

# Insurance Contracting: Setting Your Practice Up for Success

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2024

# Learning Objectives

At the conclusion of the presentation, participants should be able to:

1. Identify the data they need to gather and understand to optimize negotiations on payer contracts.
2. Create a strategy for managing contract negotiations with payers.
3. Feel confident in their ability to navigate different outcomes with payer contracts (revised terms, termination, etc.).

# Getting Your Data Ducks in a Row: Optimizing Contract Negotiation

*Chip Hart*

# Insurance Negotiation, Round 1



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# Insurance Negotiation Mantras

- This is a business to them. They *do not* care about you or your patients.
- The process is usually simple, but not easy. The squeaky wheel gets the grease.
- No insurance company is prepared for *a pediatrician with data.*

# Data Gathering Homework

## Step 1: Your Contracts




	A	B	C	D	E	F	G
1	<b>Sample MCO Contract Abstraction Sheet</b>						
2							
3		<b>BBMCO</b>	<b>MCO1</b>	<b>MCO2</b>	<b>MCO3</b>	<b>MCO4</b>	<b>MCO5</b>
4	<b>Phase I- Inquiry</b>						
5	<b>Contract Effective Date(s):</b>	January 1, 2020					
6	<b>Renewal Date</b>	January 1, 2021					
7	<b>Days Notice To Cancel</b>	90 Days					
8	<b>Network Name(s):</b>	Little Apples, Orange Grove					
9	<b>Product Type(s):</b>	PPO, HMO, EPO					
10	<b>Products/Networks/Plans Not Contracted for:</b>	Medicare Advantage					
11	<b>Network Contracted Through</b>	Direct / IPA / CIN, etc.					
12	<b>Largest Employer In Area</b>	Wal Mart					
13	<b># 2 Employer In Area</b>	Coca Cola Bottler					
14	<b># 3 Employer In Area</b>	ABC Community Hospital					
15	<b>Current Number of Patients Covered (GWP Actives)</b>	2500					
16	<b>Factor of Medicare RBRVS</b>	125%					
17	<b>Factor of Medicare RBRVS Year</b>						
18	<b>Factor of Medicare GPCI Applied</b>						
19	<b>Medicare RBRVS Method</b>	(Blended or Line by line) Current Year (2020)					
20	<b>Medicare RBRVS Year</b>						
21	<b>Nurse Practitioner Rates</b>	No Differential					
22	<b>Nurse Practitioner Rates Source</b>	<a href="http://www.BBMCO.com/np_rate_rules">www.BBMCO.com/np_rate_rules</a>					
23	<b>Physician Assistant Rates</b>	No Differential					
24	<b>Physician Assistant Rates Source</b>	<a href="http://www.BBMCO.com/pa_rate_rules">www.BBMCO.com/pa_rate_rules</a>					
25	<b>Medicare Fee Schedule Information</b>	<a href="https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/index.html">https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/index.html</a>					



# Nothing Scariet than a PEDIATRICIAN WITH DATA!

## Step 2: Financial Reports - RVU Breakdown

 Pediatric EHR Solutions Build-Your-Own RVU Calculator for 2023 <a href="http://chipsblog.pcc.com/free-2023-rvu-calculator">Instructions at http://chipsblog.pcc.com/free-2023-rvu-calculator</a> V1.0 Updated 12/23/22														
				Work GPCI	PE GPCI	MP GPCI								
Medicare Multiplier	100	%	GPCI Location	FL, REST OF FLORIDA	1	0.9	1.5							
Medicare Factor	\$33.06													
Practice FACP	139%													
Payment FACP	59%													
Enter CPT Codes Below	Your Units	Your Price	Your Payment	Description	Status Code	Work RVU	Non-Fac PE RVU	MP RVU	Total RVUs	Medicare Rate	CPT Price at 100%	Medicare Relative Price	Your Payment Relative To Medicare	
99213	5000	\$120.00	\$51.00	Office o/p est low 20-29 min	A	1.300	1.203	0.145	2.648	\$87.55	\$87.55	137.1%	58.2%	
99214	3000	\$175.00	\$75.00	Office o/p est mod 30-39 min	A	1.920	1.626	0.203	3.749	\$123.96	\$123.96	141.2%	60.5%	
90460	3000	\$31.00	\$11.00	Im admin 1st/only component	A	0.240	0.385	0.029	0.654	\$21.64	\$21.64	143.3%	50.8%	

