QIO Program

Business Plan Guide for Diabetes Self-Management Education and Support (DSMES) Programs

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Quality Improvement Organizations
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CENTERS FOR MEDICARE & MEDICAID SERVICES

About the Guide

This guide will help you write your own business plan for a DSMES program. Your business plan will serve as your framework and roadmap for a DSMES business venture, complete with goals, mission statement, vision, projections, financing and more. In your plan, you'll set benchmarks and use the self-check tools to gauge your progress. Ultimately, you will put the patients' needs first and create a program that improves the health of people with diabetes.

This guide will help you evaluate the feasibility of a new business idea in an objective and critical way. We'll help you answer key questions related to your program's efficiency and sustainability like:

- Is there a market for DSMES classes in my service area?
- Approximately how many providers will refer, and how many patients would this translate to?
- Approximately how many people with diabetes will self-refer?
- Can you obtain the required financial resources?
- Can the DSMES program make a profit or at least break even?
- Does your team have the required clinical and management skills?
- Does the program have the required structure and process quality measures in place?
- Can you identify your competition and how to achieve a competitive edge in order to garnish greater market share?

This business plan guidance package has been provided by the Centers for Medicare & Medicaid Services' Quality Improvement Organization (QIO) Program and Mary Ann Hodorowicz, LLC, RD, MBA, CDE, Certified Endocrinology Coder. If you need further assistance, please contact your state's Quality Innovation Network-Quality Improvement Organization (QIN-QIO).

You can find contact information for your QIN-QIO at www.qioprogram.org/contact-zones?map=qin.

Acronyms

A1c: glycated hemoglobin (measure of blood glucose over 3 months)

AADE: American Association of Diabetes Educators

ACO: Accountable Care Organization

ADA: American Diabetes Association

AND: Academy of Nutrition and Dietetics

BC-ADM: Board-Certified Advanced Diabetes Management

BG: blood glucose

BMI: body mass index

BP: blood pressure

BUN: blood urea nitrogen

CAH: Critical Access Hospital

CDE: Certified Diabetes Educator

CEU: continuing education credit

CLIA: Clinical Laboratory Improvement Amendments

CNS: Clinical Nurse Specialist

DEAP: Diabetes Education Accreditation Program

DO: Doctor of Osteopathy

DSMES: Diabetes Self-Management Education and Support

ERP: Education Recognition Program

EMR: Electronic Medical Record

FPG: fasting plasma glucose

FQHC: Federally-Qualified Health Center

GFR: glomerular filtration rate

HDL-C: high-density lipoprotein cholesterol

LDL-C: low-density lipoprotein cholesterol

LLC: Limited Liability Company

MNT: Medical Nutrition Therapy

NCQA: National Committee for Quality Assurance

NP: Nurse Practitioner

NPP: Non-physician Practitioner

NSDSMES: National Standards of DSMES (2017) , reference on p. 31

PA: Physician Assistant

PCMH: Patient-Centered Medical Home

PPs: policies and procedures

PWD: person with diabetes

PWDs: persons with diabetes

RD: Registered Dietitian

RHC: Rural Health Clinic

RN: Registered Nurse

RPh: Registered Pharmacist

SI: sponsoring individual of DSMES program

SO: sponsoring organization of DSMES program

T-Chol: total cholesterol

Table of Contents

T.I.P.S. (To Inspire Progress and Success)

- Individualize the business plan for your audience and/or prospective customer.
- Make the plan interesting, organized and easy to read.
- Use titles and sub-titles.
- Use more bullet points and less full sentences.
- Keep paragraphs short (4 - 5 sentences).
- Insert visuals and charts to help show the important facts.
- Incorporate adequate white space.
- Use heavier weight paper for printing.
- Present the business plan in a binder with a clear cover and cover page.
- Provide a list of commonly used terms if using industry jargon and/or abbreviations.
- Provide specific, detailed strategies rather than fluffy language.
- Ensure that all facts and figures are current and can be substantiated.
- Tailor your business plan to your specific situation: what is the purpose and who is the customer?
- Your plan is a step to get approval to implement DSMES, not to obtain all the required resources.

Executive Summary

It is the last section written, but your executive summary should be placed at the beginning of the completed plan. The summary should:

- Be concise and enthusiastic
- Create a positive first impression
- Prove the author's credibility and capabilities
- Convince the customer to partner with you
- Motivate potential investors to invest resources in exchange for future performance

Your short summary should prove that the program merits investment to help meet the customers' goals, unmet needs and desires in a better way than the competition does.

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- In the executive summary, provide a brief overview of key information which is developed in greater detail further in the plan.
- Aim for clarity, brevity and simplicity:
  - Too much detail gets in the way of the main ideas.
  - Use the "Elevator Speech" test: Can you explain your basic business idea in the time it takes to go to from the lobby to the 5th floor?
- Basic questions this component answers:
  - What is the general type of business?
  - What is the business status? Start-up, expansion or take-over?
  - Is the program independently owned and managed or part of a SO?
  - What are your services?
  - Who are your customers (target markets)?
- More questions for start-up DSMES programs are:
  - Why will you be successful in this business?
  - What is your experience with this type of business?
  - What will be special or unique about your program compared to the competition?
  - What will help you succeed?

TIP:
Focus on your target market.

Overview of Organization, Program and Team

Include the following information about your organization:

- Address
- Telephone and fax numbers
- Email and website addresses
- If applicable:
  - Type of private practice you own, are a principal or partner in or an employee of
  - Number of years your practice has been in business
- If business plan is written for an organization where you are not employed, include your employer (i.e. Hospital outpatient department, independent clinic, FQHC, RHC, intermediate care center, walk-in clinic, pharmacy)

Include the following information about your DSMES program:

- Definition of DSMES
- Healthcare insurers who reimburse for DSMES, or if a new program, insurers who would reimburse if this program started billing
- Number of years the DSMES program has been in existence
- If your program is ADA recognized or AADE accredited
  - Requires proof of adherence to 10 National Standards of DSMES* with written policies and procedures and submission of other application criteria, *reference on p. 31
- Off-site locations for the program
- Average revenue levels in a specific time period
- Organic growth (chart)
- Target markets (providers, providers' PWDs and PWDs in the community)
- Number of patients seen in a specific time period (e.g., 1 year):
  - In the initial year
  - In subsequent years
- Number of referring providers and types

Include the following information about yourself:

- Name, title, credentials, honors, awards and brief work history
- Health plans that you have in-network provider status with

Include the following information about the DSMES team:

- Number of instructors and types (by discipline)
- Number who have CDE or BC-ADM credential and meaning of
- Number of support staff

TIP:
Be thorough.

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Your overview answers these questions but with more detail:

- What is your primary product or service?
- Who are your target customers?
- What is your status with health insurers?
- Who are the owners?
- What are the finer details of the industry?
- How long has your program been in existence?
- What is a DSMES program?
- What are your average revenue levels?
- What are the DSMES team members' credentials?

Notes:

DSMES Program Business Strategy

Your DSMES program business strategy is a written game plan that defines the basic concept of the business. In this component of the plan you should describe broadly what DSMES services are offered. You also need to describe the DSMES team involved and their credentials. You should put your mission and vision statements in this section and define the value of the program to potential sponsors. Lay out your desired quality measures and goals for the program in this part of your plan.

Draft a DSMES Business Concept

What is your DSMES program selling in 'human fulfillment' terms in less than four words? This is important because it quickly captures your customer's attention.

Example: What does a photographer sell? Memories!

Design your DSMES Program

- Advisory Committee members
- Class design:
  - Number of visits in the first year, type (individual or group), time of day, length of class
  - Curriculum
  - Topics covered
  - Teaching style

Define the DSMES Program Team

- Program coordinator's name, credentials, experience, etc.
- Program team and their credentials: registered nurse (RN), registered dietitian (RD), registered pharmacist (RPh)
  - Certified Diabetes Educator (CDE) and/or Board Certified-Advanced Diabetes Management (BC-ADM)
  - Required to have minimum of ____ years of experience in DSMES
  - Required to maintain credentials (notably CDE credential)

Write a DSMES Program Mission Statement

Your program's mission statement describes your main purpose for the program, who it's for and how you'll achieve the over-arching goal.

Example: The mission of [DSMES Program Name] is to improve the health and well-being of our patients with diabetes through improved self-care behaviors in a cost-effective and sustainable manner.

Write a DSMES Vision Statement

Your program's vision will best be accomplished by the creation of a detailed DSMES program business plan and using it as a road map on a continual basis. Modifications and updates will be needed from time to time.

Example: Our vision is to provide culturally and linguistically appropriate DSMES to seniors with diabetes in Sugar County to improve key clinical and quality of life indicators, thereby reducing long-term healthcare costs.

TIP:
Update your mission and vision statements regularly.

