Life Care Plan vs. Medical Cost Projection:

Claims Management Tools
Presenter:
Lynn Lepak, RN, BS, CDMS, CNLCP

» Nurse Case Manager
» Life Care Planner

Lynn works for:
Stubbe & Associates
Catastrophic Injuries and more

Miller Park Crain Accident
Life Care Plans…

- What is a life care plan and Medical Cost Projection?
  - Who is qualified to complete?
  - What is the industry standard?
- How to use a life care plan or Medical Cost Projection?
Life Care Plans vs Medical Cost Projections:

- Similar but different....
# Life Care Plan or Medical Cost Projection?

<table>
<thead>
<tr>
<th>Need</th>
<th>LCP</th>
<th>MCP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Litigation</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Financial Planning</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Vocational Planning</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Medical Guidelines for future care</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Reserve Setting</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Case Management</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
## Differences

<table>
<thead>
<tr>
<th>LIFE CARE:</th>
<th>MEDICAL COST:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Legal document – active litigation and reactive</td>
<td>- Reserve planning – proactive</td>
</tr>
<tr>
<td>- Occurs toward the end of active treatment</td>
<td>- Can occur at any point in treatment</td>
</tr>
<tr>
<td>- Assessment based on in-person interview, review of medical records and provider communication</td>
<td>- Assessment based on medical records review and provider communication</td>
</tr>
<tr>
<td>- Extensive legal document with medical research</td>
<td>- In-person meeting is optional</td>
</tr>
<tr>
<td></td>
<td>- Medical research covering a portion of care</td>
</tr>
</tbody>
</table>
Similarities of LCP/ MCP

- Written plan for future care to avoid duplication of services
- Provides guide for cost effective management of medical care
- Provides communication among providers
  - Keeps lines of communication open
- Medical needs and costs are forecasted annually and for lifetime
  - Provides a pricing guideline
- Research based—nationally accepted standards of care
The Life Care Planner utilizes the nursing process, collects and analyzes client specific data to prepare the dynamic document.

The plan is an organized estimate of what is reasonable and necessary for current and future healthcare needs for a particular individual over an estimated life span.
Common Diagnoses Requiring a Life Care Plan

Spinal Cord injuries
Burns
Traumatic Brain Injury
Amputations
Crush Injuries
Multiple Trauma
Blindness

AIDS
Spinal Cord Injuries
Toxic Exposure
Ventilator Dependency
Transplants
Cerebral Palsy
Chronic Pain
The LCP Process
The Nursing Process

- Assessment
- Diagnosis (Issue Identification)
  - Outcome Identification
  - Planning
  - Implementation
- Evaluation
The LCP Process

- Interview
- Medical Record Review
- LCP Assessment
- Written Communication with Providers
- Outcome Identification / Medical Research
- Recommendations / Cost Research
- Written Plan
The LCP Document

- Introduction, Case Summary
- Life Expectancy / Rated Age
- Chronology of the Medical Record Review
  - Past Medical History
  - Summary of Care
- Functional Status, Limitations
  - Anticipated Treatment
  - Potential Complications
- LCP Recommendations
The LCP Document

- Medical Care, Physician Appointments
  - Procedures, Hospitalizations, Surgeries
- Education, Evaluations, Therapy
- Laboratory and Diagnostic Testing
  - Medications
    - Supplies, Equipment
    - Orthotics, Prosthetics
- Aides for Independent Living
  - Home Furnishings
    - Home Care
The LCP Document

- Facility Care
- Case Management
- Transportation
- Vocational Needs
- Health and Strength Maintenance
- Architectural Renovations
- Summary of Costs
Medical Cost Projection – MCP

- MCP may be limited or task specific
- Often used in less serious types of injuries or for a specific period of time
- May be requested for one procedure only such as a surgery or spinal cord stimulator
- Not a legal document
- Requires less time to complete
Who, What, When?