<https://chipsblog.pcc.com/free-2023-rvu-calculator>

# Nothing Scarier than a PEDIATRICIAN WITH DATA!

## Step 2: Financial Reports - RVU Breakdown

### Pricing Analysis (RVU Report per Procedure)



Procedure Code Set A	RVU Status Code	Units	Number of Valid RVU Units	Charge Amount	Total Number of RVUs	Avg RVU Per Unit	Avg Charge Amount	Avg Deposited	RVU Practice FAF \$76.62	RVU Medicare FAF	Avg Deposited as Percent of MCare FAF	RVU Medicare FAF at 200%	RVU 200% Charge Difference	Underbilled Amount	Amount Deposited (all pmts)
99395	N	12	12	\$3,660.00	40.81	3.40	\$305.00	\$91.14	\$260.60	\$113.21	80.51%	\$226.43	\$942.84	\$0.00	\$1,093.74
99394	N	231	231	\$68,838.00	766.92	3.32	\$298.00	\$86.26	\$254.45	\$110.54	78.04%	\$221.09	\$17,766.21	\$0.00	\$19,926.71
99393	N	1096	1096	\$305,738.00	3325.26	3.03	\$278.96	\$80.74	\$232.51	\$101.01	79.94%	\$202.02	\$84,324.08	\$0.00	\$88,494.18
99392	N	662	662	\$180,064.00	2014.47	3.04	\$272.00	\$85.59	\$233.22	\$101.32	84.47%	\$202.65	\$45,909.70	\$0.00	\$56,658.80
99391	N	362	362	\$92,310.00	1033.51	2.85	\$255.00	\$84.01	\$218.79	\$95.05	88.38%	\$190.11	\$23,490.18	\$0.00	\$30,410.30
99215	A	111	111	\$41,181.00	588.08	5.30	\$371.00	\$121.71	\$405.95	\$176.36	69.01%	\$352.73	\$2,027.97	\$0.00	\$13,509.85
99214	A	4933	4933	\$1,361,508.00	18523.40	3.75	\$276.00	\$94.10	\$287.74	\$125.01	75.27%	\$250.02	\$128,159.34	\$0.00	\$464,184.50
99213	A	10780	10780	\$2,048,200.00	28664.00	2.66	\$190.00	\$67.96	\$203.74	\$88.51	76.79%	\$177.03	\$139,816.60	\$0.00	\$732,649.10
99212	A	131	131	\$15,065.00	215.89	1.65	\$115.00	\$40.08	\$126.28	\$54.86	73.05%	\$109.73	\$690.37	\$0.00	\$5,250.16
		18318	18318	\$4,116,564.00	55172.40	3.01	\$224.73	\$77.09	\$0.00	\$0.00	0.00%	\$0.00	\$443,127.29	\$0.00	\$1,412,177.34



