



Umbrella Hub Organization Demonstration Project 2020-2021 Cost Data Summary

COST STUDY BACKGROUND

To help understand costs associated with developing and implementing an Umbrella Hub Arrangement (UHA) to submit claims and receive reimbursements from the Centers for Medicare and Medicaid Services on behalf of community-based organizations (CBO) “subsidiaries” delivering the Medicare Diabetes Prevention Program (MDPP), a cost study was completed. The cost study focused on three Umbrella Hub Organizations (UHOs) participating in the Demonstration project: Health Promotion Council of Southeastern Pennsylvania (HPC); Hawaii Primary Care Association (HPCA); and Marshall University (MU).

The overall goal of the cost study was to obtain estimates of actual costs and cost categories for future organizations to consider when operationalizing a UHO. Organizations tracked time and/or associated costs for time spent on project activities for each staff member for the months August 2020 through July 2021. Time and cost for project activities funded by other sources outside of demonstration funding (in-kind) were also tracked, if applicable.

YEAR 1 INFRASTRUCTURE DEVELOPMENT PROGRESS

The largest number of labor hours across the three demonstration organizations were directed toward:

- Development of the umbrella hub arrangement (including recruiting and contracting with subsidiaries)
- Executing the MDPP supplier application
- Planning and communicating with a billing partner (WellD Health).

By the end of the first year:

- All organizations had:
 - developed their umbrella hub arrangements
 - established their charters
 - completed the Diabetes Prevention Recognition Program (DPRP) umbrella hub application process
- One organization had:
 - successfully completed the CMS MDPP Supplier enrollment
 - successfully onboarded with WellD Health
- No organizations had successfully completed any claims submissions.

The lessons learned from the experiences of the demonstration organizations during infrastructure development of the umbrella hub could potentially reduce the time and cost required for future organizations undertaking this work. One key contextual issue with the cost data collection time-period

was the COVID-19 pandemic. This presented many complications for the demonstration organizations and their partners, including competing priorities, delays in planning, postponement of in-person cohorts. These factors potentially affected subsidiary recruitment, ability to conduct in-person meetings with stakeholders, and staffing challenges. Some of these factors could have increased or decreased the submitted cost data from a more typical environment. For example, travel for in-person meetings and recruitment efforts was infrequent during the pandemic so none of these potential costs were reflected in the data. Additionally, periodic delays in the planning process due to the pandemic could have decreased the hours organizations reported compared to a more typical umbrella hub arrangement start-up process.

STAFFING

Demonstration organizations had varying structures and objectives in setting up their work and all utilized a Project Manager and Coordinator to work on the day-to-day tasks required to run and manage the set-up and implementation of the UHA including working with payers, a billing vendor, and subsidiaries. Multiple additional staff also worked on various tasks throughout the development phase for each organization (Table 1) to align the mission and goals of the umbrella hub arrangement, work through financial strategies and contracting issues, and coordinate necessary technical processes.

Table 1: UHO Demonstration Staffing (August 2020-July 2021)

Type of Organization	Titles of staff working on Demonstration during reporting period
Academic (6 staff)	Project Director Project Coordinator Rural Health Coordinator Research Assistant Grants Program Manager Web Developer/IT Specialist
Non-profit Organization (5 staff)	Administrative Assistant Coordinator Assistant Director Director Senior Director
Network of Community Health Centers (9 staff)	Program Manager- Population & Health Systems Improvement Program Manager- Health Equity & Research Chief Strategy Officer Chief Financial Officer Chief Operating Officer Chief Executive Officer Accounting Manager Contracts Manager Director of Programs

LABOR COSTS

Average total labor cost for UHO Demonstration organizations for 12 months of hub development was **\$30,000** (range \$25,000 - \$36,000)

Infrastructure Development Activities: \$17,400 average across 3 UHOs (58% of total labor costs)

