

Managed Care — threat or opportunity?

In the United States, the hearing industry has seen a rise of healthcare plans offering hearing aid benefits. In this first article of our series on Managed Care (MC), learn how MC can be an opportunity for hearing care professionals.



Not a day goes by in today's industry without the words or topic of 'Managed Care' coming up — whether it is in a passing conversation, in business meetings, or even a professional education course. Managed Care (MC) is a topic that reigns supreme. Some might even say that it's a topic that is 'as clear as mud' for many of us.

Yet, at the end of the day, it is an area that is gaining momentum and strength within the hearing healthcare industry and is not going away. That means that we, as hearing care providers (HCP), have to navigate a rather congested highway of reimbursement systems while keeping our eye on the most important light at the end of the tunnel: **our patient.**

So what is Managed Care exactly? Managed care is a "health delivery system organized to manage costs, utilizations, and quality".¹ In a healthcare setting like hearing, MC provides rules and regulations around the providers a patient is able to see to maximize a financial benefit through their insurance as well as the products and services that are covered and the financial responsibility of the healthcare plan.

Perhaps the most well-known Managed Care entities in the United States are Medicare and Medicaid.

Why are we seeing hearing healthcare in Managed Care?

The health plan landscape is extremely competitive and our patients have many choices for overall healthcare, some of which offer a varying hearing healthcare benefit. Companies are vying for our patient's selection of their policies and aim to provide an attractive overall policy and benefits. Plainly stated — hearing healthcare, specifically hearing aids, is a popular benefit among consumers and insurance companies are using it as a way to sell policies! However, as many HCPs know, the benefits their patients may receive are often limited to a defined cost over a specific timespan (e.g., \$2000.00 every 3 years), may be regulated to specific devices, and often still leave a large out-of-pocket cost for the patient.

Third party involvement

In order to meet the needs of nearly 40 million Americans with hearing loss², the hearing industry has seen a rising trend of healthcare plans offering hearing aid benefits. Some of these plans have used direct-to-consumer models, eliminating the involvement of HCPs completely, while others reimburse HCPs for their services, ultimately reducing their costs.

In an effort to effectively offer and meet the needs of patients and providers, many health insurers have partnered with third party companies (often referred to as third party referral networks, TPRNs) to control costs by outsourcing the daily management of the provider network, benefits administration, and price negotiation with manufacturers.

While TPRN programs aid in reaching more adults with untreated hearing loss, it is still a priority for each insurance company to offer the best value proposition they can to their members.

But ... what about the patient?

Patient (consumer) pressure is one of the main reasons healthcare insurers are including hearing aid benefits as differentiators to their plans versus others. If a patient seeking the most 'well rounded' and beneficial health plan is comparing healthcare plans and sees one plan offering a hearing benefit and its competitor does not — then they're more likely to choose the health plan that has a hearing benefit included.

Nowadays, consumers are more informed than ever before about what is available to them, what they should be looking for in a plan and how to plan for the future. In comparison to even 5–10 years ago, when a patient might have reached out to their general physician for a recommendation on hearing needs, many patients now start by reaching out to their insurance companies to see if they are eligible, and what their benefits may be, before even going to the doctor.

To meet the patient where they are looking for information, it has never been more important for HCPs to recognize not only the pathway their patients are taking, but the ever increasing amount of resources and education to which they have access. This also places a higher level of responsibility on the HCP in understanding what is available in the market, and how it not only impacts their hearing healthcare, but also how it impacts the HCPs business.

Managed Care — Threat or opportunity?

By this point you may be asking yourself — are we suggesting you be in support of MC or against it? Well, neither. Your managed care team at Sonova wants you to feel educated and informed about what is out in the hearing healthcare marketplace. We want you to understand the parties and governing bodies that are working together, and we want you to feel as though you have a resource to rely on for information you can trust.

Let's face it — history has proven, even in the most financially supported healthcare systems like the Veterans Health Administration where hearing aids are free — that hearing aid adoption rates are still astonishingly low. However, we are among a generation of consumers that are not only more educated about their health and their healthcare benefits, but also perhaps more motivated to ensure they are living well and enjoying their lives to the fullest. Therefore, it makes sense to assume that — for those with greater hearing healthcare coverage and benefits — the higher the adoption rate of hearing aids might be. HCPs that make the decision to strategically and thoughtfully understand and work with a hearing health plan or TPRN, will

have the first right of refusal to those well-informed and highly motivated patients.

