

Negotiating Payer Contracts for Your ASC

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The Contract

Know the Basics

- Contract Terms
 - Length
 - Renewal & termination language
 - Medicare Advantage Plan
 - Auto renew fee schedules
 - Notification requirements

Know the Basics Cont'd

- Fee Schedules & Payments
 - How do they pay
 - Medicare fee schedule
 - Grouper methodology
 - Proprietary fee schedule
 - Carve outs
 - Unlisted ASC codes
 - Bundle payment
 - Implants etc.

Know the Basics Cont'd

- Processing Claims
 - ✓ NCCI, payer specific etc.
 - ✓ 100/50/25, 100,50/25/0 etc.
 - ✓ Devise intensive
 - ✓ Timely filing
 - ✓ 30 days, 12 months, etc
 - ✓ Clean claim processing
 - ✓ Payment methods
 - ✓ Check
 - ✓ ACH
 - ✓ Card processing
 - ✓ Fast but fees applied?

Your ASC

- Know the Facts
- Costs & Cost Containment – Medicare as a Benchmark
 - Disposables & Medications
 - Review preference cards
 - Review custom packs
 - Specific drug requests

Your ASC

- Know the Facts Cont'd
- Costs
 - Implants
 - Physician preferences
 - Compare against each other
 - Physician Involvement
 - What have you done for me lately?

Your ASC

- Know the Facts Cont'd
- Costs
 - Equipment
 - Current & future needs
 - Staffing needs
 - Procedure type
 - Length of stay
 - New procedures
 - Add before not after

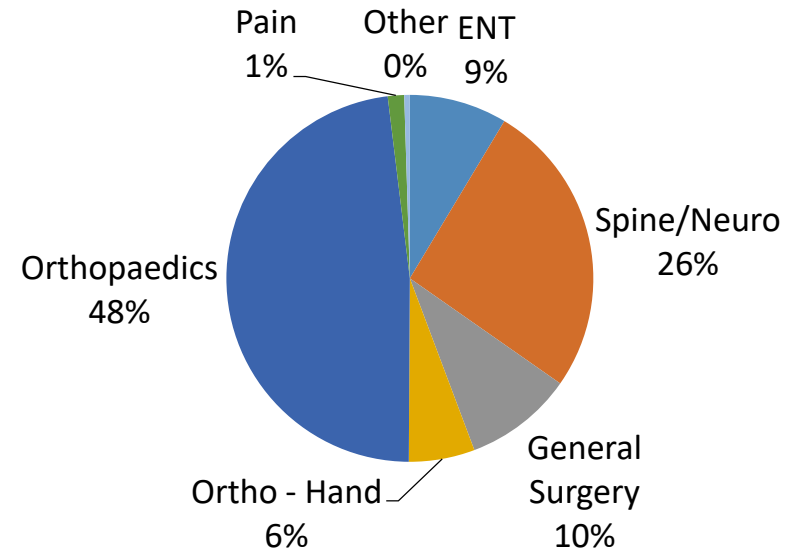
The Details & Data

- Case Volume
 - Multi-specialty contracting
 -
- Payer & Specialty Mix
 - Track impact on your ASC
 - Changes in payer mix

