

6-1-2020

Approach to Establishing an Infrastructure for Delivering Third-Party-Reimbursable Community-Based Health Education

Dawn A. Contreras
Michigan State University

Laura A. Anderson
Michigan State University



This work is licensed under a [Creative Commons Attribution-Noncommercial-Share Alike 4.0 License](https://creativecommons.org/licenses/by-nc-sa/4.0/).

Recommended Citation

Contreras, D. A., & Anderson, L. A. (2020). Approach to Establishing an Infrastructure for Delivering Third-Party-Reimbursable Community-Based Health Education. *The Journal of Extension*, 58(3), Article 4. <https://doi.org/10.34068/joe.58.03.04>

This Tools of the Trade is brought to you for free and open access by the Conferences at TigerPrints. It has been accepted for inclusion in The Journal of Extension by an authorized editor of TigerPrints. For more information, please contact kokeefe@clemson.edu.

Approach to Establishing an Infrastructure for Delivering Third-Party-Reimbursable Community-Based Health Education

Abstract

Entities that seek to provide quality community-based health education need sustainable funding to maintain their efforts. With dwindling funding sources, it has become important to have diverse financial support for program stability. A promising new practice for expanding funding involves partnering with third-party payers. Michigan State University Extension created a multistep approach to prepare organizations to receive third-party payments. This approach includes (a) assessing readiness, need, and capacity; (b) conducting organizational preparation; (c) conducting staff preparation; and (d) formalizing partnerships. The result is the creation of an infrastructure that allows for partnering with varied funding sources for sustainable community-based health education programming.

Keywords: [third-party reimbursement](#), [health care](#), [program funding](#), [community-based health education](#)

Dawn A. Contreras
Senior Specialist
Michigan State
University Extension
Health and Nutrition
Institute
East Lansing, Michigan
contrer7@msu.edu

Laura A. Anderson
Diabetes Prevention
Program Coordinator,
Educator
Michigan State
University Extension
Health and Nutrition
Institute
Hastings, Michigan
Ander359@msu.edu

Introduction

The cost of health care is high, and the need to address patients' educational requirements is immense (Paterick, Patel, Tajik, & Chandrasekaran, 2017). Extension organizations can provide community-based health education programs to address this need, but funding these programs can be challenging.

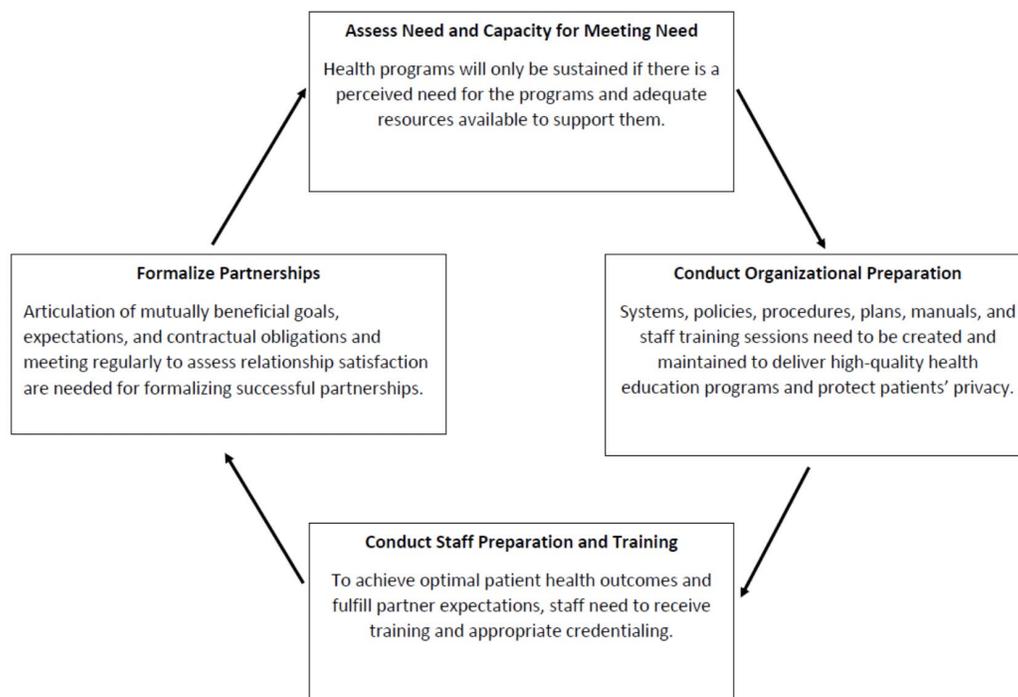
In recent years, Extension professionals have been innovative with regard to discovering and creating program funding sources, using approaches such as crowdfunding (Hill, Swadley, & Esplin, 2017) and sponsorship (Hachfeld, 2014). Likewise, generating innovative funding for health education programs is a key strategy in Michigan State University (MSU) Extension's model of health Extension (Dwyer et al., 2017). Specifically, a team of MSU Extension professionals, of which we are part, developed an approach to establishing an infrastructure for working with health-care providers and third-party payers to provide reimbursable community-based health education programs to patients, thereby allowing MSU Extension to tap a unique funding source to offset programming costs.