In contrast, patients are astutely aware and educated that if they can't find what they desire in one place, that there has to be an alternative in another. From over-the-counter (OTC) to big box retailers, HCPs have all experienced the questions of the 'shopper' who is looking for the best hearing aid price. Perhaps they're not looking for the lowest price simply to be 'cheap' – but rather to maximize their benefits available. In some cases, HCPs may see TRPNs as a threat – providing the lowest price available to turn a quick profit. Other HCPs may see it as an opportunity to open up their clinic doors to those patients who are looking to use the benefits they have, regardless, and are just wanting to hear better again. Once they're in your door and their experience is positive, we all know – they are typically a patient for life.

Finally – Medicare isn't going anywhere – and every day more and more of our patients start to use the benefits they've paid in for throughout their lives. In fact, in 2018, 73% of Medicare Advantage enrollees across the nation chose a Medicare Advantage plan that offered a hearing aid benefit.³

The future is now

We've spent the last 5–10 years 'preparing for the boomers' – well the boomers are here! And they are informed, educated and like to weigh their options. HCPs in today's hearing health landscape will need to adapt various areas of the practice to be consistent with the service model TRPNs are leading with, as well as putting value on their own expertise and service experience. Managed Care expands the reach to new patients who are seeking information, ready to take action, and who might have never come through your doors otherwise.

Change is uncomfortable. Change is intimidating. Maybe that's just because we don't know what to expect. When you understand what is changing and how you can adapt to it and still remain successful while providing top-notch hearing healthcare, then the outlook and future looks promising. The hearing healthcare industry is evolving – and we hope that throughout this series we'll be able to answer the questions you have as we strive to support you in navigating the Managed Care landscape.

Join us over the next 6 months as we take a deeper dive into Managed Care, talk with experts in our industry, learn what tools are available to support you, and start to clear away the concerns you may have for the success of both your and your patients' futures.

Have a question?

At Sonova, we strive to be your valued partner, and the resource you trust when you have questions about Managed Care and TRPNs. Send us your questions at managed.care@sonova.com, and we'll do our best to earn your trust!

References

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- 2 Centers for Disease Control and Prevention. *New Vital Signs study finds noise-related hearing loss not limited to work exposure*. Retrieved from www.cdc.gov/media/releases/2017/p0207-hearing-loss.html
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The COVID-19 pandemic & hearing healthcare

By now perhaps the initial shock of the COVID-19 pandemic — and what it means for the U.S. consumer — has lessened. However, as the U.S. started to feel the full strength of the pandemic, many consumers focused on stock piling grocery and health items as well as switching to e-commerce for most non-essential buying. Now, just two to three months after the onset of the pandemic, we find ourselves — as business owners, healthcare professionals, and even patients and consumers — switching gears into our own “fight” mode. We are ready to get back to business.

The hearing healthcare industry is resilient and has found itself in this situation before, as far back as the 2008–2009 financial crisis. The past has shown us hearing healthcare follows the lead of other healthcare fields: While it may be affected, it rebounds swiftly and strongly. The COVID-19 pandemic is no different.

In fact, surveys suggest a majority of first-time hearing aid wearers seeking a solution for their hearing loss ended up delaying their purchase due to COVID-19, leading to pent-up demand for not only hearing aids, but hearing healthcare services. Meaning that — now more than ever — is the time to bring patients back to clinics safely and effectively.

The ‘new normal’ — what does it really look like?

It’s true that business as we know it today will never resemble the “normal” we all remember, and we watch as consumers adapt to the new economic environment and spending starts to increase, but not to pre-pandemic levels. As we look to the future, many believe that until there is a vaccine, consumer spending could take until 2021 to return to pre-crisis levels.

Mayo Clinic estimates COVID19 pushed their telemedicine program ahead a decade.

But what about right now? How do we know whether our patients are willing to try the teleaudiology or remote solutions we offer them? Telemedicine has not been widely adopted in audiology. In fact, it’s been less than 10%¹. Mayo Clinic estimates COVID19 pushed their telemedicine program ahead a decade. They rapidly adopted telemedicine as a result of the pandemic and are now utilizing it to the degree they had previously planned for by 2030².

The consumer — who are they? Will they accept it?

Think about your patient: Would you identify many of them as willing to adopt teleaudiology solutions? If you immediately counted your older patients out of the equation, take a step back for a moment. We know based on experience with connectivity

that seniors are adopting technology and the vast majority are comfortable with using smartphones.