# Nothing Scariet than a PEDIATRICIAN WITH DATA!

## Step 2: Financial Reports - Visit Based Breakdown

Per-Visit Analysis by Payor ('activity' style)							
Ins Group at Time of Service	Number of Visits	Charges Per Visit	Avg Charge Per Visit	Avg Deposited Per Visit	Number of Procedures	Charge Amount	Amount Deposited (all pmts)
Personal/No Insurance	288	3.32	\$245.48	\$120.78	957	\$70,697.49	\$34,785.31
Other	382	3.56	\$363.38	\$177.91	1361	\$138,810.61	\$67,963.38
Scott/White	400	3.56	\$354.12	\$168.22	1425	\$141,649.10	\$67,289.51
Amerigroup	266	4.38	\$257.26	\$86.43	1164	\$68,430.81	\$22,991.35
Aetna	1791	3.27	\$326.52	\$165.41	5862	\$584,798.39	\$296,242.19
Cigna	399	3.37	\$345.55	\$172.41	1343	\$137,875.46	\$68,790.87
Humana	7	3.14	\$294.43	\$133.88	22	\$2,061.04	\$937.15
Tricare	12	3.83	\$319.07	\$155.14	46	\$3,828.89	\$1,861.63
BCBS	671	3.34	\$341.23	\$174.16	2239	\$228,962.50	\$116,861.02
UHC	18	2.83	\$289.46	\$128.27	51	\$5,210.30	\$2,308.89
	4234	3.42	\$326.48	\$160.61	14470	\$1,382,324.59	\$680,031.30

Criteria for this report run.  
Transaction Date Range: 05/01/22 - 04/30/23

# Nothing Scariest than a PEDIATRICIAN WITH DATA!

## Step 3: Clinical Reports

- All payor-driven quality report metrics
- Well visit coverage
- Screening coverage
- 99050/1 volume
- Immunization coverage
- ICD-10 counts
- No-show comparisons
- Telemedicine Volume

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## Step 4: Demographic Reports

Breakdowns by Patient age, sex, race, languages

Zipcode-based report

Employers

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## Step 5: External Benchmarking

Regional

National

HEDIS

Public

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## Step 6: Narratives and Storytelling

Vignettes about your practice

Earnings reports and news about the payor

**Reports \$5.6 Billion Profit As 2023 Starts Strong For  And Health Plans**

Group reported a \$5.6 billion first quarter profit as the healthcare giant's  insurance plans and  medical provider businesses grew by “double-digit” percentages, the company said Friday.



# Finally at the Table: Managing Contract Negotiations

*Susanne Morgana Brennan, MBA*

# Process & Communication

Understand that each Payer has a different process (and finding the processes are never easy)

- ❑ Once discovered, send your request through the appropriate channels or it will get nowhere
- ❑ Include the information that they want in the way they expect to see it. If they say 'send tax id, name, location, roster list, proposal' then send all those things
- ❑ Write a short, but compelling overview as to why you should be paid more (what are you doing that is better than a competitor, supported by data)
- ❑ Follow up within the timeframe the Payer quotes you for a response

# Example: New Aetna Process

<https://www.aetna.com/health-care-professionals/forms/contact-us-online.html>

## Send us a message

If you're a health care professional who has a question about our medical plans or behavioral health coverage, we're here to help. Just fill out the form below and we'll get back to you soon.

Note: Be sure to fill out all fields marked with an asterisk (\*) to send your message successfully.

\*Last name  \*First name

\*State

\*TIN, PIN/PVN, NPI

Enter your Tax Identification Number (TIN), Aetna provider PIN/PVN, or National Provider Identifier

Specialty

\*Email Address

Formatted as example@sample.com.

Office Name

\*Phone number

\*Phone number

Enter 10 digit phone number without dashes.

Topic you need help with

- ✓ Select a topic
  - General questions about online transactions
  - Online eligibility transactions
  - Online claims transactions
  - Online ERA/EFT transactions
  - Online referrals
  - Online precertification
  - Registering for Aetna's website
  - Fee schedules
  - Aetna's Policies and Procedures
  - Update My Information
  - Provider communications
  - Technical issues
  - Other

# Example: New Aetna Process

Within 48 hours you will receive these instructions:

Dear Healthcare Professional:

If you want to request a re-negotiation for a participating providers that request must be in writing on dated letter head and faxed to 859-455-8650 the attention of Network Management and must include the below information. If multiple providers each provider must be listed.