Approach—A Multistep Process

MSU Extension's approach to establishing an infrastructure for partnering with health-care providers and third-party payers to achieve funding for health education programs is a multistep process. The sequential and cyclical nature of the process is depicted in Figure 1, and detailed descriptions of the steps in the process follow the figure. For those in other Extension organizations interested in laying the groundwork for a steadier stream of funding for health education programs, applying these steps will help you do so.

Figure 1.

Ongoing, Sequential Cycle of Third-Party Reimbursement for Health Education Programming



Step 1: Assess Readiness, Need, and Capacity to Partner on Health Education Programming

- Use the tool shown in Figure 2 to assess your organization's readiness to partner with third-party payers and health-care providers to provide health education programs to patients. Consider the following guidance while completing the tool:
 - Assess local health-care providers' perceived need for the health education programs you have available. For example, MSU Extension, in collaboration with the American Medical Association, surveyed Michigan internal and family medicine physicians to measure their familiarity with MSU Extension health programs and the perceived value of health education for patients (Khan et al., 2020). Of the respondents who were aware of MSU Extension health programs, the majority thought they would be beneficial to patients (Khan et al., 2020). These results helped us gauge health-care providers' perceived need and interest in health education programming.

- Determine whether your organization has sufficient staffing and resources to provide timely, high-quality health education to all patients who may qualify for these programs and be referred by local health-care providers.
- Decide whether your organization has the capacity and expertise to bill third-party payers for programs delivered. Alternatively your organization may consider working with a clearinghouse company, which can bill third-party payers on your organization's behalf.
- Compute the total costs for implementing the third-party-reimbursable health programs, and compare those costs to current market prices being paid by third-party payers for the health education being offered.
- Determine whether your organization has access to a third-party payer that can provide adequate payments for program expenses. Assess whether it is financially feasible to work in combination with health-care providers and third-party payers to provide education to patients.
- Decide whether your organization has the capacity to securely collect and maintain protected health information (PHI). PHI is defined as any health information that is connected to an individual. Health Insurance Portability and Accountability Act (HIPAA) requirements, including adherence to guidelines for guarding the privacy and security of a patient's PHI, must be followed when receiving third-party reimbursements.
- Ensure that your organization's leadership is supportive of entering into formal relationships with third-party payers and health-care providers. Building infrastructure for receiving third-party payments will include legal, business, and human resource transactions, with which your organization's leadership will need to be involved.

Figure 2.

Partnership Readiness Scale for Third-Party-Reimbursable Health Education Programming

The following questions should be considered when preparing to enter into third-party payment arrangements for community-based health education.

1. Do health-care providers in your organization's coverage area believe that their patients need the health education programs you have available?
2. Does your organization have sufficient staffing and resources to meet the educational needs of all referred patients in a timely and efficient manner?
3. Does your organization have capacity to submit claims to a third-party payer or access to a clearing house company that can bill on your organization's behalf?
4. Does your organization know the full costs of your health education programming, including all fixed and variable expenses?
5. Does your organization have access to a third-party payer that can provide adequate payment for program expenses?
6. Does your organization have secure systems in place to collect and maintain patients' protected health information?
7. Does your organizational leadership support entering into a formal relationship with third-party payers and health-care providers?

If you have answered "yes" to all of the questions above then you are ready for further exploration with third party payment for community-based health education.

Step 2: Conduct Organizational Preparation for Receiving Third-Party Payments

- Assemble a multidisciplinary infrastructure-building team. Key members of the infrastructure-building team for MSU Extension are representatives from the following university departments and offices: MSU Extension information technology; human resources; administration and fiscal management; MSU general counsel; regulatory affairs; purchasing; and audit, risk, and compliance.
- Determine who will collect PHI during educational programming with patients. Many requirements necessary for providing third-party-reimbursable programming revolve around appropriate handling of PHI.
- Create an organizational compliance plan and corresponding manual. The manual should contain required information for working with health care and a staff code of conduct section, compliance guidelines, and data security procedures.
- Create employee training modules related to HIPAA compliance, data security, and health-care fraud, waste, and abuse prevention.
- Develop a plan for documenting and securely retaining receipt of staff attendance at required staff trainings.
- Create disaster recovery and incident resource plans. These plans are needed in the case of a catastrophic event that causes loss of PHI. The plans should include strategies for securing and restoring PHI and communication channels during the disaster and recovery period. Gain approval for the plans from organizational leadership, train staff on them, and review plans with staff annually.
- Set up processes for collecting program and health outcome data, and designate personnel to undertake leadership and program coordination for the education being provided to patients.
- Apply for a Type 2 Organization National Provider Identification (NPI) number if your organization plans to have Medicare as a part of its funding portfolio.
- Collect all needed information for completing the Medicare Enrollment Application, such as a list of certified teaching staff and program locations, if appropriate for the funding plan.