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A 2019 AARP survey revealed that nearly 30% of Baby Boomers already use smartphones to manage and receive medical care and that 53% would prefer their medical needs to be managed by a combination of healthcare professionals and technology³.

Which came first — the chicken or the egg?

When you think about reopening your practice, what do you do? Do you open your doors and wait for your patients to come to you? Or do you meet them where they are first? Do you proactively reach out and communicate with them that you’re open to safely see them again? Or do you wait for them to figure it out themselves and come to you? It’s like the age-old question: Which came first, the chicken or the egg?

1 in 4 patients state that they are ready to come back and see their provider as soon as the provider is willing to see them.

Your patients are looking to you to proactively communicate with them before they reschedule a previous appointment or even think about a new patient appointment. In fact, 1 in 4 patients state that they are ready to come back and see their provider **as soon as the provider is willing to see them.**

But what if they don’t know you’re ready to see them? In addition, when asked what protocols would make patients feel more comfortable returning to the clinic in-person, patients ranked **regular staff and patient health screenings and a robust infection and sanitation protocol** among the top 3 protocols they’d want to know about.

Private pay or Managed Care — does it matter?

Regardless of the how the patient calling your office found his/her way to you — either via Managed Care or Third Party Referral Networks (TPRNs) or as a private pay patient — most likely they all share the same expectations when it comes to safety and returning to in patient appointments. And regardless of whether your practice sees mainly private pay or TPRN patients, the

following advice applies as best practices to get your business rebounding successfully.

So, what do I do? Am I the chicken, or the egg?

Regardless of how I may decide if I'm the chicken or the egg — and which came first — you must take the first steps to make a difference and change the current state of your business. You cannot and must not sit and wait for your patients to come and find you — to call and ask you about your safety protocols — or you may be sitting there for quite a while. So — what do you do?

We've narrowed it down to 4 easy steps. Let's review!

- 1. Proactively communicate with your patient database as well as any physician networks or community medical centers who often refer patients to you.** Whether it's a phone call, an email, community newsletter or update to your website and social media, it is imperative that you let your patients know you are open and ready to see them and the types of appointments you are offering (i.e., in person vs. remote/teleaudiology services).
- 2. Don't just tell them you're open — let them know they're safe in your practice.** Don't forget — proper infection control & sanitization protocols ranked among the top 3 things patients wanted to know about and directly influenced their willingness to come into the office. Let your patients know what you've done to ensure both their safety and the clinic's safety. Provide examples, share pictures and incorporate this information into any area of your business in which patients may consume (i.e., telephone after hours messages & voicemail, website updates, newsletter communications, clinic staff communication).
- 3. Proactively communicate with the TPRNs that you participate with. Many of our TPRN partners are back to credentialing, actively referring and accepting reverse referrals.** Don't hesitate to call the provider services team at each TPRN with whom you are credentialed and let them know that you're actively seeing patients. This way the TPRN knows that you're open and they can ensure they get the new patients to an authorized provider who is open and ready to support them.
- 4. Don't guess — ask questions!** A lot has changed in the past 2 months since the pandemic hit us. Don't assume that the way you operated before the pandemic is still the only way for you to operate your business going forward. Reach out and call your TPRN and ask them questions to clarify and understand their current operating procedures and if they have recently changed. Here are a few of the best questions to ask your TPRN as you get started seeing patients again:
 - How has COVID changed their business?
 - Are TPRNs extending trial periods or making any

other considerations due to the pandemic?

- How have the policies on teleaudiology changed due to COVID-19?
- When using teleaudiology, do those visits count towards the patients' allowed follow up?
- Does the TPRN ship directly to patients? For example, can they ship supplies, etc. directly to the patient.
- Are there any new requirements for you, the provider, due to COVID-19?
- Who do you contact if you have any questions?

- 5. Take care of your existing patients while welcoming new patients onboard.** Don't forget — there are new patients out there, seeking a solution to their hearing loss, who may have foregone purchasing a hearing solution due to COVID-19 — but that doesn't mean they've given up. While it is important to take care of your existing patients, you must remain aware of the revenue you're bringing in to sustain the business — especially since existing patients often don't bring any revenue for follow ups. When the opportunity or referral for a new patient is sent your way — don't be afraid to offer your services. Sure, you may have to work a bit differently in our "new normal," but have a plan to take care of them so you don't have to turn them away.

What does the future hold? Will we rebound?

