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Hi, it's Dr. Weitz. Thank you so much for joining me for this episode of The Private Medical Practice Academy I'm sure that by now you have figured out that it takes a long time to go through the contracting process. And you've probably made the initial contact with the provider relations folks at each of the insurance companies that you think you want to get a contract with. So we're finally ready to roll up our sleeves and get down to business. Step one. You need to get organized. Look, I totally get that. It takes time and effort to prepare for these negotiations. And I understand that what I'm about to tell you is probably going to seem like stuff that can be outsourced or delegated And for sure.

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That's true to an extent, but you need to be involved in the process. And as you will hear me say multiple times, no one is going to watch your money. Like you. That's why it's absolutely necessary for you to be involved in negotiating your own contracts and understanding the whole process. One of the most important things I'm going to tell you is that it is absolutely worth it for you to be involved. When you are a better organized and prepared, then your counter negotiator, you will have the upper hand. I know you're thinking to yourself, of course, I need to be organized. What exactly does she mean? Well, what I mean is label everything. Put your contract in order using a three ring binder.

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Yes. The old fashioned way, just as if you were a lawyer preparing for trial, that way on cross examination, you'll have ready access to the facts. You will be amazed at how voluminous the binder becomes after a few meetings and drafts, and you don't want to be flipping around, trying to figure out where that piece of paper was. Look, organization is a good foundation for whatever comes next. If your disorganized, the sheer volume of paper is going to discourage you. So here are some tips for organizing this binder that I'm telling you to put together. First color code your binder. If one insurance companies, contract negotiation requires multiple binders.

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Keeping one contract in the same colored binder helps to identify this more easily. This is going to become really important as you're applying to multiple different companies, next use a Manila folder for working documents. And then when you're done working with them quickly, move them behind the tab in the binder, use chronological order behind the label tabs so that the most current information is on the top. Don't throw anything away. Not that I'm a hoarder, but years from when you finish up this negotiation, you may find yourself referring to something that came up in a negotiation from the past.

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You want to have documented evidence to support your statements. And at the risk of stating the obvious you are going to have to renegotiate your contracts at some point. So these original Negotiations and every future negotiation, if you keep this information in the binder, you will have a history of everything you've discussed and it will make it easier to go forward and renegotiate in the future. If you're thinking to yourself, I

can certainly outsource this stuff. The answer is yes, you can definitely get your office staff to help you organize these documents into the binder system that I outlined for you.

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However, don't leave it at that where they then go on to try and do the Negotiations without input from you. If you're the one talking to the insurance company, then you want to be the one to memorialize the meetings, write everything down with the names and the dates attributed to each verbal statement. This is going to ensure that any promise that's made and Negotiations makes it to the final draft of the contract. It's also extremely useful for your site. If later the payer tries to commit you to something they claim, you said in the Negotiations look, I can't stress enough how important this is.

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In addition, I follow up every conversation with an email summarizing my understanding of what was agreed to I am the e-mail saying that if this is not your understanding, please let me know as soon as possible, that way you've given them a chance for clarification. And if they don't, then you basically have their Agreement Step too. You want to Assess your position and the payer's position. You need to size up the competition through research and by competition. I don't mean providers who are competing with you, but rather other payers that you may be better off spending time and energy on it. You went to determine all of the reasons why is this contract is or isn't necessary to you.

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Look, it's super easy to fall into the trap of I HAVE to be in network with X, but the answer is maybe you do. And maybe you don't, you don't want to spend the same amount of time and energy on a contract for services you don't intend to use as you Would for services, you intend to use 80% of each day. This is where the whole concept of understanding your paramix is so important. And as should be obvious that not all pairs are created equal. Here are some of the questions you want to answer with regard to the payers operations. You can try and identify them on your own, or you can just ask up front. And while I understand that asking up front may seem very scary for you.

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It is totally within your rights, asking questions is not going to prevent you from getting the contract that you want. So here are some of the questions that you are going to want to ask. Does the payer have fully insured business or only administer self-insured business? Is the payer really just a rental network of providers who were the payers major group accounts, does the payer market heavily to individuals and seniors? Does the payor have a Medicare advantage contract? Does the payor have a Medicaid HMO contract? Which products does the payer offer such as HMO, PPO, federal employee program, et cetera, how many ensured members does the payor have in your state?

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You are also going to be the one to understand what the existing payer network looks like in regards to hospitals that are in network, other physicians and ancillary networks, such as lab, vision imaging, and behavioral health. Also be sure to ask what local coverage determinations prior authorizations or a formulary restrictions have. The payer may have an effect on your practice, as you can probably see from these questions, we're going to get a lot of insight in terms of who does the payer actually cover in terms of lives, the type of products that they're going to offer. And ultimately this information is going to give you some insight as to what kind of contract and rates that you can predict that there are going to offer you.

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This simply comes back to the fact that you don't want to end up with a contract for a few covered lives or with very low rates. Step three, make sure that you understand the key terms in a contract before you even started to read the contract. You are going to create a checklist of relevant points that you want to touch on before you even sit down to read the contract, for example, what do you expect the contract to cover? And what do you want it to say, document this by category such as payment terms in penalties. So here's the checklist of the questions and points that you are going to want review in the contract and information you need to know about the health plan as you negotiate first, what type of Agreement is this going to be?