- \* Provider Name
- \* Provider NPI
- \* Provider Tax ID
- \* Product type, ... Commercial Medicare through Aetna, Coventry and First Health
- \* Plan type, .... MEHMO, MEPP0, MHMO, MEPO, MWC
- \* Codes and amounts being requested
- \* Contact Name
- \* Contact Number
- \* Email Address

Please do not respond to this email as this mailbox is not monitored. If you have any further questions regarding this information, or a new question, please submit your request through our Contact Us option on [www.Availity.com](http://www.Availity.com) or [www.Aetna.com](http://www.Aetna.com).

Availity

Please use the "Contact Us" form located on [www.Availity.com](http://www.Availity.com)

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# Responding to 'No'

The Payers' profit margin depends upon keeping your rates flat

- ❑ They will always say 'NO' first. Don't simply accept it and walk away
- ❑ Once they say 'no', keep the representative engaged to build your case
- ❑ Ask for other options for improving revenues (e.g. Value based options, etc.)
- ❑ If they refuse to engage because you are too far outside of the effective date (many will only begin negotiations 6 months before renewal) or conversely inside of the renewal period (usually 120 days), set your calendar and come back to them at the 'right' time (they are counting on you missing the date)
- ❑ If they still say 'no', ask how you can get them to 'yes' - what do they need to see or have you do in order to pay you more?
- ❑ Show them how efficient / effective / etc you are by providing DATA



# So, You've Got Their Attention...

## DRAFTING YOUR PROPOSAL

- ❑ No payer will make you an offer first, they want to see what you are looking for and counter-offer from there (Kim will walk us through this later)
- ❑ Ask for reasonable increases; if you ask for too much, it might kill the deal; too little and they may sign you up quick for less than you would have received with more 'countering'
- ❑ Don't accept their first counter; go at least three rounds
- ❑ Focus in on the codes that are highest volume and those that may be lagging, other Payers using data (as discussed next by Paulie)

# Assess The Offer Carefully!

- ❑ If they offer you X% on your preventive codes and Y% on the rest, run out ALL the numbers. A slight decrease to your vaccine admin's could more than eliminate any gains on your well visit codes
- ❑ Run out the actual dollar increases. 110% of Medicare 2023 might sound great compared to your current 103%, but if your base year had a better RVU then you could be accepting less than you are on now. CMS base rates have declined the last years in a row. **RUN OUT THE NUMBERS.**
- ❑ Most Payers will only provide you with a 'sample' at the offered rate; use PCC's BYO RVU to calculate out all of your codes if they are giving you CMS percentages to work with. If the rates are 'proprietary', demand a full fee schedule (e.g. what's 100% of 'Aetna's Market Fee Schedule' aka AMFS?)
- ❑ Wait until you have agreed to final numbers, THEN ask them for year-over-year 'escalators' so that your income can grow over the duration of the agreement

# What If The Agreement Carries Risk?

- ❑ Understand what you are agreeing to; missing metrics can cost you BIG
- ❑ If the terms are vague, ask the Payer to provide you with scenarios using your practice data. For example “tell us where we fall currently with regard to your threshold” and see if you have a large gap to close
- ❑ Figure out a plan for closing those gaps or staying at the levels you are at now to secure the ‘bonuses’ (Kim will discuss)
- ❑ Make sure that you have stop-loss insurance if you will be carrying any financial risk (i.e. if the Payer can withhold or take back money in the event you miss metrics/budget allocations)
- ❑ Set reasonable terms and timelines; stepped approach works best. Push out risk for as long as you can.
- ❑ Tie incentives to increases in base rates, not P4P. Otherwise once a threshold has been attained, your increases may disappear.