While none of us claims to be able to predict where our industry will be in the next 12–24 months, history has already shown us how resilient the hearing healthcare industry can be. Throughout the first three installments of this blog series, we have demonstrated the opportunity Managed Care and TPRNs have to offer your business — and what you have to offer them as a preferred provider.

This may be the point in time in which you see your breakdown of private pay vs Managed Care patients shift — and there's nothing wrong with that.

Perhaps one of the most consistent patient streams is that of Managed Care and TPRNs. This may be the point in time in which you see your breakdown of private pay vs Managed Care patients shift — and there's nothing wrong with that. What we do know is that as a preferred provider you have entered a relationship where both parties are equally concerned about how each other performs, and with the shared goal that the patient gets the best experience and care they deserve.

As you look at the future and rebounding from the COVID-19 pandemic, don't forget to look at the different levers you have to rely upon to keep your business strong and healthy. After all — communication and connection to one another is a lifeline that

connects us all and is a gift you are well poised to deliver. As we embark on our “new normal,” keep an open mind, keep the lines of communication open, and we know you’ll be pleasantly surprised.

Have a Question?

At Sonova, we strive to be your valued partner, and the resource you trust when you have questions about Managed Care and TPRNs. **During these unprecedented times it has never been so important for us to provide you the support and guidance you need.** As you are navigating these uncharted waters, our experts and specialists are here to support you. Send us your questions at managed.care@sonova.com, and we’ll do our best to earn your trust!

Resources

- 1 Hearing Health & Technology Matters Change on the Horizon: COVID-19 and the New Hearing Healthcare Consumer, 5/13/2020
- 2 Beckers Hospital Review, COVID-19 Pushed Telemedicine Ahead a Decade, 5/8/2020
- 3 Hearing Review, Results of the Covid-19 Impact Survey #2, 4/22/2020

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eSolutions & Managed Care

In our [previous blog](#), we discussed what the new normal looks like as hearing care providers (HCPs) and patients start to enter the rebound phase of the COVID-19 pandemic. We spent time reviewing what the new hearing healthcare patient looks like from a digital perspective and ecosystem, as well as how their hearing journey has change based on their experiences over the past four months.

How do you meet your patients where they need you the most and continue providing quality hearing healthcare services to sustain not only their hearing journey but your business as well?

From new patients to existing patients, expectations and behaviors related to hearing healthcare, hearing aid service, maintenance and overall interaction with your clinic have changed as a result of COVID19. The question now is: How do you meet your patients where they need you the most and continue providing quality hearing healthcare services to sustain not only their hearing journey but your business as well?

Regardless of the how the patient calling your office found their way to you – either via direct insurance, [Third Party Referral Networks \(TPRNs\)](#) or as a private pay patient – most likely they all share the same questions and expectations around what it means to come back safely to your office. They may be weighing the pros and cons of their expectations regarding what an in-person appointment may be like. Or, they may be wondering how they take their healthcare completely digital and if your office offers options similar to other telemedicine appointments they may have already experienced.

So, do you?

Offering eSolutions to every patient

Before COVID-19 hit, many HCPs were still considering their options when it came to eAudiology and remote care for their patients. Based on the local geography, patient demographic and the clinic's service offerings, some HCPs and clinics were early adopters of eSolutions, like [Remote Support](#), while others did not have a demand for such technology yet. While this may still be the case, the adoption of remote fitting services has increased simply due to mandated stay-at-home orders and need to stay in touch with patients, as well as provide them hearing services to ensure they are getting the best possible outcomes during this pandemic.

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But many HCPs still ask the question: Are eSolutions, like Remote Support, really for every patient? And, can every patient in the clinic benefit from eSolutions regardless of if they are private pay, direct insurance or [TPRN](#)? Clinical considerations as they relate to hearing loss, tech savvy and patient candidacy remain at the discretion of the HCP, as you know your patients best. However, it has never been more important to consider eSolutions in the service delivery you provide your patients, regardless of if they're private pay, direct insurance or TPRN patients.

Can I use eSolutions with my Managed Care patients?

Of course, it is easy to make the statement that "all patients should be offered eSolutions" in their hearing journey. However, depending on how that patient has arrived at your office, you may be unsure of not only how to offer eSolutions to them – but also if they're "eligible" to receive and use eSolutions.

But that doesn't mean you can't ask the right questions of the insurance vendors, TPRNs and other governance to better understand what your patients' options may be. Asking questions prepares you with the best information to answer the questions that your patient will most likely ask you during their hearing journey.