Step 3: Conduct Staff Preparation and Training for Receiving Third-Party Payments

- Provide all necessary curricula training to staff associated with delivery of third-party-reimbursable health education programs.
- Ensure that staff associated with delivery of third-party-reimbursable health education programs apply for a Type 1 Individual NPI number. The NPI number is required for submitting reimbursement claims.

- Ensure that staff are trained on compliance processes and procedures, such as those associated with HIPAA compliance, data security, and health-care fraud, waste, and abuse prevention. Document and securely retain receipt of staff attendance at trainings.

Step 4: Formalize Partnerships

- Meet with potential payers and referral entities (e.g., health-care offices, hospitals) to discuss mutually beneficial goals, partnership expectations, and possible contractual arrangements.
- Thoroughly review all contracts and provider manuals associated with third-party entities and referral entities.
- Meet regularly with the referral and funding entities to review progress toward organizational goals and expectations, contractual obligations, and relationship satisfaction.

Conclusion

Setting up an infrastructure for receiving third-party reimbursement for health education is a multifaceted and complex endeavor. Using a structured, step-by-step approach will help those interested in doing so achieve success. At MSU Extension, this approach has positioned us to discuss funding and referral arrangements with MSU's academic health center and a third-party payer for diabetes prevention programming. Although customization will be needed for individual organizations, the approach described here can be replicated by other entities that provide community-based health education. The process of establishing an applicable infrastructure is lengthy, but partnering with health-care providers and third-party payers will provide a solid form of subsidized funding into the future.

Acknowledgments

We wish to express appreciation to Jeffrey Dwyer, MSU Extension director and senior associate dean of MSU Outreach and Engagement, and Cheryl Eschbach, Health and Nutrition Institute director, for their guidance and encouragement and support of this endeavor. We also want to express appreciation to Ann Smith, MSU Extension grants, contracts, and research services manager, for the vast amount of wisdom, experience, connections, and enthusiasm she brought to this endeavor. And finally, we want to thank the MSU Extension educators who participated in this process with us. The endeavor described here would not have been possible without this talented team of people.

References

- Dwyer, J. W., Contreras, D., Eschbach, C. L., Tiret, H., Newkirk, C., Carter, E., & Cronk, L. (2017). Cooperative Extension as a framework for health Extension: The Michigan State University model. *Academic Medicine*, 92(10), 1416–1420. <https://doi.org/10.1097/ACM.0000000000001640>
- Hachfeld, G. A. (2014). The sponsorship model: Leveraging Extension program funds, building local community collaborations. *Journal of Extension*, 52(3), Article v52-3iw5. Available at: <https://joe.org/joe/2014june/iw5.php>

Hill, P., Swadley, E., & Esplin, K. (2017). Crowdfunding in Extension: Leveraging relationships to offset declines in traditional funding. *Journal of Extension*, 55(2), Article v55-2tt6. Available at: <https://www.joe.org/joe/2017april/tt6.php>

Khan, T., Eschbach, C., Cuthbertson, C. A., Newkirk, C., Contreras, D., & Kirley, K. (2020). Connecting primary care to community-based education: Michigan physicians' familiarity with Extension programs. *Health Promotion Practice*, 21(2), 175–180. <https://doi.org/10.1177/1524839919868980>

Paterick, T. E., Patel, N., Tajik, A. J., & Chandrasekaran, K. (2017). Improving health outcomes through patient education and partnerships with patients. *Baylor University Medical Center Proceedings*, 30(1), 112–113. <https://doi.org/10.1080/08998280.2017.11929552>

Copyright © by Extension Journal, Inc. ISSN 1077-5315. Articles appearing in the Journal become the property of the Journal. Single copies of articles may be reproduced in electronic or print form for use in educational or training activities. Inclusion of articles in other publications, electronic sources, or systematic large-scale distribution may be done only with prior electronic or written permission of the *Journal Editorial Office*, joe-ed@joe.org.

If you have difficulties viewing or printing this page, please contact [JOE Technical Support](#)