The Details Cont'd

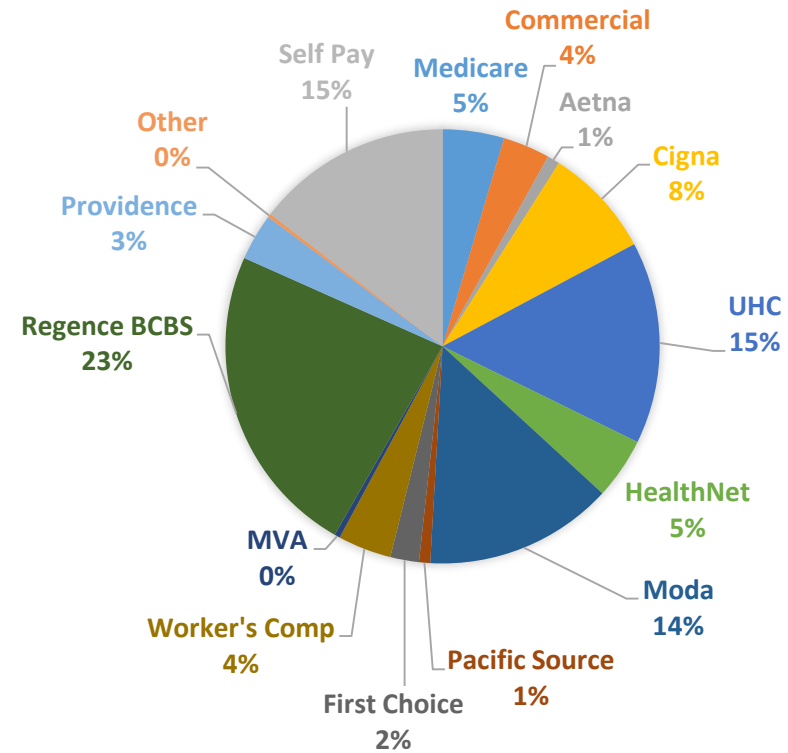
- Case Volume & Revenue

- ✓ Multi-specialty contracting
- ✓ Procedures unique to your ASC



The Details Cont'd

- Payer & Specialty Mix
 - ✓ Track impact on your ASC
 - ✓ Changes in payer mix



The Details Cont'd

- Market Changes
 - Large employers
 - Leverage opportunities
 - Competition
- Reimbursement
 - OON changes
 - In-network changes
 - Delays

A Tale of Two Contracts



Bad Contract

- Who it benefits
 - One specialty

Bad Contract

- Who it hurts
 - One specialty

Bad Contract

- How to change
 - Know your worth
 - Ensure using good data

Bad Contract

- Terminate?
 - Know when to say when

Good Contract

- No perfect contract
 - Know a good or great contract
- Benefits all
 - All specialties come out good

Out of Network

- Know when the honeymoon is over
 - Track data
 - Increase/decrease case volume & reimbursement – Why?
 - Watch payer mix monthly and YTD and compare to previous years
 - Payer behavior
 - Contacting patients
 - Threatening to pull physician contract

Out of Network

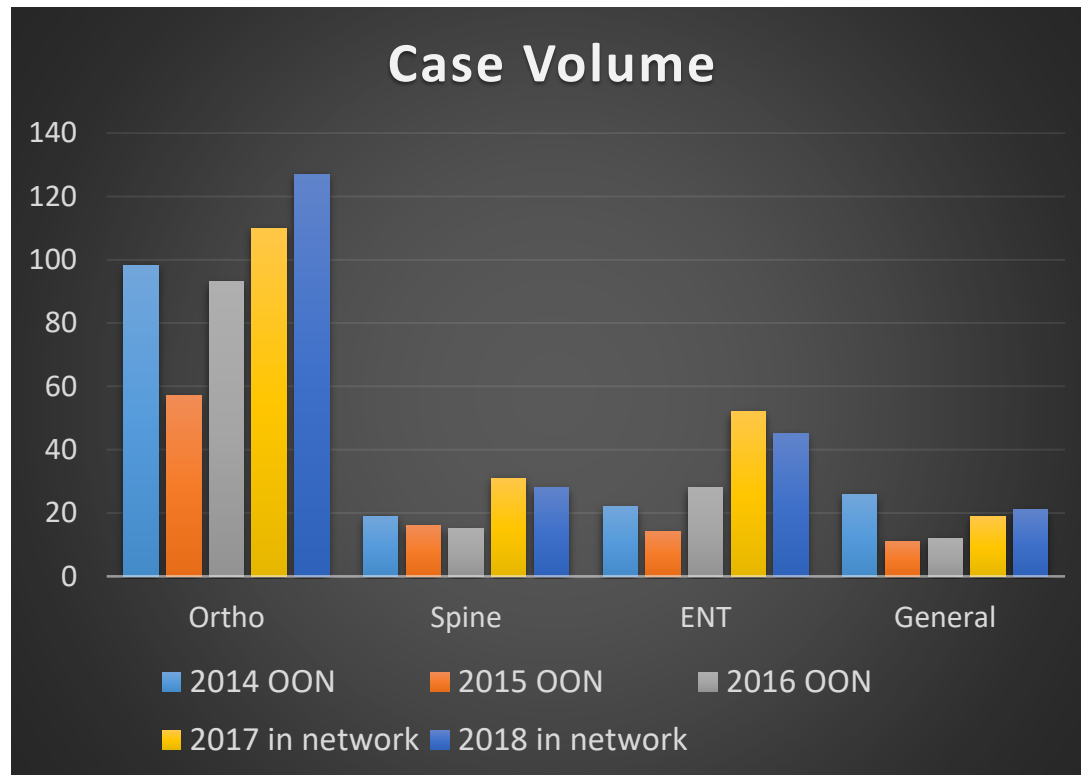
- Track data
 - Physician utilization changes
 - Watch specialty mix monthly and YTD and compare to previous years
 - Physician payer alignments? Changes?

