect how your plan contracts with LTSS providers. These requirements may relate to network adequacy standards, continuity of care, payment, and the support of state-designated essential community providers. In addition, determine if your state allows for participant-directed options and the services and contracting methods it requires for participant-directed services.
- **Review state regulations and definitions of providers and services.** These vary from state to state and may also vary by Medicaid eligibility group within a given state. For descriptions of state-specific managed LTSS programs, see The Growth of Managed Long-Term Services and Supports Programs: A 2017 Update.
- **Assess the market**. Understanding the types of providers active in your local market will inform decisions about the most effective ways to establish contracts. Consider the variety of provider types and social support organizations that you may need to work with to provide LTSS to your members.
- **Support LTSS provider billing.** Your plan may need to work with providers to establish a fee schedule covering the range of services and defining the basis for quantifying services performed (e.g., miles driven, hours of assistance, meals prepared). Providers may be accustomed to submitting invoices instead of claims. Claims billing may require a change in their processes and training to ensure that the appropriate information is submitted for timely payment.
    - **Allocate additional staff time.** Your health plan may consider allocating additional staff time to provide one-on-one support for new providers that may need specific technical assistance, such as help generating supporting documentation, to comply with contracting requirements.
    - **Provide details in your provider manual.** Ensure that all billing, payment, and terms of participation are clearly addressed in your provider manual and that the circumstances specific to LTSS providers are included.
    - **Establish communication channels.** Establishing clear communication channels for connecting with LTSS providers and individually contracted participant-directed service workers may help

providers, workers, and your plan address issues and resolve service gaps in a timely manner. Providers and workers often are not located in an office and may need dedicated staff within your organization to answer their questions.

- **Consider incentives.** Your organization may consider incentives to support best practices, such as providing quicker payment for "clean" claims.

- **Determine state requirements for participant-directed services.** Determine which services can be participant-directed and the organizing structure required by your state (a fiscal intermediary, employer model, or agency model). Your provider relations and care coordination staff may interact with different individuals (e.g., the member, a fiscal intermediary, or participant-direction vendor) to establish and maintain contracts, depending on the arrangement specified by your state. For an overview of the four major models of participant-direction, visit The Consumer Direct Family of Companies and Services.

- **Connect with key state organizations and associations.** Connecting with state organizations and associations, such as Aging and Disability Resource Centers, Area Agencies on Aging, Centers for Independent Living, and behavioral health, LTSS or HCBS provider member associations that have relationships with LTSS providers may increase your understanding of the capacity, needs, and concerns of local LTSS providers. These organizations may assist your staff in building relationships with LTSS providers.

- **Consider supporting competency-based training for LTSS providers.** Enhanced training beyond the minimum state requirements can help ensure higher quality services for your members. You could require or incentivize enhanced competency-based training in contracts with LTSS providers. LTSS provider agencies and individually-contracted workers may need incentives and assistance to participate in training, apprenticeships, or credentialing programs if they are small or have limited financial resources.

- **Work with the state and other plans to streamline processes.** It may be particularly difficult for providers to meet the conditions and requirements of multiple health plans. Your health plan may identify billing, contracting, and certification requirements, for example, to standardize across providers. This would allow the providers to focus their efforts on direct care.