Show the Benefits and Value of your DSMES Program

Sponsoring Organization

The proposed DSMES program helps the sponsoring organization (SO) achieve key business-related strategic goals, top value concerns and/or objectives. Include how you will:

- Meet unmet needs and wants of area providers, PWDs and the community
- Effectively manage the program, according to the SO's policies, procedures, mission and vision
- Increase the quality of healthcare services as defined by improvements in patients' outcome measures
- Contain the cost of delivering healthcare services within the SO
- Meet the financial expectation of the SO relative to the DSMES program
  - May include an increase in collateral revenue indirectly related to the DSMES program for the SO, such as lab tests
- Adhere to the Affordable Care Act's primary standards to reform healthcare
- Adhere to the Affordable Care Act's goals to reform our healthcare
  - For concise summary of the ACA's standards and goals, see table in component 11: References, Exhibits and Tables
- Help meet the National Committee for Quality Assurance (NCQA) standards for a PCMH or an ACO via the DSMES program

Patients with Diabetes

The DSMES program improves the entire spectrum of patient outcomes which thereby decreases morbidity and increases patients' quality of life and life expectancy.

Providers

The DSMES program fulfills your local providers' need for outpatient DSMES services that are:

- Evidence-based
- Cost-effective
- Reimbursable by Medicare and most private health plans
- Recognized for quality by the AADE and/or the ADA with adherence to nationally recognized quality standards for DSMES
- Patient-centered and culturally competent
- Furnished by experienced diabetes educators who maintain their knowledge of diabetes management and education via CEUs

How will your DSMES Program be Better than the Competition?

- Complete a regular competition analysis
- Identify desired marketing outcomes
  - Example: Referrals steadily increase from providers and patient self-referrals.
- Write a marketing plan
- Measure effectiveness of each marketing strategy
  - Example: Sending out 500 postcards resulted in 50 new students in the DSMES program.
- Identify DSMES program best practices, policies and procedures (PPs)
- Adopt best practices from other programs

Define the Desired Quality Measures and Goals of the DSMES Program

- Patients' clinical outcome measures and goals
  - Examples: A1c, fasting plasma glucose, blood pressure, total cholesterol, LDL-C, HDL-C, triglycerides, glomerular filtration rate (GFR), blood urea nitrogen (BUN), body weight, body mass index (BMI)
- Patients' behavior goals, as defined by the AADE7™ Self-Care Behaviors: healthy eating, being active, monitoring, taking medication, problem-solving, healthy coping and reducing risks, such as smoking cessation or self-foot care, to improve key health markers.
- Patients' other key outcome measures and goals
  - Quality of life
  - Experience of care/satisfaction with program
  - Cost-savings:
    - Reduced Rx medications
    - Reduced treatments
    - Reduced ER visits and inpatient care

TIP:
Measure successes for your patients and your organization.

- DSMES team's adherence to the ADA Medical Standards of Care for Diabetes
- DSMES program achieves initial AADE Diabetes Education Accreditation Program (DEAP) or ADA Education Recognition Program (ERP) and maintains it in each renewal cycle
  - Requires adherence to the current (2017) National Standards for Diabetes Self-Management Education and Support
- Other DSMES program quality measures and goals related to:
  - Providers
  - Operations plan
  - Financial plan
  - Continuous quality improvement plan
    - These and all quality measures are outlined in detail in separate resource titled: Checklist of Components for Establishing and Sustaining an AADE Accredited or ADA Recognized Diabetes Self-Management Education and Support (DSMES) Program

T.I.P.S. (To Inspire Progress and Success)

Make sure you answer these questions in the business strategy part of your plan:

- What exactly are you selling? What is your business concept? (wellness, improved health, better quality of life, stress reduction, longer life, etc.)
- What are the program's mission and vision?
- What exactly is your service?
- How is our DSMES program designed?
- Who furnishes your program? Who manages it?
- What is the purpose of your program?
- How will your program grow?
- How does your DSMES program benefit the SO?
- How can you be better than the competition?
- How do you measure your success?
- What is the success of your program currently?

Implementing an effective and sustainable DSMES program strategy involves:

- Creating "fits" between the way things are done now in the DSMES program and changes required for effective strategy execution in the future
- Executing the strategy efficiently and effectively
- Achieving desired quality measures and goals in a set time frame
- The most important "fit" is the DSMES program business strategy and:
  - The SO's capabilities
  - A reward structure
  - Internal support systems
  - The SO's culture

TIP: Hope is not a strategy.

Factors that require on-going modifications to the DSMES business plan:

- Economic conditions (internal to SO and external)
- Policies and procedures of the SO
- Competition forces
- Provider and patient mix
- Resources allocated to the DSMES program
- New standards of diabetes care and DSMES
- New DSMES team members who have different ideas
- Environmental scanning
    - A way to monitor and interpret social, political, economic, ecological and technological events, trends and conditions that could eventually impact the DSMES industry and the SO (as new opportunities and threats)

Providers should be encouraged or assisted with implementing the newest DSMES/S algorithm for when to refer a patient to a DSMES program.

- Article and graphs of algorithm are online at https://www.diabeteseducator.org/practice/practice-documents/practice-statements
- Reference: Powers MA, Bardsley J, Cypress M, Duker P, Funnell MM, Fischl AH, Maryniuk MD, Siminerio L, Vivian E, Diabetes Self-Management Education and Support in Type 2 Diabetes: A Joint Position Statement of the American Diabetes Association, the American Association of Diabetes Educators, and the Academy of Nutrition and Dietetics, Diabetes Care 2015; 38:1372-1382.

Notes:

Market, Competition and SWOT Analysis

Market Analysis

The primary target market for your DSMES program is people with diabetes (PWDs).
Include these details in your plan:

- Average percent or number of people in your county and state who have diabetes (type 1, type 2, etc.) but have not been diagnosed
- Average percent or number of people in your county and state who have diabetes and have been diagnosed
- Average percent or number of people in your county and state who have not received DSMES (per literature or state department of health)
- Demographic information (ethnicity, education, age, etc.)
- Places where they gather often and/or off-site locations for the program (community center, church, school, etc.)

The secondary target market is providers who may refer PWDs to a DSMES program like medical doctors (MDs), endocrinologists, doctors of osteopathic medicine (DOs), nurse practitioners (NPs), physician's assistants (PAs) and clinical nurse specialists (CNSs).

Include these details in your plan:

- Approximate number of these providers in your market area (county, state, region)
- If known, their desire to refer patients with diabetes to a DSMES program

Competition Analysis

Research other DSMES programs. Take note of:

- Location(s) for classes
- Types of customers (target markets)
- Years in existence
- Services offered in addition to DSMES
- Team composition
- DSMES program design
- Insurance billing
- Sustainability and reputation in the community

TIP:
Ask around in your community for input on your competitive analysis.

See References, Exhibits and Tables #2

DSMES Program Analysis

A S.W.O.T. analysis is a tactic to easily gauge your program's current situation. Identify your DSMES program's internal strengths and weaknesses. Then identify external opportunities and threats for your program. Consider your competition, economic environment and trends in DSMES and related services.

See References, Exhibits and Tables #3

T.I.P.S. (To Inspire Progress and Success)

Why do a market analysis?

Because it is the best way to identify:

- Who your target markets are exactly
- Key characteristics of your markets and their needs or wants relative to DSMES
- Required information in order to create marketing and advertising strategies that address the characteristics, needs and wants of these markets
- Where your DSMES program is positioned among the other programs in the local area
- An estimate of your market share in the area
    - Example: "Our goal is to have more than 80 percent of private practice endocrinologists within 30 miles of a DSMES program refer to our program."
- How to position your DSMES program in area
    - Example: "Our DSMES program is the only one in the Joliet, IL area that furnishes classes where patients congregate and feel comfortable: churches, recreation centers, libraries, etc."

Why do a competition analysis?

Because it is the best way to identify if other DSMES programs are fully meeting providers' and PWDs' education needs and wants in a manner that suits their preferences.

- If the answer is no, then this becomes your competitive advantage!
- If the answer is yes, then how will your program be better than theirs?

TIP:
Thorough research in the planning stages will pay off later.

Defining the Target Markets

Who needs DSMES?

Your primary target market is people with both type 1 and type 2 diabetes (PWD). Take the following consumer qualifications into consideration when defining your target market:

- PWDs who receive services within healthcare facilities like PCMHs, ACOs, FQHCs, RHCs, CAHs, independent clinics, walk-in clinics and pharmacies.
- PWDs who receive services from providers like MDs, DOs, qualified non-physician practitioners (NPPs).
- PWDs who reside in your community but have no designated healthcare provider
- Residents in local nursing homes, assisted living facilities, adult day care facilities or state-sponsored facilities.
- Subscribers of health insurance plans
    - SO/SI of your program may be able to contract with plans to be their preferred provider of DSMES for plan members
- Competitors' patients

Who else needs to know about your DSMES program?

