***Essentials of Managed Health Care,* Sixth Edition**

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**Transition Guide**

**What’s New to the Sixth Edition!**

The *Sixth Edition* is the most significant structural overhaul of this book since the *Second Edition* morphed into the *Third* back in 1996. And while it is a hefty volume at just under a half a million words, it remains svelte in comparison to the fourth and, as of 2001 the last edition of its antecedent, *The Managed Health Care Handbook,* which had three times that. This does not reflect a shrinking health care sector nor a movement from complexity to simplicity, since neither is the case. It does reflect the commitment of the book’s contributors to providing a broad and sufficiently detailed overview of the key elements of health insurance and managed health care to meet the needs of one or more of its types of readers. At the same time, it means that some things are left out. As the editor, I bear full responsibility for any decisions about what to include and what to exclude, as well as any errors that may be contained in this text.

**New and Improved Chapters!**

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| Part One  |   Introduction to Health Insurance and Managed Health Care |
|  Chapter 1 | **A History of Managed Health Care and Health Insurance in the United States- Extensively revised from last edition!*** Additional important historical events added throughout
* Historical trends in coverage and types of managed care plans placed throughout
* Added or expanded context for important milestones such as how and why the first proto-HMOs appeared, how and why Blue Cross and Blue Shield plans appeared, and how and why all important new types of plans appeared
* Considerably expanded the discussion on the managed care backlash of the late 1990s
* Recent events leading to the passage of the Patient Protection and Affordable Care Act (ACA)
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|  Chapter 2 |  **Types of Health Insurers, Managed Health Care Organizations and Integrated Healthcare Delivery Systems- Extensively revised from last edition!*** New detailed descriptions of self-funded plans vs. insured plans
* Description and implications of reinsurance for self-funded plans, and how it differs from health insurance
* New payer models
* Clearer descriptions of differences in managed care plans based on licensure, benefits design and key operational differences
* Expanded discussion of integrated delivery systems and how they are changing
* Consolidation of payer and provider sectors
* Addresses the new phenomenon of hospitals and health systems employing physicians
* New types of integrated delivery systems appearing under the ACA, including a discussion of CMS’s final rule for ACOs and the shared-savings program for traditional Medicare
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| Chapter 3  |  **Elements of the Management and Governance Structure- Revised from last edition!** |
| Part Two | **Network Contracting and Provider Payment- major structural overhaul!** **Because of changes in the marketplace, Part Two no longer focuses on specific types of providers in all regards, but focuses first on the structure of the provider network overall, and then on provider payment. Chapters 4 and 5 replace three chapters in prior editions, and bring greater logical structure to the topics.** |
|  Chapter 4 | **The Provider Network*** New discussion on regulatory service area requirements for different types of managed care plans
* Critical contracting requirements under state and federal laws and regulations are highlighted
* Detailed descriptions of different types of providers, with emphasis placed on those most critical to a health plan
* Structure of network divided into physicians and other professionals, facilities including inpatient and ambulatory care, ancillary services including diagnostic and therapeutic
* Professionals, with focus on primary care and specialty physicians
* Expanded discussion of hospital-based physicians, including hospitalists
* Overview of Structural elements such as physician recruiting, credentialing, types of contracting situations
* Key differences between provider types are explained
* The impact of marketplace changes such as consolidation and hospital-employment of physicians are addressed
* Discussion of physician-owned facilities and physician self-referral is expanded
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| Chapter 5 | Provider Payment* Historical trends for pricing and types of payment are presented
* Greater detail about payment methodologies
* The how and why of each payment methodology is described clearly
* All relevant physician payment methodologies are explored, including risk and non-risk based approaches
* Differences between how payers pay physicians and how individual physicians are compensated is clarified
* Physician pay-for-performance is included
* All relevant facility payment methodologies are explored, including risk and non-risk based approaches, beginning with the chargemaster
* An important new topic: the impact of facility payment modifiers such as carve-outs and outliers, as well as hospital device refunds as applied to payment is described and explored
* The relationship between hospital payment and hospital-based physicians is described in greater detail
* Hospital pay-for-performance is included
* New payment models appearing before and because of the ACA are described, including bundled payment and value-based or shared-savings payment
* Payment for ancillary services is included separately