# Understanding Business Implications: Navigating Possible Outcomes

Paul Vanchiere, MBA

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# Analyzing The Data, Round 3





# Impact On Net Income

Current

Payor Revenue	\$	1,250,000
Allocated Expenses	\$	850,000
Allocated Overhead		68.00%
Margin For Provider Comp / Profit	\$	400,000

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~7,800 @ \$160

# Impact On Net Income

	Current	Expected
Payor Revenue	\$ 1,250,000	\$ 1,125,000
Allocated Expenses	\$ 850,000	\$ 850,000
Allocated Overhead	68.00%	75.56%
Margin For Provider Comp / Profit	\$ 400,000	\$ 275,000

# Impact On Net Income

	Current	Expected	Variance	
Payor Revenue	\$ 1,250,000	\$ 1,125,000	\$ (125,000)	-10.00%
Allocated Expenses	\$ 850,000	\$ 850,000		
Allocated Overhead	68.00%	75.56%		
Margin For Provider Comp / Profit	\$ 400,000	\$ 275,000	<u>\$ (125,000)</u>	<u>-31.25%</u>

# Impact On Net Income

	Current	Expected	Variance	
Payor Revenue	\$ 1,250,000	\$ 1,125,000	\$ (125,000)	-10.00%
Allocated Expenses	\$ 850,000	\$ 850,000		
Allocated Overhead	68.00%	75.56%		
Margin For Provider Comp / Profit	\$ 400,000	\$ 275,000	<b>\$ (125,000)</b>	<b>-31.25%</b>

	Current	Expected	Variance	
Payor Revenue	\$ 1,250,000	\$ 1,375,000	\$ 125,000	10.00%
Allocated Expenses	\$ 850,000	\$ 850,000		
Allocated Overhead	68.00%	61.82%		
Margin For Provider Comp / Profit	\$ 400,000	\$ 525,000	<b>\$ 125,000</b>	<b>31.25%</b>

# Track Overall Performance (Quick & Dirty)

	Total Charges	Percent of Charges	Total Adjustments	Percent of Adjustments	Total Payments	Percent of Payments	Net A/R	Percent of A/R	Gross Collection Rate	Net Collection Rate
Payor 1	\$ 818,000	40.90%	\$ 350,000	43.75%	\$ 450,000	38.96%	\$ 18,000	40.00%	55.01%	96.15%
Payor 2	\$ 410,000	20.50%	\$ 170,000	21.25%	\$ 235,000	20.35%	\$ 5,000	11.11%	57.32%	97.92%
Payor 3	\$ 340,000	17.00%	\$ 130,000	16.25%	\$ 200,000	17.32%	\$ 10,000	22.22%	58.82%	95.24%
Payor 4	\$ 265,000	13.25%	\$ 90,000	11.25%	\$ 165,000	14.29%	\$ 10,000	22.22%	62.26%	94.29%
Payor 5	\$ 167,000	8.35%	\$ 60,000	7.50%	\$ 105,000	9.09%	\$ 2,000	4.44%	62.87%	98.13%
<b>Total</b>	<b>\$2,000,000</b>		<b>\$ 800,000</b>		<b>\$1,155,000</b>		<b>\$ 45,000</b>		<b>57.75%</b>	<b>96.25%</b>



# CPT Tracking Grid (For Payment Posters)

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>MCO Payment Comparisons</b>											
2												
3		Payor 1	Payor 2	Payor 3	Payor 4	Payor 5	Payor 6	Payor 7	Payor 8	Payor 9	Payor 10	
4	<b>Labs</b>											
5	36416-Capillary blood draw											
6	81002-Urinalysis nonauto w/o scope											
7	82270-Occult blood feces											
8	82465-Assay bld/serum cholesterol											
9	83655-Assay of lead											
10	85018-Hemoglobin											
11	87420-Resp syncytial ag ia											
12	87430-Strep a ag ia											
13	87804-Influenza assay w/optic											
14	87880-Strep a assay w/optic											
15	99000-Specimen handling office-lab											
16	<b>Vaccine Admins</b>											
17	90460-Im admin 1st/only component											
18	90461-Im admin each addl component											
19	90471-Immunization admin											
20	90472-Immunization admin each add											
21	90473-Immune admin oral/nasal											
22	90474-Immune admin oral/nasal addl											
23	<b>Behavioral / Health Assessments</b>											
24	96110-Developmental screen w/score											
25	96111-Developmental test extend											
26	96127-Brief emotional/behav assmt											
27	96150-Assess hlth/behav init											
28	96151-Assess hlth/behav subseq											
29	96160-Pt-focused hlth risk assmt											
30	96161-Caregiver health risk assmt											
31	<b>Office Visits</b>											
32	99203-Office/outpatient visit new											
33	99204-Office/outpatient visit new											
34	99213-Office/outpatient visit est											
35	99214-Office/outpatient visit est											