Being ready to offer eSolutions

When considering offering eSolutions, like Remote Support, in your clinic, one of the most important considerations you need to make is the product you are fitting. This may seem like commonsense – but as we know, there are many different steps and tools you need to install and setup when preparing to offer in solutions in your clinic. Accordingly, it is easy to forget to ensure that the products you are fitting are capable of supporting a remote patient journey. This is even more important when current and potentially new patients are online, on your website or even in your office. If they notice that you offer remote care, they are most likely going to ask you questions.

Be prepared. Take the time to review your product offering and note which products are remote care capable.

Be prepared. Take the time to review your product offering and note which products are remote care capable. It may also be helpful to review the policies around remote care for any insurance plans or TPRNs with whom you are a network provider, along with the product and service offerings available to those patients.

Managing eSolutions in a Managed Care landscape

Before offering eSolutions to your patients, your clinic administration will most likely want to discuss how to best offer the service, the costs associated with the service, billable components of teleaudiology and associated reimbursement, as well as eligibility per patient (i.e., private pay, direct insurance, TPRN). In our previous blog, we discussed some of the best questions to ask TPRNs to better understand not only how they are reacting to COVID-19, but also if and/or how they have changed their policies as it relates to teleaudiology.

As specifically related to eSolutions, some of the best questions to ask insurance plans or the TPRNs to better understand if/how to utilize these tools with such patients may be:

- How have the policies on teleaudiology changed due to COVID-19?
- Do teleaudiology visits count towards the patients' allowed follow-up?
- Are there any new requirements for you, the provider, due to COVID-19 specifically related to teleaudiology services?
- Who do you contact if you have any questions?

The digital transformation is here — are you ready?

COVID-19 has truly forced the hand of the healthcare industry to recognize the service delivery methods and options we have available, and whether to adopt or reject them. Business as we know it, and medical healthcare practice, will never resemble the "normal" we once knew. But that doesn't mean that we cannot or will never be as successful as we were before COVID-19 changed the landscape.

Telemedicine and tools like eSolutions and remote care are not going away. Consumer behavior has undergone a hard and fast shift to digital tools and eCommerce.

Patients are slowly starting to return to the clinic, but we know that some may not return until a vaccine becomes available. The **digital transformation in healthcare is here** and is starting to take shape, empowering consumers and patients to change how they think about and receive their healthcare services. Accordingly, medical professionals must also consider changing how we offer these healthcare services.

As you look at the future and rebounding from the COVID-19 pandemic, remember to consider the different levers you can rely on to keep your business strong and healthy. Telemedicine and tools like eSolutions and remote care are not going away. Consumer behavior has undergone a hard and fast shift to digital tools and eCommerce. That means that the time is now to better understand what eSolutions and remote care can offer for you, your clinic, your patients — and take the next steps to ensure you're equipped to use them.

Have a Question?

At Sonova, we strive to be your valued partner, and the resource you trust when you have questions about Managed Care and TPRNs. **During these unprecedented times it has never been so important for us to provide you the support and guidance you need.** As you are navigating these uncharted waters, our experts and specialists are here to support you. Send us your questions at managed.care@sonova.com, and we'll do our best to earn your trust!

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Third-party Referral Networks (TPRN)

In our third installment of our [blog series about Managed Care](#), we take a look at what Third-Party Referral Networks (TPRN) look for in their preferred providers as well as the key metrics to ensure you are successful with TPRNs.

I found the right TPRN(s) for my business — now what?

So, you've taken the time you need to find the best fit of a TPRN(s) for you and your business. Perhaps you're still waiting on your credentialing to be completed, or you're all set and ready to go — but you're not sure what steps are next. You've already taken the first step to understanding Managed Care, what it is and how it fits within your business, as well as thoroughly researching the TPRN that you identify with and whose services and offerings align with that of your business.

Now comes the exciting part: integrating Managed Care into your patient care delivery model and business model.

Now comes the exciting part: integrating Managed Care into your patient care delivery model and business model. The great news is that even if Managed Care is new to you, and you've never worked with a TPRN before, these organizations are ready to help you incorporate best practices based on years of data, experience and expertise. Don't forget — they want you to succeed, and they want the patients referred to you to experience the best service, so it is in their best interest to support you as much as possible.