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| Part Three | Management of Utilization and Quality |
| Chapter 7 | Basic Utilization and Case Management* The chapter has undergone a major restructuring
* Expanded and clarified section on what utilization metrics are and how they are calculated
* New section on medical necessity and how it is determined
* New section on evidence-based medical protocols, how UM uses them and how they are obtained
* Section on authorization systems and different types of authorizations has been condensed and is more focused on how UM is commonly applied in today’s marketplace
* Division of UM into prospective, concurrent, and retrospective review is clarified
* New sections on UM as benefits determinations vs. UM as a clinical support service
* Activities specific to prospective and concurrent review are clarified and condensed
* Section on the roles of different types of professionals has been condensed
* New section on the impact of hospitalists
* Now includes case management as part of the continuum
* New sections on transitional care management, preventable readmissions, and care of patients with multiple chronic medical conditions
* Physician self-referral addressed again in context of UM
* Focused UM for ancillary services is broken out from basic ancillary services UM
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| Chapter 9 | Physician Practice Behavior and Managed Health Care **(New!)*** This is a new chapter, partially based on a chapter that last appeared in the 4th edition of the Handbook, but never in the Essentials
* New author, who has not been in the book before, has extensive real-world experience in the topic
* Practical approaches to changing physician behavior in regards to managed care principles are provided
* Applicable to health plans and to provider organizations
* Sections derived from earlier chapter have been updated and condensed
* Topic has taken on renewed relevance as physicians increasingly are employed by health systems and payers
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| Part Four | Sales, Finance and Administration |
| Chapter 17 | Enrollment and Billing **(New!)*** New topic, not found in earlier edition
* Discusses the commercial market, Medicare and Medicaid separately
* Topics include Life Event affecting eligibility
* Typical employer-sponsored health plan eligibility and enrollment
* Typical employer and individual billing and reconciliation
* Medicare Advantage eligibility, enrollment and billing
* Managed Medicaid eligibility, enrollment and billing interfaces and program management
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| Chapter 19 | Health Care Fraud and Abuse **(New!)*** Entirely new topic not addressed in earlier editions
* Descriptions and discussions about types of fraud applicable to provider payment and health plan operations
* Description and discussion about abusive billing
* Discussion about fraud detection and prevention requirements
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| Chapter 20 | Member Services* Extensively updated for modern contact center structure and management
* Expanded discussion about Evidence of Coverage and requirements under ERISA and the ACA
* Expanded and detailed descriptions of Denial of Benefits Appeals, including internal and external review, and requirements placed on all health plans under the ACA
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| Chapter 22 | Underwriting and Rating* The impact of the ACA and how it affects rating and underwriting now and as of 2014
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| Chapter 23 | Information Systems and Electronic Data Interchange in Managed Health Care **(Completely Rewritten!)*** Expanded in scope to better cover the backbone of any payer organization.
* Entirely new discussions on modern electronic data interchange, connectivity and recent advances
* HIPAA transactions and code sets, the change to ANSI X12 5010 and ICD-10, and changes required under the ACA
* Expanded discussion on the management functions associated with IT
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| Part Five | Special Markets |
| Chapter 24 | Health Plans and Medicare* Written by entirely new authors, all of whom are associated with the premier consulting firm focusing on Medicare Advantage
* Extensive chapter covering all major aspects of regulatory and marketplace requirements
* Organized into highly practical topics for all major functions of a Medicare Advantage plan
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| Chapter 25 | Medicaid Managed Health Care **(Completely Rewritten!)*** Written by new contributors, all of whom are associated with one of the largest operators of Medicaid managed health care plans in the country
* Extensive discussion of applicable federal and state laws, regulations and requirements
* Extensive descriptions of practical operation elements of a managed Medicaid plan
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| Part Six | Laws and Regulations |
| Chapter 28Chapter 29Chapter 30 | State Regulation of Managed Health Care Federal Regulation of Health Insurance and Managed Health CareThe Patient Protection and Affordable Care Act**(Completely Rewritten!)*** Completely rewritten by a new author, the chief legal counsel for American’s Health Insurance Plans (AHIP), and a noted expert on health plan laws and regulations
* Topics are addressed in a succinct but complete manner
* Easy to understand and focused on what’s most important to understand on an overall basis
* The ACA is incorporated at all relevant points.
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