Your secondary target market is physicians and qualified non-physician practitioners. Take the following provider types into consideration when defining your target market, as they will refer many PWD:

- Physicians in private practices
- Providers in hospital-owned on-site and off-site practices
- Providers in PCMHs and ACOs
- Qualified non-physician practitioners such as nurse practitioners (NPs), physician assistants (PAs) and certified nurse specialists (CNSs)

T.I.P.S. (To Inspire Progress and Success)

Definition of target market

A target market is a specific group of consumers at which a company aims its products and services. They are the customers that are most likely to buy your product or service.

Resist the temptation to be too general in your definition in the hopes of getting more market share. Rather than firing 10 bullets in random directions, it's better to aim just one bullet dead center of the mark. It is more effective and less expensive than targeting broad groups in an effort to force them to want or need your product or service.

TIP:
Be specific and detailed when defining your target market.

Marketing Plan

Use the 7 Ps marketing mix approach to develop your marketing plan for the DSMES Program.

Product

Your product is the service of diabetes self-management education. When describing your product, use the language of your target market and your sponsoring organization (SO).

Example: A DSMES program for a PCMH will mention that the program provides team-based continuity of care, culturally and linguistically appropriate materials and evidence-based practices.

Packaging

The goal of packaging the DSMES service is to convey your big four selling points - service, brand, value and quality.

Service

Your DSMES program provides a medical service. Knowledge is transferred from teacher to student.

Brand

Your brand encompasses everything the public sees or knows about your program - name, colors, logo, tagline, the tone of voice and language used. Most importantly, your brand depends on the perception of value and quality you offer.

Value

Your program's perceived value is the importance, worth or usefulness of your product in the eyes of your target markets.

Quality

Your program's perceived quality is the standard of DSMES as measured against other similar products.

See References, Exhibits and Tables #4

TIP:
Be so good they can't ignore you.

Promotion

Promotion for your program is how you tell your target market about your service. Opportunities to advertise include newspaper ads, brochures, fliers, emails, phone book ads, social media ads, direct mail pieces, cooking demonstrations, your website, other websites, media interviews, press releases, newsletters, booths at health fairs, public speaking engagements, hot topic consumer seminars, etc. You can also offer a free DSMES introductory class to get consumers into the classes.

Place

The location of your program needs to exhibit value and quality by being accessible and familiar to your target market. Choose locations where PWDs live, work and gather to encourage attendance and decrease attendance barriers. Ideally, your program classes will be held at an easy-to-find location that is handicap accessible with free parking.

Examples: churches, recreation departments, community centers, fitness centers, libraries, community colleges, physical therapy centers, independent walk-in clinics, nursing homes and hospitals without an outpatient DSMES program.

Policies and Procedures

Your program's policies and procedures must be patient-centered, as opposed to curriculum- and clinician-centered. Make sure to advertise your policies that make the program more agreeable and inviting to your consumers.

Examples:

- Hours of operation include evenings and Saturdays
- Each group DSMES class offered in both daytime and early evening
- Referral for self-referred PWD within one week and patients scheduled within one week of provider's referral
- Educator starts visit within 15 minutes of appointment time
- PWDs reminded of appointment within 24 hours before class and phone calls returned within 24 hours
- Topics for each class shared during the first class and PWDs encouraged to bring guests
- Billing and collections are accurate and timely
- Patients' outcomes are tracked
- Continuous Quality Improvement Plan revised when policies and procedures are not working

Price

Your program's price is the quantity of payment or compensation given by one party to another in return for your DSMES services. Your organization must determine the price for a 30 minute unit of G0108 (an individual DSMES service) and a 30 minute unit of G0109 (group DSMES.)

Factors to evaluate to determine the price of the DSMES (per one 30-minute unit of G0108 and G0109)

- Insurance reimbursement rates: Medicare, Medicaid and private insurance
- What the market will bear (per market research for similar services)
- Competitors' DSMES fees
- PWDs' and providers' perceived value of the DSMES
- Revenue and profit desired from DSMES and similar services
- How many work hours are available
- Expenses indirectly related to providing the service (fixed and variable)

People

The educators, coordinators and support staff that make up your program's team need to display excellent interpersonal skills, DSMES content proficiency, teamwork skills and leadership in order to produce a high-quality product. It is important to show your target market(s) the quality of your DSMES team members and that they have the requisite skills and abilities to deliver DSMES.

TIP: Your people are your greatest asset.

T.I.P.S. (To Inspire Progress and Success)

Definition of Marketing

Marketing is the action or business of promoting and selling products or services, including market research and advertising.

What are the 7 Ps of the Marketing Mix for Services?

The 7 Ps Marketing Mix is a tool used by businesses and marketers to help determine a product or brands' offering. The seven categories are product, packaging, promotion, place, processes and procedures, price and people. Defining each of these categories and building your marketing plan will help develop your brand and help motivate your target markets (PWDs and providers) to choose your DSMES program over the competition.

Set your goal to be more than 10 percent better than your competition in more than one of seven categories.

Be sure to include these when describing your people:

Interpersonal skills

Your team has the ability to work collaboratively, respectfully and cooperatively with each other, providers and PWDs. They use evidence-based, patient-centered counseling and less ineffective compliance counseling.

Proficiency in DSMES

Your educators are knowledgeable in the current standards of care for diabetes and related co-morbidities Indicators of proficiency include:

- CDE or BC-ADM credential
- Other credentials and licensure
- Peer-to-peer testing and observation once per year
- CEU requirements are met
- Positive PWDs' evaluations of educators
- Supervisor's annual evaluation of educators
- Adherence to evidence-based standards to guide decisions
- Positive patient outcomes

Teamwork Skills and Leadership

Each educator is assigned roles and responsibilities matching her or his skills, training and education, credentials and licensure and experience.

For FQHCs and RHCs

When developing your marketing plan in these practice settings, it's important to note that Medicare only compensates for individual DSMES, not a group session. For more details on FQHCs and RHCs see pages 21, 24-27.

Operations Plan

AADE Accreditation and ADA Recognition of DSMES program

Recognition or accreditation is one of Medicare's requirements for DSMES reimbursement from Part B. The process can be time-consuming, but turn-key materials are available from external resources that will significantly decrease the time and labor to achieve this gold standard of quality.

- ADA: www.diabetes.org/erp
- AADE: www.diabeteseducator.org/DEAP

DSMES Program Staff Requirements

- Types of disciplines (RN, RD, RPh, etc.)
- Number of full-time employees (FTEs) for each discipline
- Credentials of staff
- Didactic and experiential preparation in DSMES
- Roles and responsibilities
    - Refer to National Standards of DSMES (NSDSMES) for specific guidance

Organizational Chart

Include your advisory committee members and their credentials for the DSMES program. Refer to NSDSMES for specific guidance.

Provider Referral Process

- Create your own customized paper referral form
- Allow electronic medical record (EMR) referrals
- Establish procedures for evaluating providers' DSMES referrals for compliance with Medicare's and other heath plans' reimbursement rules

Required Forms

- Patient chart forms
- Provider forms
- Internal communication forms
    - Refer to NSDSMES for specific guidance

Policies and Procedures

You are required to include those policies and procedures that adhere to the National Standards of DSMES (NSDSMES).

Information Technology Systems

- EMR
- Patient, program and provider data tracking system
- Telehealth platform
- Wireless patient monitoring of blood glucose and other health indicators

Legal, Privacy, Safety and Applicable Health Regulations Addressed/Resolved

- Medicare regulations regarding fraud and abuse, and gifts to beneficiaries
- HIPAA compliance (including software for telehealth DSMES)
- State safety codes and regulations for non-medical facilities
- Tax laws pertaining to revenue from DSMES program in off-site facilities

Other Items to Include

- Staff workflow and scheduling
- Patient flow and scheduling
- Space requirements for DSMES program
- Office and equipment requirements
- External contracts

TIP:
The DSMES team should give input on the operations plan.

T.I.P.S. (To Inspire Progress and Success)

About the Operations Plan

It is important to understand the difference between an operations plan and a strategic plan. The strategic plan is about setting a direction for the DSMES program and identifying a range of strategies to pursue in order for the program to achieve its goals and fulfill the stakeholders' expectations. A strategic plan does not stipulate the day-to-day tasks and activities involved in running the program.

The operations plan, however, is about writing policies and procedures, and identifying what exactly needs to be done for the program's success on a day-to-day basis. It is guided by the mission and vision statements.

Your operations plan is both the first and last step in preparing an operating budget

- As the first step, the operations plan provides a plan for resource allocation.
- As the last step, the plan may be modified to reflect policy decisions or financial changes made during the budget development process.