- Certified Nurse Life Care Planner
- Certified Life Care Planner
- Legal Document vs Plan in Progress
- Home Visit
- Begin early in injury vs when claimant is stabilized
Medical Cost Projection: Example #1

- DOI 6/3/13 – MVA (Roll–Over motor vehicle accident)
- 65 year old worker
- Occupation – Dump Truck Driver
- Taken by Flight for Life to UW Madison Hospital and admitted to ICU
- Initial diagnosis – cervical spine fracture
- Multiple surgeries
  - C3 Laminoplasty
  - C5 Laminectomy
  - C5–6 reconstruction and fusion
Medical Cost Projections

Example #1

- Permanent Cervical Paralysis
- Complicated by
  - Decreased oxygen saturation
  - Angina
  - Pleural effusion
  - Congestive heart failure
  - Confusion
  - Pneumonia
  - Insomnia
- Transferred to Craig Hospital for rehabilitation
## Asked for Medical Cost Projections: Hospital and Rehabilitation (inpatient) Costs

<table>
<thead>
<tr>
<th>Treatment/Item</th>
<th>Purpose</th>
<th>Timeframe</th>
<th>Frequency</th>
<th>Unit Cost</th>
<th>Lifetime Cost</th>
<th>Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UW Madison</strong></td>
<td>To treat acute injury</td>
<td>June 3, 2013 through July 9, 2013</td>
<td>One time</td>
<td>$377,467.27 facility charges $156,002.59 physician fees</td>
<td>$533,469.86</td>
<td>UW Hospital</td>
</tr>
<tr>
<td><strong>Craig Hospital</strong></td>
<td>To provide in-patient rehab post acute injury</td>
<td>July 9, 2013 admission</td>
<td>One time</td>
<td>$6,208.03 per day cost</td>
<td>$478,018.31</td>
<td>Craig Hospital</td>
</tr>
</tbody>
</table>

Additional Information:
Craig Hospital costs averaged $6,208.03 per day. Average length of stay for quadriplegic was 10–12 weeks.
Medical Cost Projections
Example #2

- Similar claim example as Example #1
  - DOI 6/3/14
  - 65 year old dump truck driver involved in roll-over MVA resulting in cervical injury and paralysis

- Request is to capture first year of medical cost projections
## Medical Cost Projection – Example #2
### Hospitalization Costs

<table>
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<tr>
<th>Treatment/Item</th>
<th>Purpose</th>
<th>Timeframe</th>
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<td>UW Hospital</td>
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<tr>
<td>Craig Hospital</td>
<td>To provide in-patient rehab post acute injury</td>
<td>July 9, 2013 admission</td>
<td>One time</td>
<td>$6,208.03 per day cost</td>
<td>474,562.10</td>
<td>Craig Hospital</td>
</tr>
</tbody>
</table>

### Additional Information:
Craig Hospital costs averaged $6,208.03 per day. Average length of stay for quadriplegic was 10–12 weeks. Client stayed for 20 weeks.
# Medical Cost Projection: Example #2

## Out-patient Care for 1 year

<table>
<thead>
<tr>
<th>TABLE</th>
<th>1Yr COST ESTIMATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluations</td>
<td>$221.25</td>
</tr>
<tr>
<td>Out-Patient Medical Care</td>
<td>$995.99</td>
</tr>
<tr>
<td>Hospitalizations/Procedures</td>
<td>1,008,031.90</td>
</tr>
<tr>
<td>Laboratory and Diagnostic Testing</td>
<td>$5,072.06</td>
</tr>
<tr>
<td>Medications</td>
<td>$4,310.63</td>
</tr>
<tr>
<td>Therapy</td>
<td>$745.01</td>
</tr>
<tr>
<td>Durable Medical Equipment</td>
<td>$7,821.66</td>
</tr>
<tr>
<td>Medical Supplies</td>
<td>$4,713.03</td>
</tr>
<tr>
<td>Wheelchairs, Accessories, Maintenance</td>
<td>$12,351.17</td>
</tr>
<tr>
<td>Orthotics, Prosthetics</td>
<td>$125.00</td>
</tr>
<tr>
<td>Facility Care</td>
<td>$33,962.45</td>
</tr>
<tr>
<td>Home Care</td>
<td>$239,197.77</td>
</tr>
<tr>
<td>Education</td>
<td>0</td>
</tr>
<tr>
<td>Assistive technology / Independent Living Support</td>
<td>$1,010.00</td>
</tr>
<tr>
<td>Home Modifications, Furnishings</td>
<td>$8,474.57</td>
</tr>
<tr>
<td>Case Management</td>
<td>$4,800.00</td>
</tr>
<tr>
<td>Transportation</td>
<td>$5,562.21</td>
</tr>
<tr>
<td>Health Maintenance</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,337,394.70</strong></td>
</tr>
</tbody>
</table>
Sample of Life Care situation