As we discussed in our [first blog on Managed Care](#), "Managed Care — Threat or Opportunity," a multitude of factors influence profitability in the clinic, and although conventional wisdom says that fitting a set of hearing instruments through a TPRN will not provide profit greater than that of fitting a set via private pay retail sales in the first year, it is much closer than you may have thought. It is important to remain knowledgeable about your clinic's performance metrics and data to further support and drive your decision to accept patients from one, or many, TPRNs.

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We all know that there are key metrics we observe and report on as business owners and clinicians that help to identify the health of the practice — such as average selling price, cost of goods, closing rate, return rate, etc. The importance of tracking and maintaining healthy key performance indicators is also applicable to TPRNs.

Therefore, we'd like to take the time to review 3 key performance indicators that you should be aware of, know how to track for your patients in TPRNs vs private pay, and the implications of each metric.

Key Performance Indicators with TPRNs

- **Average closing rate: Of the total number of patients seen in your clinic annually, what percentage buy hearing aids?**

This may sound familiar to many HCPs as conversion rate but is also referred to as closing rate. It is important that you track your average closure rate for patients referred through TPRN separate from that of private pay patients seen in your clinic. Find out the closure rate the TPRN expects you to deliver, and consider the factors that might impact this KPI in your practice. Does the TPRN include on plan formularies products you feel confident in recommending to patients? How informed are patients about their benefits by the time they reach your clinic? How far along are patients in their decision to purchase hearing aids? Be sure to work with TPRNs that align with your practice values and whose business processes complement your patient care delivery model.

- **Patient Satisfaction:** Patient satisfaction is a very important KPI for TPRNs, as it measures a patient's perception of the quality of care they received and their overall experience with accessing their plan benefits. TPRNs measure patient satisfaction by reaching out to every patient at some point in their journey with either a phone call, email or mailed questionnaire, asking them to rate their experience with the provider, product and overall process. Network providers are an extension of the TPRN, so it's critical that they deliver an experience that drives patient satisfaction.

- **Appointment availability:** How many times have we all experienced calling up a new medical professional and when it comes time to schedule an appointment, they offer you the "first available" which is weeks away. So, what do you do? For a fleeting 30-60 seconds, you quickly question whether or not you should say "OK — I'll take it." If you do, perhaps the first thing you think of when you hang up the phone is — can I go somewhere else and be seen earlier? The length of time a patient has to wait directly impacts their commitment to follow through and show up, and may even impact their decision to continue to pursue hearing solutions. Therefore, the time from referral to appointment is a key metric that many TPRNs review to ensure providers

are getting referred patients in within an acceptable timeframe. For some providers, it may be a byproduct of their scheduling system or block system they are using. It is important to leverage your relationship with your TPRN and professional support team to encourage a review of scheduling and how to balance and optimize your current scheduling processes with your intended goal of bringing TPRNs on board.

- **Average return rate:** Of the total number of hearing aids sold annually, what percentage are returned? Perhaps this may be one of the most reported upon key performance indicator in hearing healthcare practice as we all strive to keep our treatment rates high and our return rates low. It is inevitable that a percentage of your patients will return or exchange their hearing aids. It does not mean that you didn't listen to them, or recommend the best possible solution – it just happens sometimes. While we all look at this metric in our own professional practices, it is important to know that TPRNs also look at this KPI and monitor it with their preferred providers over the course of time to ensure everyone is experiencing the best outcomes. Find out what return rate is acceptable to the TPRN and aim to meet or beat it. As with closure rate, return rate should be tracked separately for patients referred through TPRN vs private pay patients.

Getting started on the right foot

Now that you have identified the right TPRN for your practice, understand the key measures of a successful relationship with the TPRN and have become credentialed, it is essential to take the next step of familiarizing yourself with the systems, tools and resources you have available to you.

The TPRNs also know how important it is that you are both comfortable and knowledgeable with the systems and the processes – and that's what they are there for!

From everyday services, to ordering new devices, checking status, or asking questions – it is essential that you leverage the time you have right now to make sure you are ready to go. Don't worry – the TPRNs also know how important it is that you are both comfortable and knowledgeable with the systems and the processes – and that's what they are there for!

- **Review the provider portal:** Make sure you know how to access the provider portal, that your credentials to login work appropriately, and that you're comfortable moving around the portal.
- **Submitting a new order:** Do you know how to submit a new order for a patient referred into the office?
- **Order status:** Placed a new order recently? Make sure you and your office staff know where and how to check the status of the order.
- **Exchanges or returns:** Do you need to exchange the product you ordered, or has the patient decided to return their devices? What is the length of the trial period allowed? Are you entitled to a portion of professional fees even if the product is returned? Make sure you are comfortable knowing the policies and where to go to initiate the appropriate services.
- **Getting paid:** Know what forms/signatures are required to approve your professional fee payment to avoid delays.
- **Questions & Support:** Know your resources, who to call, or if Live Chat is available for any questions you have as you start to become more familiar with the entire process.