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Is it a group agreement or is it an individual agreement? What product lines are they offering you to be contracted with HMO, PPO, EPO, Medicaid, Medicare advantage, their workman's comp product. Understand that for many of the insurance companies, there are expectation is that you're going to be contracted with every single one of their product lines. And not that you get to pick and choose. So it's really important to understand what product lines they have from the get go. Then you want to know about whether there are any amendments. Does the contract allow for simple notification if documents are modified or is there a written agreement that's required for each one of the key areas that you want to focus on is term Termination and renewal.

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What is the initial term During which you can't terminate your participation? Is there a without cause termination? And what are the requirements for notice? If there is a termination without cause both for you or, and the insurance company, does the term take effect after 90 days or some other period or upon the renewal date? You want to know whether the contract requires providers to perform services after the contract terminates. And then the biggie of course, is what is the term of the contract? And is there an automatic renewal clause?

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The other thing you want to understand about the renewal is what happens to your rights at the renewal date. Another term that you want to Understand is claim filing and payment. What's the timely filing limit for you to submit claims after the patient's date of service. Now, you'll hear me talk about this over and over.

You obviously want to drop your charge and have your claim submitted as soon as you can, after you've seen the patient, because that's the only way in which you get paid, but sometimes things happen and there's a delay. You want to understand what the timely filing limit is. You also want to understand, does the contract reference your state's prompt payment law?

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Why? Because everybody's always complaining about the fact that they don't get paid in a timely fashion by the insurance company, the law for each state dictates when that payment is late. You wanted to see in your contract, that that is recognized. And then you also want to understand, is there a time limit for the plan to recoup or offset any money that is due back to the health insurance plan? I can tell you from personal experience, there is nothing more satisfying than having an insurance company come back and say, Hey, we realized that we overpaid you for this particular person or maybe their insurance had terminated or whatever it is you owe the insurance company money.

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And depending on your contract, they either recupe it out of future earnings, or they ask for it back. In any case, you want to understand these Terms at the front end so that you can plan accordingly. And of course you want to Understand compensation. I know you're thinking to yourself, compensation is how much am I going to get paid? Yes, but it's not quite that simple. So you want to understand how a plan compensates physicians, is it fee for service? Is it by the case? Is it a capitated for example? And then one of the trickier things is that you want to understand how it adjusts across product lines.

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For example, they may pay you a hundred percent for a point of service. And then some fraction of that may be 90% for the PPO and then 80% of their fee schedule for the HMO. In that case, you want to understand what percentage of their panel is made up of point of service patients versus people who are using their PPO product line or the HMO product line, because obviously the compensation is completely different, depending on which product line your billing you went to understand, are there any annual fees? Are there any credentialing fees? Are, are there any other costs that are hidden into this contract that you really were not expecting?

0 (12m 39s):

And that ultimately can potentially erode some of your reimbursement. If physicians are going to be paid using a multiple of the RVU scale, then you want to know what year those payments are based on. And when does the year the conversion factor or the RVU is a change. You also want to understand how non-Medicare valued services such as preventive exams. Some labs, injections, immunizations are paid. Let's pause here to acknowledge that every single contract is going to have these key terms, but recognize that each contract is also going to be different.

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Don't fall into the trap of assuming that each contract says the same thing and just gloss over it. So now we're finally ready to Skim the contract. Why are you going to skim it first? Well, because I'm convinced that the recitals and definitions that are always at the beginning of an agreement are there to wear out unsuspecting readers. And you will notice that the reimbursement is always the attachment at the very back. And yes, I really do think this is intentional. So by skimming the Agreement first, you can locate the key data that you outlined in your checklist, and you can focus on what matters most and not get lost in all of the verbiage.

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And if the reimbursement is totally out of line, then you don't really need to read the agreement because if the numbers are totally crap, then you're not gonna sign the agreement. Anyway, I suspect that sometimes the insurance companies try to hide the reimbursement. They're hoping that after you've invested hours and reading this entire agreement, that you are going to agree to reimbursement, just so that the entire process was not a waste of time. Obviously this is a completely ridiculous thought, but it would seem that there are people who actually succumb to this logic. Don't let this happen to you.

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Okay? Now we're actually ready to really read the contract, get an electronic copy of the contract. So you can make red line changes as you go and make sure that you turn on your attract changes. This is going to be important because you are going to want to be able to compare documents. In the worst case scenario, you can always read type the Agreement look, it's better to give your own proposed language. And then to allow the other side to paraphrase your thoughts. There is no such thing as the perfect contract, and you're not going to get everything you want, but having a clear vision as to what you want and making sure that your thoughts are expressed in the contract is a first step in getting you closer to what you're really hoping for.

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Once you've made all the changes that you're happy with, you are ready to send them back to the contract. Now, as I've told you before, when you sign the letter, you need to make a copy of it. You need to scan it, but then you need to send it via certified mail with a return receipt requested. And then we're going to rinse and repeat with every single health insurance payer that you are trying to get contracted with. My final tip for today is it, you should keep a spreadsheet of your contracts so you can keep up with your progress. I'll be talking more about what should be in that spreadsheet and how we are going to use it in a future episode. Thanks so much, joining me, be sure to sign up for my newsletter below, and I'll be sending you tips on how to start your practice best run your practice, grow the practice, and then ultimately be able to leverage your medical practice into multiple other businesses.

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I hope to see you soon.