

Hawthorn Solution

Support for Your Financial Goals

Hawthorn Physician Services

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Review Payer Contracts and Know Your End Dates

Make your review an annual goal, starting in 2019

It is a good idea to review your payer contracts at least once a year, because they determine the allowable amounts you can be paid for each medical procedure. Payer contracts also include definitions and provisions that can affect the net revenue you collect.

Alan Dombrowski, CEO at Hawthorn Physician Services, says payer contracts are the starting point for physician reimbursements. "You should read the insurer's contract before signing it," Dombrowski says. "If you don't have current copies of your contracts you should contact your payers and obtain copies. The contract includes the payer's fee schedule for allowable amounts paid for medical procedures, but can also include definitions of medical necessity, timely filing requirements and other important provisions."

MGMA has identified the provisions that should be reviewed with each payer contract: 1) Rate Exhibit, 2) Amendments, 3) Term & Termination, 4) Products, 5) Timely Payment, and 6) Timely Submission. MGMA recommends looking for provisions that are unusual, vague or obscure.

Small increases for only a few codes can generate significant annual income.

Dombrowski confirms the MGMA recommendation about terms and end dates. "Contracts may not include provisions for increasing reimbursements to keep up with the cost of doing business. Some contracts will automatically renew, so it's good to know the contract end dates, in case your practice wants to negotiate changes or increases in reimbursement amounts."

Shelly Bangert, Hawthorn's director of revenue cycle management, says a certain amount of homework is required if you are planning to negotiate increases in your payers' allowed amounts. "You have to know where you stand relative to your local market. Some health plans use allowances that are several years out of date. Look at your metrics to see which CPT codes are generating most of your revenue, and identify the codes that are on the low end compared to other practices in your area. Then you can highlight the inequities and make your case for increases that are fair. If you can gain even small increases for only a few codes you can still generate significantly more annual income."

Bangert suggests working in advance. "Monitor the end dates of your contracts, and determine how much notice is required to negotiate changes. Start discussions with your payers several months before contracts are due to renew."

Visit www.hawthorngrp.com and contact us directly to discover how Hawthorn can support your financial goals, including payer contracts that are fair and up to date.



HAWTHORN
PHYSICIAN SERVICES CORPORATION

Addressing Complexity with Certainty