Success comes in many different ways

We all know that hearing healthcare field is evolving and constantly changing – and these unprecedented times have caused those timelines to accelerate even as new dynamics appear. Don't forget why you chose to become a provider and work with a TPRN in the first place: the overwhelming opportunity to effectively reach many of the adults in the U.S. with untreated hearing loss.

Managed Care and TPRNs provide you with a solution that maintains the quality of the care and service provided while reducing out of pocket costs, allowing you to successfully evolve and grow your practice with access to a patient subset that you may not have had before.

Have a question?

At Sonova, we strive to be your valued partner, and the resource you trust when you have questions about Managed Care and TPRNs. During these unprecedented times it has never been so important for us to provide you the support and guidance you need. As you are navigating these uncharted waters, our experts and specialists are here to support you. Send us your questions at managed.care@sonova.com, and we'll do our best to earn your trust!

Author



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Dr. Nicole Klutz is the Sales Enablement Manager at Sonova in Aurora, IL. In her role, Nicole provides the training, content, processes, practices and tools needed to support sales people throughout the buyer's journey. This includes working collaboratively with sales, marketing,

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Understanding Third-party Referral Networks

In this installment of our blog series about [Managed Care](#), we take a look at Third-party Referral Networks (TPRNs), what they mean to you as the hearing care provider (HCP) and what they mean for your patients.

Balancing patient care and business success

At the end of the day, you are in the hearing healthcare business to help those who can't connect and communicate with their loved ones, colleagues and communities. From young to old, you have committed to making a difference in your patients' lives. At the same time, you have also committed and aspired to operate a successful business, which means providing best-in-class hearing healthcare while running a profitable business.

No matter how successful they are, independent providers must still focus on how to stay competitive in their market, retain patients while acquiring new ones, and increase their bottom line.

Profitability is a daily concern for independent providers. No matter how successful they are, independent providers must still focus on how to stay competitive in their market, retain patients while acquiring new ones, and increase their bottom line. Over the past several years, TPRN involvement in hearing benefits and hearing aid reimbursement has continued to grow, with programs being offered by traditional commercial payers and their subsidiaries, Medicare and Medicaid contractors, and government entities. This growth has provided HCPs with various opportunities to be involved as providers of care in these programs. However, with opportunity comes risk, and many HCPs are uncertain of the questions and qualities they should be evaluating when considering joining a TPRN.

Why are third-party companies involved?

The rise in the trend of health plans offering hearing benefits has increased hearing aid accessibility. Many plans contract directly with individual providers, group practices, hospitals or other healthcare organizations to procure hearing solutions and deliver them to members along with hearing healthcare services. These relationships are generally referred to as "in-network" providers. In this model, the plans bear the cost of administering member benefits and managing their provider relationships. Product and service costs in this arrangement can vary greatly by region and even by provider within the same region.

Some plans operated by large healthcare organizations employ their own network of HCPs to supplement independent in-network providers, and they have even tested alternate models that centralize the product selection, service and delivery where members have little access to independent HCPs.

An increasingly popular approach for health plans is to partner with third-party companies, providing controlled costs, outsourcing the management of a provider network, administration of the hearing benefit, hearing aid price negotiations with hearing aid manufacturers, and industry-specific expertise. Ultimately, each plan seeks to offer the best value proposition to their members, while carefully working to standardize the services and experiences members receive so they know what to expect.

Why do my patients go through third-parties instead of coming directly to me?

I want you to think of those patients coming through your door today. Most likely they are more educated about hearing loss and hearing aids than the patients walking through your door 5 years ago. They have access to an internet full of information readily available at the click of a mouse, including websites promoted by hearing aid manufacturers, healthcare plans, consumer advocacy groups — you name it. The patients of today are more aware of hearing aid pricing and how to exercise their buying power, and shopping around for the best "bang for their buck" — being more demanding about the products or services they receive.

The patients of today are more aware of hearing aid pricing and how to exercise their buying power, and shopping around for the best "bang for their buck" — being more demanding about the products or services they receive.