The operations plan is best prepared by the people who will be involved in its implementation - the DSMES team, its managers and directors.

For FQHCs and RHCs

When developing your operations plan in these two practice settings, it's important to note the following facts with regard to Medicare:

FQHCs and RHCs

FQHC Only

- Medicare only reimburses for individual DSMES, not a group session.
- Individual DSMES is a core FQHC service and is payable under the FQHC's Prospective Payment System (PPS). It is separately payable to Medicare Part B. However, group DSMES is not payable nor is the cost reportable in FQHCs under Medicare.
- The PPS rate is a type of payment based on a predetermined, fixed amount for the specific class of core services in the FQHC.
- Payments for FQHC core services are claim-based, not cost-based.
- There is no Part B deductible for core services payable in FQHCs.
- For individual DSMES, the beneficiary is responsible for 20 percent of the final payable amount.
- Under the PPS, a DSMES visit is not payable on the same day as a medical visit, but it is payable on the same day as a behavioral health visit.
    - See Financial Plan for more details.

RHC Only

- Per Medicare reimbursement rules, the DSMES is not separately billable to Medicare Part B for additional payment; however, the cost of furnishing the DSMES can be included on the RHC's annual cost report and payment is calculated according to the Medicare All Inclusive Rate (AIR).
    - The cost is calculated at the AIR.
- Only the cost of individual DSMES, not group, is allowed to be included on the RHC's annual cost report.
- If the DSMES program has a solo instructor, the instructor must be a registered dietitian (RD) and certified diabetes educator (CDE).

Financial Plan and Projections

Strategies to Increase DSMES Program Revenue

Insurance reimbursement

- RD educators can become credentialed with healthcare insurers
- Educators need to utilize the EMR or a paper encounter form to communicate billable visits to your billing department
- Your billing department and educators must learn and adhere to each insurers' reimbursement rules for DSMES. See related worksheet in References, Exhibits, and Tables #15.

Start-up and maintenance capital

- Grants and private donations
- Fundraising events like a diabetes health fair
  - Capital from fees charged for vendors for booths

Patient out-of-pocket payments

- Insurance deductibles and co-payments
- Fee-for-service payments
- Fee payment plans for self-pay patients

Positive cash flow strategies

- Educators proactively monitor DSMES insurance claims by:
  - Requesting DSMES Reimbursement Tracking Report from your IT and billing departments approximately every three months
  - Collaborating with billing department personnel to:
    - Identify a reason for denied and rejected DSMES claims
    - Re-bill claims if the reason (cause of denial/rejection) is internal
- Educators proactively seek to increase:
  - Provider referrals and patient self-referrals
  - PWDs' attendance in DSMES program

Financial Outcome Measures

- Maximize reimbursement revenue
  - Claims to health insurers who cover DSMES are reimbursed at the maximum rate within two months
  - 100 percent of DSMES fees charged to self-pay patients are collected within two months
  - 100 percent of patient co-payments are collected within two months
- SO's financial expectation of DSMES program is realized
  - Make a profit. For rough calculations based on Medicare rates, see #16 Profit Point in References, Tables, and Exhibits.
  - Break-even. For rough calculations based on Medicare rates, see #17 Break Even Point in References, Tables, and Exhibits.
  - Sustain an acceptable amount of loss as the SO has other goals for the DSMES program

Educator Productivity Ratios

- There are four types of key "productivity ratios" of educators that are monitored and compared against the desired targets.
- The desired targets are ideal goals created by brain-storming with the DSMES team, reviewing with superiors and benchmarking with other programs.

Examples of targets set by a DSMES team:

- Ratio of an educator's DSMES billable hours scheduled vs. billable hours completed
  - Target = 100 percent of scheduled hours to completed hours
- Ratio of educator's DSMES billable hours completed vs. work hours scheduled to capacity
  - Target = 50 percent
- Ratio of percent of scheduled time for DSMES vs. percent of time scheduled for other key tasks like financial, operational, marketing and CQI
  - Target = 85 percent for billable and non-billable DSMES and 15 percent for other key tasks
- Ratio of non-billable time, such as teaching prep and charting, scheduled before and after each hour of billable time for an individual visit
  - Target = 30 minutes of non-billable time scheduled for each hour of billable time

See References, Exhibits and Tables #5 and #6

Payor Mix Reimbursement Revenue

See References, Exhibits and Tables #7

Pro Forma Income Statement (and Year 1 Budget)

Show your revenue and expense projections under different strategic assumptions.

Example:
DSMES revenue (insurance reimbursement and out-of-pocket payments) in:

- Year 1: Projection
- Year 2: Plus 10%
- Year 3: Less 10%

See References, Exhibits and Tables #8

T.I.P.S. (To Inspire Progress and Success)

Your financial plan translates your DSMES goals into specific financial targets.

A financial plan is not just a prediction, it is a commitment to making desired financial measures happen. It is a tool to establish milestones to gauge financial progress and sustainability of the product or service. It is also a vital feedback and control tool for your organization.

Your financial plan should show the SO scheduled time frames that allow you to meet financial expectations of the DSMES program. (i.e. make a profit, break even or sustain an acceptable loss.)

For FQHCs and RHCs

When developing your financial plan in these two practice settings, it's important to note the following facts with regard to Medicare and FQHCs and RHCs (in addition to the T.I.P.S. outlined above in the marketing plan and operations plan):

FQHCs and RHCs

- The revenue code 0521 is used when the individual DSMES is furnished within the FQHC or RHC.
- The revenue code 0522 is used when the individual DSMES is furnished in the beneficiary's home. *Note: Individual DSMES and MNT (for diabetes and pre-dialysis renal disease) is payable when furnished in the beneficiary's home. All reimbursement rules outlined in this toolkit apply.*

For FQHCs Only

- Individual DSMES, code G0108, is considered a core FQHC service and is payable under the FQHC's Prospective Payment System (PPS).
- Medicare requires the FQHC to bill a specific FQHC-approved qualifying visit G code on the claim, and also an approved procedure code that corresponds to the FQHC-approved qualifying visit G code:
  - FQHC-approved qualifying visit G code G0466 = FQHC medical visit, new patient. This code will not be used with DSMES, as the DSMES visit will never be for a new patient, because a FQHC provider will have seen the beneficiary first in order to make the DSMES referral.
  - FQHC-approved qualifying visit G code G0467 = FQHC medical visit, established patient
    - This qualifying visit code is used along with the procedure code G0108 (30 minutes of individual DSMES). Both G0467 and G0108 are entered on the claim form.
- The Medicare payment is 80 percent of the lesser value of:

  1) The FQHC's PPS rate OR

  2) The FQHC's actual bundled charge for all approved services furnished to the beneficiary per diem

Example 1:
Medicare FQHC PPS Rate for 2018 = $166.60 (Geographic Adjstmt Factor not applied in this example)

Revenue Code	Visit Type	HCPCS	Charge
0521	G0467, medical visit established patient	G0108, DSMES individual, 60 minutes	$106.00

Lesser rate is $106. CMS pays 80% of $106, or $84.80.

Example 2:
Medicare FQHC PPS Rate for 2018 = $166.60 (Geographic Adjstmt Factor not applied in this example)

Revenue Code	Visit Type	HCPCS	Charge
0521	G0467, medical visit established patient	G0108: DSMES Individual, 60 minutes	$106.00
0900	G0470, behavioral health visit, established patient	90791	$132.48
Total FQHC Charges for Beneficiary:			**$238.48**

Payment from CMS to this FQHC would be 80% of the lesser of its PPS rate or the total of the FQHC's actual charges: Lesser charge is $166.60. CMS pays 80% of $166.60, or $133.28.

- The beneficiary's 20 percent co-insurance does apply for DSMES.
  - Medicare Claims Processing Manual, Ch. 9, https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c09.pdf
- Under the PPS system, if an individual DSMES visit occurs on the same day as a behavioral health visit, the DSMES visit can be billed separately; the two visits can both be billed.
  - This is also true for an individual MNT visit.
- If a DSMES visit is furnished on the same day as another medical visit, the two visits cannot both be billed.
  - This is because DSMES is considered a medical visit and two or more medical visits on the same day for the same beneficiary are not both separately billable.

PPS Rate Definition

- There is one national, unadjusted 'base' PPS rate for the FQHC-approved services furnished to a beneficiary in the same day. This PPS unadjustd rate, which is the same for all FQHCs, is $166.60 for the calendar year 2018. The rate is $166.60 from Jan. 1, 2018 through Dec. 31, 2018.
  - This rate is updated annually by CMS to reflect inflation.