- Establishment of charter

- Development of work plan
- Development of business model
- UHA application, (DPRP application for CDC-recognition)
- MDPP supplier application
- UHO contracting with Well Health (master service agreement, business associate agreement, data use agreement)
- UHO communication and planning with vendors and consultants (includes Well Health, and legal and financial consultants)
- UHO subsidiary recruitment and contracting with subsidiaries (data sharing agreement, business associate agreement)

Project Management (related to UHO): \$5,400 average across 3 UHOs (18% of total labor costs)

- Internal meetings
- Presentations to board or stakeholders
- MDPP/DPRP Trainings

Sustainability: \$4,500 average across 3 UHOs (15% of total labor costs)

- Planning for sustainability (establishing goals, objectives, and strategies; development of operating costs analysis plan; meetings to discuss contracting; engaging partners)
- Exploration and establishment of additional payer contracting

Program Implementation Activities: \$2,700 average across 3 UHOs (9% of total labor costs)

- Ongoing communication and assistance to subsidiaries (emails, meetings, calls)
- Medicare claims submissions
- Data collection/data management

ADDITIONAL FEES

UHOs may also consider if they have existing capacity within their organization or if they need to contract externally for activities related to establishment and implementation of their umbrella hub. Demonstration organizations reported the following additional fees:

- Billing and Claims vendor- all demonstration organizations contracted individually with Well Health to process claims.
- Legal (approximately \$12,000 spent during cost study data collection)- external consulting to work on subsidiary contracts and determine potential legal issues with the hub structure.
- Insurance (approximately \$3,000 spent during cost study data collection)- external consulting to determine liability issues related to privacy and security.
- Financial/Budgetary Consulting (approximately \$5,500 spent during cost study data collection)- external consulting to conduct accounting analysis.

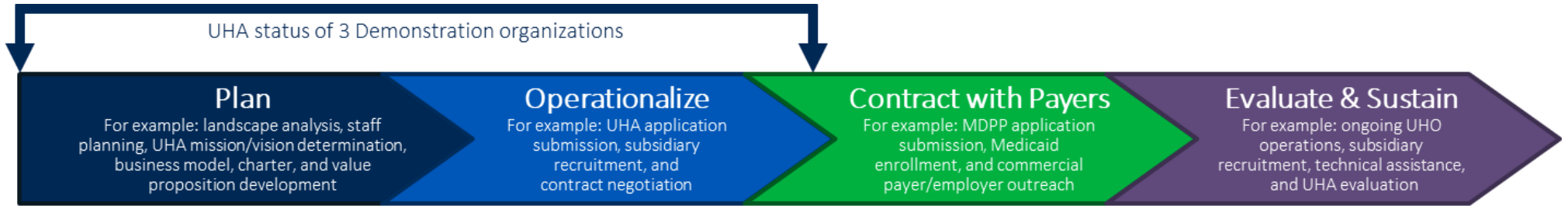
DATA INTERPRETATION

The 12 months of data captured in this cost study only represents part of the time and activities needed to establish a UHA, as shown in Figure 1, below. The three Demonstration organizations began their operationalization activities at staggered intervals, starting with HPC and HPCA in March 2020, followed by Marshall in August 2020. As a result, the Demonstration organization statuses and milestones achieved during the annual cost study period vary. Please refer to the attached milestone graph to conceptualize which activities to stand-up a UHA were captured during this cost study, note this graphic

represents an aggregate of all activities achieved by the Demonstration organizations by July 2021 rather than the activities of a single organization. Each UHA is unique, and the steps (tasks or activities) and associated costs presented in this report are representative of what took place during the initial phase of the Umbrella Hub Demonstration and may or may not be representative of what subsequent UHAs are able to achieve in a one-year period.

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Figure 1. Demonstration UHA status during cost study period



*The above graphic provides an approximation of the activities of the Demonstration organizations during the 12-month cost study period, in relation to the full operationalization of a UHA.