Out of Network

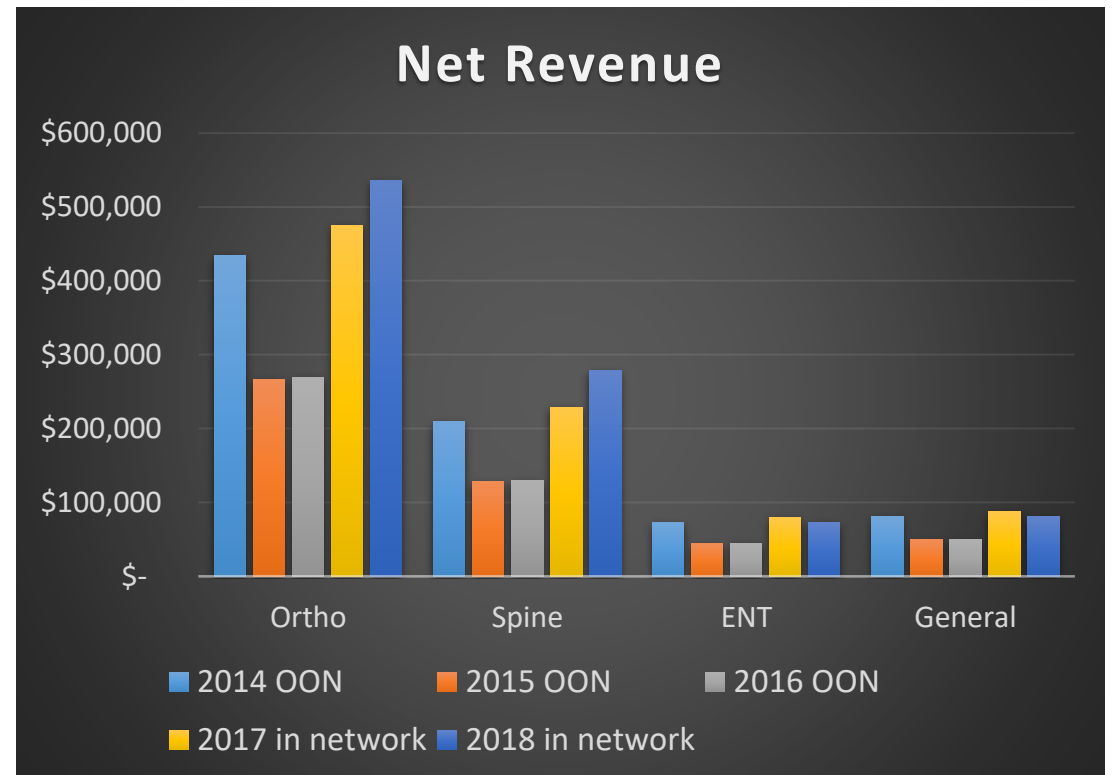
- Track data
 - Case volume change
 - What's changed
 - Coverage types
 - Higher OON deductible plans in market
 - Major employer changes

ABC Insurance

Out of Network (OON) vs In-Network



Out of Network (OON) vs In-Network



In Network to Out of Network

- Knowing when to go out of network
 - Risk vs reward
 - Are all contracts in an optimal status
 - How will this impact credentialed providers
 - Have discussions & include on decision making
 - Does it give leverage to ASC competition

In Network to Out of Network

- Knowing when to go out of network
 - Estimate loss of case revenue
 - Recovering lost revenue
 - Will it impact staffing
 - Taking a stand for your ASC