- This base rate is adjusted for each FQHC based on the facility location (referred to as the 'geographical adjustment factor' or GAF.)
  - The GAF for each geographical area in the current year can be accessed at: https://www.cms.gov/Center/Provider-Type/Federally-Qualified-Health-Centers-FQHC-Center.html
- The FQHC GAF is not applied to the FQHC's actual charges. It is only applied to the base PPS rate.
- The FQHC's adjusted PPS rate can be calculated by multiplying the base PPS rate times the GAF for the FQHC geographic location where the service was furnished

- There are other adjustments to the base rate:
  - New patient adjustment: The PPS payment rate is increased by a factor of 1.3416 when a FQHC furnishes care to a patient who is new to the FQHC.
  - Initial Preventive Physical Exam and Annual Wellness Visit adjustment.
  - Only one adjustment beyond the GAF per day can be applied.
  - Reference: Medicare Benefit Policy Manual Chapter 13 - Rural Health Clinic (RHC) and Federally Qualified Health Center (FQHC) Services, (Rev. 239, 01-09-18) https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c13.pdf

    Note: These adjustments do not apply to grandfathered tribal FQHCs.
- Each FQHC determines its own exact charge for each service, which must be reasonable and uniform for all their patients.
  - Reference: Medicare Benefit Policy Manual Chapter 13 - Rural Health Clinic (RHC) and Federally Qualified Health Center (FQHC) Services Table of Contents (Rev. 220, 01-15-16)
- Telehealth DSMES, MNT and other services:
  - FQHCs are authorized to serve as an originating site for telehealth services if the FQHC is located in a qualifying rural area. An originating site is the location of an eligible Medicare patient at the time of service via a telecommunications system.
  - FQHCs that serve as an originating site for telehealth services are paid an originating site facility fee.
  - FQHCs are not authorized to serve as a distant site for telehealth services. A distant site is the location of the practitioner at the time the telehealth service is furnished. The cost of a visit may not be billed or included on the cost report.

Frequently Asked Question: Is it financially worthwhile to furnish individual DSMES in an FQHC?

It depends on several factors, necessitating the creation of a pro forma that takes into account at least these factors:

- Significant expenses of salary/benefits paid to diabetes educator, teaching materials, marketing, claims processing, secretarial support, and computer hardware, software subscription fees for tracking database, nutrition practice guidelines, etc.
- The number of individual visits that comprise a full DSMES Program (4, 5, 6, 7, 8 or more).
- The time frame of each individual visit.

TIP: Failing to plan is planning to fail.

- Total time that the educator dedicates to DSMES per period of time
  (patient time, pre- and post-visit time, completing other DSMES program responsibilities, etc.
- The average number of DSMES visits completed by a beneficiary (based on the total number in a program).
- How much of the reimbursement (either AIR or PPS) will be credited to the DSMT program?

To determine quick estimates only, you may want to apply these easy "rules of thumb":

1. For total expenses, multiply the educator's hourly salary and benefits by 2.

   Example: $40/hour x 2 = $80 total expenses for each 1 hour of individual DSMES

2. For the number of visits that the beneficiary will attend in a DSMES program, assume 50% (some people will attend one to two sessions and others will complete all sessions. Your team may assume differently.)

3. Use the geographically adjusted PPS payment rate for the FQHC, or the clinic's charge for G0108, whichever is less.

   Let's review as an example of a program with 10 individual 1 hour visits with approximately 5 visits attended by each beneficiary:

4. "Do the math" for 1 individual DSMES visit of 1 hour:
   - Medicare Part B payment =
     80% of adjusted PPS payment rate of $166.60: + $133.28
   - Beneficiary's 20% co-insurance payment: + $33.32
   - TOTAL PAYMENTS: = $166.60
   - LESS estimated total expenses for visit: – $80.00
   - EQUALS estimated profit (loss) per visit = $86.60
   - PROFIT: 5 visits attended of 10 ($86.60 x 5): = $433

For RHCs Only

In an RHC, the individual DSMES visit is not separately billable and payable to Medicare for additional payment. The cost of furnishing the individual DSMES is reported on the RHC's annual cost report for payment calculated by Medicare under the All Inclusive Rate (AIR).

Clinical Plan

In this part of your plan, the most straight-forward approach is to list the evidence-based decision support tools to be used to plan, furnish and manage the DSMES services and the program altogether.

Evidence-Based Decision Support Tools

- AND's nutrition practice guidelines for diabetes, hyperlipidemia, hypertension, chronic kidney disease, weight management and other relevant diseases (published in AND's online Nutrition Care Manual)
- ADA Standards of Medical Care in Diabetes
- American Heart Association/American College of Cardiology Task Force on Practice Guidelines and the Obesity Society's 2013 Guideline for Overweight and Obesity (or most current version)
- AADE Accreditation or ADA Recognition of DSMES Program (include copy of certificate to SO)
- Evidence-based DSMES curriculum used

Patient Teaching Strategies Used to Improve Attendance and Outcomes

- Patient empowerment
- Motivational interviewing
- Patient educational handouts
- Teaching aids

Educator and Patients' Paper Forms Used

- DSMES referral form
- DSMES record
- DSMES progress note (to forward to referring provider)
- Patients' behavior goals and tracking of
- Patients' desired outcomes and tracking of
- Patients' individualized DSMES plan
- Patients' diabetes support plan

Other Items to Include

- EMR system templates (replace paper forms)
- CLIA-waived point-of-care tests and waivers to perform

TIP:
A satisfied customer is the best strategy of all.

T.I.P.S. (To Inspire Progress and Success)

About CLIA-Waived Point-of-Care Tests and Obtaining Waivers

CLIA is the abbreviation for the Clinical Laboratory Improvement Amendments of 1988. The act consists of federal regulatory standards that apply to all clinical laboratory testing performed on humans in the U.S., except clinical trials and basic research.

CLIA waived tests are simple tests with a low risk for an incorrect result, including:

- Tests listed in the CLIA regulations
- Tests cleared by the FDA for home use
- Tests that have been FDA approved for a waiver using CLIA criteria

- For listings of all CLIA tests waived by the FDA for use as point-of-care tests in medical entities (from January 2000 to present), visit: http://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfClia/testswaived.cfm
- To access the online booklet titled "How to Obtain a CLIA Certificate of Waiver", visit: http://www.dph.illinois.gov/sites/default/files/publications/clia-how-obtain-certificate-waiver-041316.pdf

Notes:

Continuous Quality Improvement Plan

The Importance of a CQI Plan

A continuous quality improvement plan (CQI) provides a systematic and coordinated approach to improving the quality of your DSMES program. It ensures that quality measures are continually monitored and compared to desired targets, best practice targets and previous results. It also ensures that a corrective action is taken when quality measures do not meet targets, therefore improving the quality of your DSMES program.

The 3 parts of a CQI Plan

1. Patient and educator-selected behavior goals are monitored in each DSMES program and key quality measures are monitored periodically during each year.

- Quality measures to be monitored are selected by the DSMES team with a focus on identifying:
  - A problem or issue of concern
  - An opportunity for improvement

See Reference, Exhibits and Tables #9 and #10

2. The problem or opportunity for improvement is translated into a CQI project. More than one CQI project will be completed every 12 months.

- The 4 step evidence-based CQI process is used to manage the project: Plan – Do – Study – Act

3. A summary of each completed CQI project is reported to the advisory committee of your DSMES program and to the administration of the SO.

Key Quality Measures for the DSMES Program

Structure, process and outcome measures (patient, program and provider) are created by the DSMES team for each component of the business plan: operations plan, marketing plan, clinical plan, NSDSMES plan, financial plan and the CQI plan.

- Structure and process measures are monitored by the DSMES team and compared to the plan's targets and best practices to:
  - Improve efficiency, quality, timeliness of the DSMES service
  - Decrease costs
  - Increase revenue
  - Increase provider and patient self-referrals
  - Increase patient attendance in program

- Patient outcome measures may include one or more of following:
  - Knowledge and confidence outcomes
  - Behavioral change outcomes
  - Clinical outcomes
  - Quality of life outcomes
  - Cost-savings outcomes
  - Patient satisfaction outcomes
- Continuation of AADE Accreditation or ADA Recognition beyond the initial accreditation or recognition is advised. This requires one clinical and one other outcome to be tracked.

TIP:
When you feel like quitting, think about why you started.