- Same accident as Example #1 Medical Cost Projection
- 65 year old dump truck driver involved in roll-over accident resulting in cervical paralysis
- Following rehabilitation at Craig Hospital; transferred back to skilled nursing facility
- Discharged: Home with 24/7 care as of 3/13/14
Continued struggle with respiratory insufficiency, DVTs, skin breakdown, sleep apnea, arrhythmias, bundle branch block and depression

Sensitive to medications

Rated age done and median age determined to be 74 with 11.8 year life expectancy

Life care plan is an expansive document – will show following charts to illustrate the cost/reserve information that can be obtained
# Life Care Plans Information

<table>
<thead>
<tr>
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<th>Resource</th>
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</thead>
<tbody>
<tr>
<td>PM&amp;R office visits 99213</td>
<td>To manage medical and functional issues</td>
<td>August 2013 throughout lifetime</td>
<td>3 times a year</td>
<td>$139.78</td>
<td>$419.34</td>
<td>$4,948.21</td>
<td>WI fee schedule</td>
</tr>
<tr>
<td>Neurosurgery office visits 99214</td>
<td>To assess and treat post spine injury</td>
<td>August 2013 throughout lifetime</td>
<td>2 post discharge</td>
<td>$210.15</td>
<td>$35.61</td>
<td>$420.30</td>
<td>WI fee schedule</td>
</tr>
<tr>
<td>Urology office visits 99213</td>
<td>To manage issues relating to neurogenic bladder</td>
<td>August 2013 throughout lifetime</td>
<td>2x/year and 5 additional</td>
<td>$139.78</td>
<td>$338.78</td>
<td>$3,997.70</td>
<td>WI fee schedule</td>
</tr>
<tr>
<td>Psychology visits 90804</td>
<td>To assess/treat psychological issues</td>
<td>August 2013 throughout lifetime</td>
<td>15 visits</td>
<td>$131.10</td>
<td>$166.65</td>
<td>$1,966.50</td>
<td>WI fee schedule</td>
</tr>
<tr>
<td>Cardiologist 99214</td>
<td>To assess/treat cardiac complications</td>
<td>August 2013 throughout lifetime</td>
<td>2 visits</td>
<td>$210.15</td>
<td>$35.61</td>
<td>$420.30</td>
<td>WI fee schedule</td>
</tr>
</tbody>
</table>

**Additional Information:**
Craig Hospital recommends an annual visit to Craig Hospital. Client will need a local PM&R also. Neurosurgery will expect a couple visits post discharge and then again if needed. Urology visits may be more frequent if urinary tract infections become frequent. Psychiatry/Psychology visits may be needed initially and as client ages. Sometimes referrals are needed to pulmonology, podiatry and general surgery for respiratory and skin breakdown issues.

Visit frequencies are based on the recommendations made by Life Care Planning Case Management Handbook.
# Life Care Plan Information

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</thead>
<tbody>
<tr>
<td><strong>Craig Hospital</strong></td>
<td>To provide in-patient rehab post acute injury</td>
<td>August 2013 through October 9, 2013</td>
<td>One time</td>
<td>See below</td>
<td>$33,188.40</td>
<td>$391,623.21</td>
<td>Craig Hospital CorVel Corporation</td>
</tr>
<tr>
<td><strong>Craig Hospital</strong></td>
<td>To provide ongoing evaluation, address issues</td>
<td>August 2013 throughout lifetime</td>
<td>Annually</td>
<td>$5,000 to $7,000 plus radiology costs</td>
<td>$6,000.00</td>
<td>$70,800.00</td>
<td>Craig Hospital CorVel Corporation</td>
</tr>
<tr>
<td><strong>Emergency room Usage</strong></td>
<td>To address urgent medical needs</td>
<td>August 2013 throughout lifetime</td>
<td>1x/year</td>
<td>$1,500 to $3,500 per visit</td>
<td>$2,000.00</td>
<td>$23,600.00</td>
<td></td>
</tr>
</tbody>
</table>

**Additional Information:**
Craig Hospital costs are $142,784.68 from 7/9/13 through 7/31/13, which is an average of $6,208.03 per day. According to CorVel, the agreed upon reimbursement is 75% of billed charges.
Thank you!

Lynn Lepak, RN, BS, CDMS, CNLCP

STUBBE & ASSOCIATES
Results You Can Measure