Consumer pressure for benefits and plans competing for members are a couple of the reasons healthcare plans are adopting hearing aid benefits, which are seen as a valuable differentiator. Consumers in the market for both hearing aids and health plans are more likely to choose a plan that offers an attractive benefit compared to one that does not.

The consumer of hearing healthcare today views hearing loss as a healthcare issue, regards hearing aids as medical devices, expects insurance to help cover the costs, and seeks their health plan's guidance in purchasing hearing aids where there is

benefit. Consumers now often start by reaching out to their health plan for their hearing care needs before seeking advice of an audiologist or hearing aid specialist.

Some existing hearing aid users are likely to explore cost-saving options being offered through their health plan if they previously paid out-of-pocket for their hearing aids. In that respect, managed care does represent a threat — turning a former retail customer into a third-party referral.

On the other hand, it's also an opportunity for providers who opt to participate in the customer's health plan network, either directly or through a third-party company. In-network providers will have an opportunity to retain their relationship with existing patients who elect to take the health plan route as well as receive first-time user referrals. These first-time user referrals can be a substantial amount of volume for an individual clinic and may not be accessible through the traditional pathways to a clinic.

Choosing the right TPRN for your practice

To be successful with TPRNs, you may need to adapt many areas of your practice to not only be consistent with the service delivery model of the TPRN, but also ensure profitability. A multitude of factors can influence profitability and being knowledgeable about your clinic's specific data will only further support your decision to accept (or not) third-party referrals.

Factors that may influence your decision to participate may include:

- **Time & fees.** What amount of time are providers expected to spend with each referral and how you will be reimbursed for that time (e.g., provider fitting fee)?
- **Service & warranty.** How does the TPRN handle the service and maintenance of their patients' hearing aids and follow up services over time? Is the arrangement sustainable for you and your practice, and when can you start charging fees for service outside of the contracted time?
- **Demographics in your area** (i.e., if a major employer has contracted with any of the TPRNs in hearing healthcare, then that may be the only way to see those patients).
- **Member on-boarding by TPRN.** Some TPRN's refer patients that are further along in their hearing aid purchasing journey and more informed about hearing healthcare, while others do not spend as much time educating their members and bringing them closer to a purchasing decision.
- **The mix of private pay vs insurance patients.** Can your practice and staff adapt to working with a higher volume of patients and managing the different requirements each TPRN has?
- **Marketing costs to acquire patients.** Even if your fitting fee is reduced, if you don't have to spend money on marketing to attract these patients, does that "even out?"

- **Freedom to choose the "right" product.** Some TPRNs may require providers to recommend product from a limited selection by a single manufacturer as specified in a plan contract. While many TPRNs contract with all of the top hearing aid manufacturers, others may not, meaning you could have less choice and/or flexibility to recommend the product you believe best addresses the patient's hearing healthcare needs within their allowed benefit.

The bottom line is that making an informed decision and using as many resources available to you and your practice to answer your questions in regard to TPRNs is extremely important. When you know your clinic's bottom line, you will be able to utilize that data to make an informed decision, allowing you to maintain a successful practice.

What does the future hold for TPRNs?

If anything, we know that TPRNs are not going away any time soon. As the membership of each health plan grows, the better the benefits they are able to offer to their members. With the health plan landscape becoming ever more competitive, consumers have a voice to drive change in plan offerings and health plans have the opportunity to provide what makes their members happy, while controlling costs for both themselves and their members.

...exploring whether TPRNs are right for your practice and, if so, finding the right balance of private vs TPRN payers will ensure your practice the opportunity to thrive in the future.

Being proactive with an emerging channel is important and keeps you ahead of the curve compared to a reactive strategy. There will always be private pay patients, as not everyone will have access to the plans and networks that offer these hearing benefits. However, the hearing healthcare field is evolving and constantly changing, so exploring whether TPRNs are right for your practice and, if so, finding the right balance of private vs TPRN payers will ensure your practice the opportunity to thrive in the future.

Don't forget who we're serving

While often confusing or overwhelming, managed care presents the hearing healthcare landscape a promising opportunity to effectively reach many of the adults in the U.S. with untreated hearing loss. These potential patients may not be attracted or reachable through traditional marketing, making them more difficult for you to get into your office. Managed Care and TPRNs provide you with a solution that maintains the quality of the care and service provided while reducing out of pocket costs, allowing

you to successfully evolve and grow your practice with access to a patient subset that you may not have had before.

Have a question?

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