See References, Exhibits and Tables #11, #12 and #13

T.I.P.S. (To Inspire Progress and Success)

Resources for Evidence-Based Quality Measures

- American Diabetes Association's Standards of Medical Care in Diabetes, updated annually: www.diabetes.org
- National Standards of DSMES, 2017 are accessible at either of these sites:
  - https://www.diabeteseducator.org/docs/default-source/practice/deap/standards/nationalstandards_2017.pdf?sfvrsn=2
  - http://care.diabetesjournals.org/content/diacare/early/2017/07/26/dci17-0025.full.pdf
- Position Statement on DSMES of the ADA, AND and AADE, 2015: https://www.diabeteseducator.org/news-publications/aade-news/aade-ada-and-and-issue-joint-position-statement
  - The above contains the algorithm for referral of people with diabetes to DSMES. See enlarged algorithm tables at https://www.diabeteseducator.org/practice/practice-documents/practice-statements
- American Association of Clinical Endocrinologists: www.aace.com

Notes:

References, Exhibits and Tables

#1

ACA Standards to Reform Healthcare Aligned with DSMES Program Standards

ACA STANDARDS to Reform Healthcare	DSMES Program STANDARDS
Patient-Centered Access	**PROGRAM** provides 24/7 access to team-based care for both routine and urgent needs of patients, families and caregivers
Team-Based Care	**PROGRAM** provides continuity of care using culturally and linguistically appropriate, team-based approaches
Population Health Management	**PROGRAM** provides evidence-based decision support and proactive care reminders based on complete patient information, health assessment and clinical data
Care Management and Support	**PROGRAM** systematically identifies individual patients and plans, manages and coordinates care, based on need
Care Coordination and Care Transitions	**PROGRAM** systematically tracks tests and coordinates care across specialty care, facility-based care and community organizations
Performance Measurement and Quality Improvement	**PROGRAM** uses performance data to identify opportunities for improvement and acts to improve clinical quality, efficiency and patient experience

ACA Goals to Reform Healthcare Aligned with DSMES Program Development Goals

ACA GOALS to Reform Healthcare	DSMES Program DEVELOPMENT GOALS
1. Emphasis on team-based care.	• Provide continuity of care using culturally and linguistically appropriate, team-based approaches
2. Focus care management on high-need populations.	• Focus on populations with chronic diseases for which self-management education and interventions proven to improve outcomes and thus reduce disease complications and exacerbation
3. Higher bar and alignment of QI activities with Triple AIM.	• Continually seek to improve patient outcomes, the patient experience, clinical quality and decrease cost • Conduct CQI activities annually; are subject to audit • Attain/maintain DSMES program AADE accreditation • Submit data from previous two cycles of measurement
4. Align with EMR/EHR Meaningful Use Stage 2 (MU2)	• Fully integrate all aspects of program in practice's EMR/EHR
5. Further integration of behavioral healthcare.	• Use evidence-based behavior modification strategies and tools • Refer patients for mental health or substance abuse care

#2

DSMES Program Competition Grid

	My Program	Competitor A	Competitor B
Services Offered			
Fees			
Location			
Expertise			
Hours of Operation			
Referral Required			
Length of DSMES Program			
Days of DSMES Program			
Other			

#3

S.W.O.T. Analysis of DSMES Program

	Main Competition	Your DSMES Program
Strengths		
Weaknesses		
Opportunities		
Threats		

#4

Match each consumer brand on the right with one of these descriptions that best fits it:

- Reliable
- Safe, durable
- Different in a good way
- Fun
- Healthy
- Excellent quality

Company	Description
Apple	
Honda	
Jello	
Quaker Oatmeal	
Godiva	
FedEx	

Example:

Company	Description
Apple	*Different in a good way*
Honda	*Safe, durable*
Jello	*Fun*
Quaker Oatmeal	*Healthy*
Godiva	*Excellent quality*
FedEx	*Reliable*

#5
The following ratios are based on a 40-hour work week for the diabetes educator.

1. Ratio of educator's DSMES billable* hours scheduled vs. billable hours completed

Target = 100% of scheduled hours to completed hours

DSMES Billable Face-Time Hours Scheduled	divided by	DSMES Billable Face-Time Hours Completed	equals	Benchmark External Data
17.5 hours	÷	17.5 hours	= 100%	100%

*Does not include non-face-time with patient as not billable to insurers

2. Ratio of educator's DSMES billable* hours completed vs. work hours scheduled to capacity*

Target = 50%

DSMES Billable Hours Completed	divided by	Work Hours Scheduled to Capacity	equals Ratio of	Benchmark External Data
17.5 hours	÷	32.5 hours	= 54%	32%

*Based on 1.0 FTE working 5 day/40 hour week minus lunch and break times = 32.5 work hours per week that can be scheduled

3. Ratio of percent of scheduled time for DSMES vs. percent of time scheduled for other key tasks*

Target = 85% for DSMES to 15% for other key tasks

Percent of Scheduled Time for DSMES	to	Percent of Time Scheduled for Other Key Tasks*	Benchmark External Data
85%		15%	85%

*Financial, operational, marketing and CQI tasks

#5 continued

4. Ratio of non-billable pre- and post- time scheduled for each 1 hour of billable individual visit

Target = 30 minutes **non-billable** time scheduled for 1 hour of **billable** time

Non-Billable Pre- and Post-Time Scheduled	for	1 Hour of Billable Individual Visit	equals Ratio of	Benchmark External Data
Pre-visit = 15 mins Post-visit = 15 mins				
30 min. Non-Billable	for	1 hour Billable	**= 30 min. /1 hr**	= 30 min for 1 hr

#6

1.0 FTE Educator Schedule in 8 Hour Day + Weekly Totals

	Billable DSMES Patient Face-Time	Non-Billable Pre-Visit Time	Non-Billable Post-Visit Time	= Total DSMES Time	+ Non-DSMES Key Tasks	
Initial Individual Visit x1/day	1 hr	+15 min	+15 min	= 1 hr		
F/up Individual Visit x1/day	0.5 hr	+15 min	+15 min	= 1 hr		
Group Visit x1/day	2 hrs	+30 min	+30 min	= 3 hrs		
Non-DSMES Key Tasks					1 hr	
Day Totals	3.5 hrs	+1 hr	+1 hr	=5.5 hrs	+1 hr	= 6.5 hrs
Week Totals	17.5 hrs	+5 hrs	+5 hrs	=27.5 hrs	+5 hrs	= 32.5 hrs
% of Paid Hours/ Week	= 54% Billable DSMES Time	= 31% Non-Billable DSMES Time		= 85% Total DSMES Time	= 15% Non-DSMES Key Tasks	

#7

Payor Mix Reimbursement Revenue for 1 Hour of Individual DSMES and 1 Hour of Group DSMES (Fee for Service)

		BCBS	Other Insurance	Medicaid	Medicare*	Other	Self-Pay		
		Percent of Claims Paid							
		100%	100%	100%	100%	100%	100%		
		Reimbursement						Average per 1 Hour, 1 Patient	Average per 1 Hour Group, 3 Patients
G0108	DSMES Individual per 1 hr	$80.38	$95.50	$21.25	$108.72	$60.50	$72.25	$73.10	
G0109	DSMES Group, per 1 hr, 1 Patient	$70.42	$80.76	$22.38	$29.52	$48.76	$76.10	$54.66	$163.98
G0109	DSMES Group, per 30 min Unit	$35.21	$40.38	$11.19	$14.76	$24.38	$38.05		Average per 30 min Group, per Patient $27.32

Reimbursement rates are estimates. Reference: 2018 national unadjusted rate from CMS Physician Fee Schedule, accessed November 2018

Groups of at least six often needed to surpass break-even point. Group reimbursement goes up for each additional patient beyond the three in the above example.

#7 continued

How to look up Medicare rates in your specific area for specific procedure codes (e.g., G0108, G0109):

1. Insert into your browser: https://www.cms.gov/apps/physician-fee-schedule/license-agreement.aspx
2. Click on "Accept"
3. Under "Select Medicare Administrative Contractor (MAC) Option:", click on "Specific Locality"
4. Under "Enter values for: HCPCS Code", enter desired procedure code; e.g., G0108 or G0109
5. Under "Modifier", select "All Modifiers"
6. Under "MAC Locality," select the desired locality

Website for overview of state insurance laws mandating coverage of DSMES, MNT and related services by private insurers and Medicaid programs

1. Data on site published in 2011; updated with material added January 2016
2. Site is: http://www.ncsl.org/research/health/diabetes-health-coverage-state-laws-and-programs.aspx

Way to determine reimbursement rates for DSMES and MNT from private and commercial payers

Credentialed in-network providers can access the reimbursement rates on the payer's secure fee schedule portal on its website.

- Fees displayed are based on contracted amounts negotiated for specified treatments and interventions for each procedure code on a line-by-line, fee-for-service basis.
- Below is an example of the step-by-step instructions for providers (individual or organizational) to access the reimbursement rate for the intervention/procedure on the website's secure portal:
  - Select the Corporate Tax ID Owner
  - Select the Physician's or Provider' Tax ID and Name
  - Click on the Member Information Look-up link
  - Enter the member's DOB, zip code, name, gender, etc.
  - Select the Place of Service from the drop-down menu
  - Enter the Date to Check using the mm/dd/yyyy format or by clicking the Calendar icon.
  - Enter the Diagnosis Code or click on the magnifying glass icon.
  - Enter the CPT or HCPC code or click on the magnifying glass icon
  - Click the Search button
  - The Fee Schedule Search Results screen display

#8

Pro-Forma Income Statement	Year 1	Year 2	Year 3
DSMES Program at:_____	☐**Actual** ☐**Projection**	**Plus 10%**	**Less 10%**
DSMES Revenue			
DSMES Medicare Reimbursement: Ind G0108			
DSMES Medicare Reimbursement: Group G0109			
DSMES Medicaid Reimbursement: Individual			
DSMES Medicaid Reimbursement: Group			
DSMES Private Payer Reimbursement: Individual. *For help with this, see page 38 and #15 in References, Tables, and Exhibits*			
DSMES Private Payer Reimbursement: Group. *For help with this, see page 38 and #15 in References, Tables, and Exhibits.*			
Patient Self-Pay Revenue: Individual*			
Patient Self-Pay Revenue: Group*			
Other Revenue			
Gross DSMES Revenue			
DSMES Revenue			
Rent Fees in Off-Site Locations			
Salaries of Educators (_____ FTEs)			
Salaries of Staff (_____ FTEs)			
Staff Credentialing/CEU Fees			
Professional Membership Fees			
Incentives/Giveaways for Participants			
Marketing and Advertising			
EMR Related Expenses			
AADE Accreditation/ADA Recognition Fee			
DSMES Curriculum			
CLIA Waived Testing			
Patient Teaching Supplies			
Office/Teaching Room Furniture			
Computers, Fax/Copy/Printer Machines			
Phones and Phone Service			
Online Subscriptions, Journal Subscriptions, Books			
Software			
Internet and Website Fees			
Repairs and Maintenance			
Licensure Fees			
Utilities Amortization			
Meetings, Seminars Fees			

#8 continued

Pro-Forma Income Statement	Year 1	Year 2	Year 3
	☐ Actual ☐ Projection	Plus 10%	Less 10%
Less Total Operating Expenses			
Net Profit (or Loss)			

*Assumption: All claims paid at plan's max rate; billable educator's hours scheduled to capacity (see Ratios)
*Assumption: All balances due for self-pay payments collected at an 80% rate (20% of balances = bad debt)

Notes on DSMES Operating Expenses

- The costs of items given to patients as incentives to complete the DSMES program should also be included in the pro forma.
- Licensure fees may include those for the DSMES curriculum, AND's online Nutrition Care Manual and professional licensure fees for program staff.
- The software may include ADA's tracking software, or AADE's online DSMES program data tracking system called AADE7 System, or other deemed necessary by a coordinator, partner or SO.

Tips for successfully utilizing the pro forma income statement and ongoing analysis of DSMES program actual revenue and expenses:

1. The program planners are to identify the SO's financial expectations of the DSMES program:
    - Break even?
    - Make a profit?
    - OK to incur a loss of ____ percent per fiscal year?
2. An initial pro forma analysis of the DSMES program is completed during this early planning phase.
    - It is completed in order to determine for the first fiscal year:
        - A projection (an estimate) of the total revenue from DSMES and other services (with 10% more and 10% less)
        - A projection of the total expenses from the DSMES program (with 10% more and 10% less).
        - A projection on a Net Loss or a Net Profit.
    - This early projection of how close or how far apart these financial projections are will help the DSMES program planners to tweak elements of the business plan to better insure that the financial goal of the program is met in the first fiscal year.
3. This analysis is repeated at pre-planned periods during the first year of the program (e.g., every 3 or 6 months), with actual revenue and expense data.
    - The analysis is now commonly referred to as the "budget" for the DSMES program.
4. The program staff then tweak elements of budget and of the DSMES program's business plan in order to achieve the SO's financial goal of the program.

#9

Behavior Goal for Diabetes

Patient Name_____ **Physician Name**_____ **Page**_____

0= Never 1= Hardly Ever 2= Sometimes 3= Often 4= Almost Always 5= Always

	Initial Date:	Follow-Up Date:	Follow-Up Date:	Final Date:	For Staff Use: % Change
Healthy Eating					
Being Active					
Monitoring					
Taking Medication					
Other					

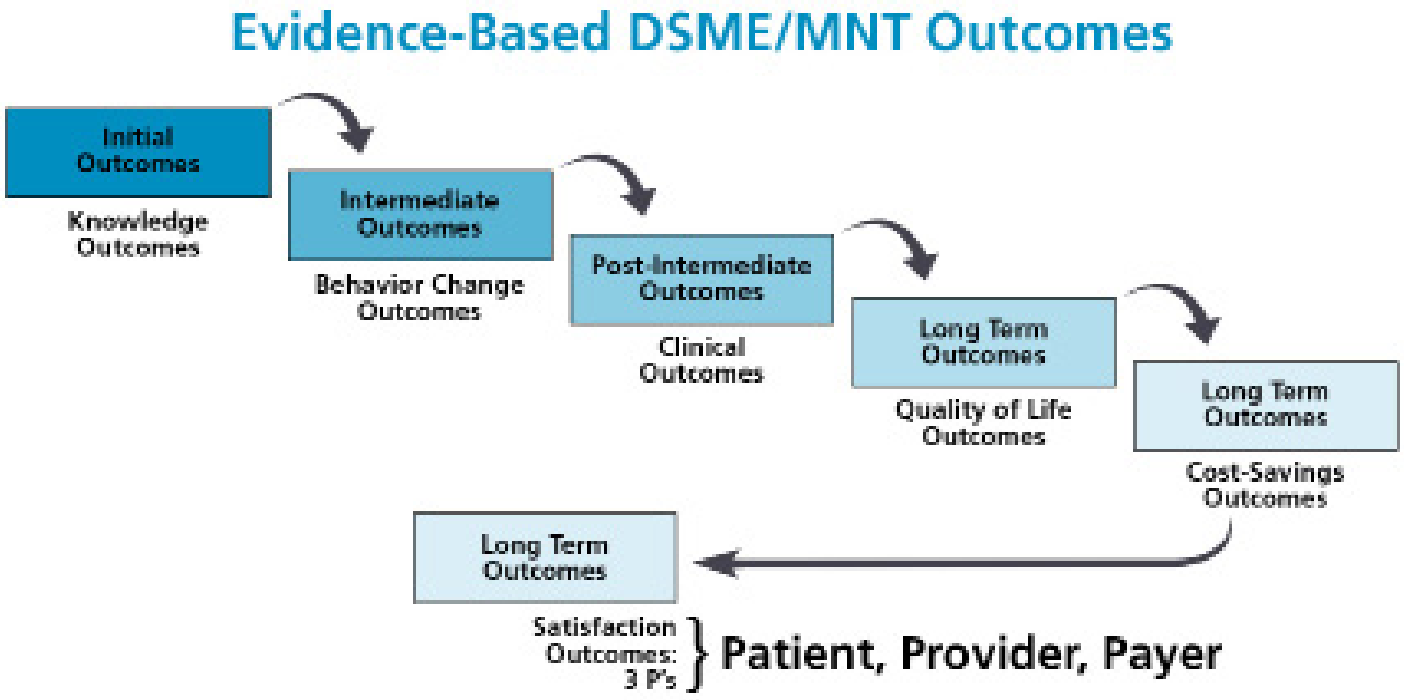
Instructor Signature_____

#10

Summarize and report behavior goals to referring providers

Patient Behavior Goals	Number Who Chose Goal	Number Reporting Improvement	% Who Reported Improvement	DSMES Program Benchmark
Healthy Eating				
Being Active				
Monitoring				
Reducing Risks				
Taking Medication				
Problem Solving				
Healthy Coping				

#11



Reference: AADE, Outcomes Measurement: American Association of Diabetes Educators Position Statement, August 2011, Accessed 8-31-16 www.diabeteseducator.org/docs/default-source/lagacy-docs/_resources/pdf/research/outcome_measurement_position_statement_2011.pdf

#12

Diabetes Outcomes Monitoring and Evaluation

Patient Name_____ **Initial Year**_____

Clinical Health Outcomes	Your Goals	Initial Value:	Follow-Up:	Follow-Up:	Follow-Up:	% Change:
DATE						
Fasting blood glucose (70-130 mg)						
BG before lunch/dinner (70-130 mg)						
Bedtime blood glucose						
BG 2 hr after meals (180 mg or less)						
A1C (less than 7%)						
Blood pressure (130/80 or less)						
Weight and height						
Total cholesterol (200 mg or less)						
LDL cholesterol (100 mg or less)						
HDL cholesterol (50 mg female; 40 mg male or more)						
Triglycerides (150 mg or less)						
Waist circumference (35 in or less female; 40 in or less male)						
BMI (19.0 - 24.9)						

Rating Scale: 1 - 10 with 1 being lowest and 10 being highest

Quality of Life	Your Goals	Rating	Rating	Rating	Rating	Rating
Energy level						
Pain, discomfort due to diabetes						
Anxiety, worry due to diabetes						
Depression						
Daily activities lost due to diabetes						
Work/school days lost due to diabetes						
Relationship problems due to diabetes						
Financial problems due to diabetes						

#12 continued

Diabetes Outcomes Monitoring and Evaluation

Patient Name_____ **Initial Year**_____ **Page 2**

Knowledge	Your Goals	Rating	Rating	Rating	Rating	Rating
Healthy eating						
Being active						
Monitoring my blood glucose						
Taking my medications as ordered						
Healthy coping of my diabetes						
Solving my diabetes problems						
Reducing diabetes risks						
Skills (confidence in being able to...)	**Your Goals**	**Rating**	**Rating**	**Rating**	**Rating**	**Rating**
Eat healthy						
Be active						
Monitor my blood glucose						
Take my medications as ordered						
Cope with diabetes problems						
Solve my diabetes problems						
Reduce diabetes risks						

#13

Summarize and report behavior goals to referring providers

DSMES Patient Outcome Measures	Number Who Chose Measure	Number Reporting Improvement	% Improvement	Program Benchmark
Clinical				
A1c				
FBG				
BP				
BMI - Weight				
T-Cholesterol				
LDL-C				
HDL-C				
Triglycerides				
Quality of Life				
Energy level				
Pain, discomfort				
Vision				
Work days missed due to diabetes				
Relationship problems due to diabetes				
Financial problems due to diabetes				
Daily activities lost due to diabetes				
Depression				
Anxiety, worry due to diabetes				
Knowledge				
Healthy eating				
Being active				
Monitoring blood glucose				
Taking medications as ordered				
Healthy coping				
Solving problems				
Skills				
Eat healthy				
Be active				
Monitor blood glucose				
Take medications as ordered				
Cope with diabetes in a healthy way				
Solve diabetes problems				
Reduce diabetes risks				

*Rating Scale: 1 - 10 with 1 being lowest and 10 being highest

#14

Other References and Exhibits to Include

- Articles of incorporation or the state filing of the LLC or other legal business entity
- Resumes and job descriptions of:
  - Owner of private practice
  - DSMES program coordinator
  - Diabetes educators
  - Non-clinical instructors (e.g., community health workers)
  - National Standards of DSMES
  - Name of Curriculum Being Used (Do note if evidence-based.)
- Provider forms
- Patient chart forms
- Example of patient educational handouts
- Patient and provider testimonial letters
- Summary of results of recent CQI project examples: Pre-Post Behavior Survey Results, Pre/Post A1Cs, Blood Pressures, Cholesterol, and/or Weights or Quality of Life indicator examples from Table 13
- Previous year's income statement

#15

CATEGORIES of HEALTHCARE INSURERS' "REIMBURSEMENT RULES" for DSMES and MNT: QUESTIONS TO ASK EACH INSURER

INSURER NAME, INQUIRY DATE, PERSON I SPOKE TO:	Diabetes Self-Management Education and Support/Training (DSMES/DSMT)	Medical Nutrition Therapy (MNT)
Utilization limit (no. of initial, and no. of follow-up hours or visits)		
Places of service approved (OP hosp., MD practice, clinic, pharmacy, etc.)		
Procedure code(s) required or accepted		
If provider referral required from provider. If must be the treating provider.		
Type of ordering providers approved (MD, DO, NP, PA)		
Reimbursement rate for each procedure code approved		
Time period for utilization limit (calendar year or rolling year)		
Billing providers approved (MD, DO, NP, PA, RD; entity providers)		
Rendering providers approved (MD, DO, NP, PA, RD, LCSW, etc.)		
Group and/or individual visits required or combination of both is OK		
ICD-10 diagnosis codes approved and not approved		
ADA or AADE certification required for diabetes education program		
Lab eligibility requirement to start benefit (FBG, random BG, 2^{o}OGTT)		
Incident to physician billing methodology required or prohibited		
Use of quality standards required (published nutrition guidelines)		
If 2 benefits are payable on same day to same patient (DSMT and MNT)		

#16

Financial Plan

Profit point in 10 hour DSMES program

Design example is below (in order of visit delivery):	REVENUE	EXPENSES
4, 2 hour **group** visits. Average # OPs who attended visits = **4**. **4 OPs** x $40 average reimbursement/1 hour group x 2 hours x 4 visits =	$1280	
1, 1 hour **individual** visit. **4 OPs** x $120 average reimbursement rate/1 hour individual =	$480	
1,1 hour **group** visit (last visit plus graduation; or follow-up in 2 - 3 months). **4 OPs** x $40 average reimbursement/1 hour group =	$160	
TOTAL AVERAGE REIMBURSEMENT for 10 HOURS of DSMES	**$1920**	
LESS: total estimated expenses for: 10 hours of DSMES + 7 hours total of pre- and post visit time = 17 hours x **$80 per hour**^ =		**($1360)**

^Estimated expenses/hour "quick rule of thumb" = educator hourly rate x 2, or $40* x 2 = **$80/hour of estimated expenses**. Doubling the hourly rate is a rough way to account for both direct expenses (teaching aids, handouts) and indirect expenses (e.g., electricity, telephone, furniture, computer) in addition to the educator's salary and benefits.

*$40/hour = $30/hour salary + $10/hour for employee benefits (health insurance, paid time off, savings contribution, etc.).

#17

Financial Plan

Breakeven point (approximately) in 10 hour DSMES program:

Design example is below (in order of visit delivery):	REVENUE	EXPENSES
4, 2 hour **group** visits. Average # OPs who attended visits = **3**. **3 OPs** x $40 average reimbursement/1 hour group x 2 hours x 4 visits =	$960	
1, 1 hour **individual** visit. **3 OPs** x $120 average reimbursement rate/1 hour individual =	$360	
1,1 hour **group** visit (last visit plus graduation; or follow-up in 2 - 3 months). **3 OPs** x $40 average reimbursement/1 hour group =	$120	
TOTAL AVERAGE REIMBURSEMENT for 10 HOURS of DSMES	**$1440**	
LESS: total estimated expenses for: 10 hours of DSMES + 7 hours total of pre- and post visit time = 17 hours x $80 per hour^ =		**($1360)**

^Estimated expenses/hour "quick rule of thumb" = educator hourly rate x 2, or **$40*** x 2 = $80/hour of estimated expenses. Doubling the hourly rate is a rough way to account for both direct expenses (teaching aids, handouts) and indirect expenses (e.g., electricity, telephone, furniture, computer) in addition to the educator's salary and benefits.

***$40/hour = $30/hour salary + $10/hour for employee benefits (health insurance, paid time off, savings contribution, etc.).**

#18

Estimated Billable and Non-Billable Time Spent by Diabetes Educator(s) for 10 Hour DSMES Program

Design of 10 Hour Program with 3 OPs in Program	Billable Visit Time Per 1 OP	Billable Visit Time Per 3 OPs	Non-Billable PRE-Visit Time Per Visit*	Non-Billable POST-Visit Time Per Visit*	Total Non-Billable Time Per Program
2 Hour **Group** Visit	2 hours group	6 hours group	30 minutes	30 minutes	1 hour
2 Hour **Group** Visit	2 hours group	6 hours group	30 minutes	30 minutes	1 hour
2 Hour **Group** Visit	2 hours group	6 hours group	30 minutes	30 minutes	1 hour
2 Hour **Group** Visit	2 hours group	6 hours group	30 minutes	30 minutes	1 hour
1 Hour **Individual** Visit	1 hour individual	3 hours individual	15 minutes x 3 visits = 45 minutes	15 minutes x 3 visits = 45 minutes	1.5 hours
1 Hour **Group** Visit^	1 hour group	3 hours group	30 minutes	30 minutes	1 hour
PROGRAM TOTALS	**10 hours per 1 OP: 9 hours group + 1 hour individual**	**30 hours per 3 OPs: 27 hours group + 3 hours individual**	**3 hours + 15 minutes = 3.25 hours non-billable pre**	**3 hours + 15 minutes = 3.25 hours non-billable post**	**6.5 hours non-billable total**

*Includes **PRE** time *on* class day and **PRE** time *before* class day (latter = calling OPs, checking DSMES referrals, contacting providers , pursuing eligibility labs, etc.).

*Includes **POST** time *on* class day and **POST** time *after* class day (latter = calling OPs, contacting providers re: recommendations on progress notes, reviewing OPs' completed assessment forms and education plans and making edits, data entry into e-system, ordering supplies, etc.).

^Last visit that includes graduation; or follow-up visit in 2 - 3 months after 9 hour initial DSMES program.

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