# CPT Comparison

## (Review Actual Payments Each Quarter)

CPT Code	CPT Description	Payor 1	Payor 2	Payor 3	Payor 4	Payor 5	Medicare Rate	Payor 1	Payor 2	Payor 3	Payor 4	Payor 5
90460	Im admin 1st/only component	🟡 \$ 25.00	🟢 \$ 26.00	🟢 \$ 27.00	🔴 \$ 22.00	🔴 \$ 21.00	\$ 22.70	110.11%	114.52%	118.92%	96.90%	92.49%
90461	Im admin each addl component	🟢 \$ 11.00	🟡 \$ 10.00	🟢 \$ 12.00	🔴 \$ 9.00	🔴 \$ 8.75	\$ 10.17	108.20%	98.37%	118.04%	88.53%	86.07%
90471	Immunization admin	🔴 \$ 17.00	🔴 \$ 17.00	🟢 \$ 28.00	🟡 \$ 20.00	🔴 \$ 15.00	\$ 20.33	83.61%	83.61%	137.71%	98.37%	73.77%
90472	Immunization admin each add	🟢 \$ 17.00	🟢 \$ 17.00	🟡 \$ 14.00	🔴 \$ 15.00	🔴 \$ 11.00	\$ 14.57	116.67%	116.67%	96.08%	102.94%	75.49%
99000	Specimen handling office-lab	🟢 \$ 11.00	🔴 \$ 5.00	🔴 \$ 5.00	🟡 \$ 4.00	🔴 \$ 5.00						
99202	Office o/p new sf 15-29 min	🟢 \$ 94.00	🔴 \$ 92.00	🔴 \$ 91.00	🟢 \$ 95.00	🔴 \$ 91.00	\$ 72.86	129.02%	126.27%	124.90%	130.39%	124.90%
99203	Office o/p new low 30-44 min	🟢 \$ 145.00	🟢 \$ 145.00	🟢 \$ 134.00	🟡 \$ 118.00	🔴 \$ 98.00	\$ 112.84	128.50%	128.50%	118.75%	104.57%	86.85%
99204	Office o/p new mod 45-59 min	🟡 \$ 172.00	🟡 \$ 187.00	🟢 \$ 221.00	🔴 \$ 161.00	🔴 \$ 145.00	\$ 167.40	102.75%	111.71%	132.02%	96.18%	86.62%
99205	Office o/p new hi 60-74 min	🟢 \$ 285.00	🔴 \$ 257.00	🟢 \$ 280.00	🔴 \$ 260.00	🔴 \$ 256.00	\$ 220.94	128.99%	116.32%	126.73%	117.68%	115.87%
99211	Off/op est may x req phy/qhp	🟢 \$ 28.00	🟢 \$ 30.00	🟢 \$ 29.00	🟡 \$ 25.00	🔴 \$ 20.00	\$ 23.38	119.75%	128.30%	124.03%	106.92%	85.54%
99212	Office o/p est sf 10-19 min	🟡 \$ 55.00	🟡 \$ 55.00	🟢 \$ 62.00	🟡 \$ 56.00	🔴 \$ 49.00	\$ 56.93	96.61%	96.61%	108.90%	98.37%	86.07%
99213	Office o/p est low 20-29 min	🟡 \$ 92.00	🟡 \$ 92.00	🟢 \$ 109.00	🟡 \$ 94.00	🔴 \$ 79.00	\$ 90.82	101.30%	101.30%	120.02%	103.50%	86.99%
99214	Office o/p est mod 30-39 min	🟡 \$ 134.00	🟡 \$ 134.00	🟢 \$ 159.00	🟡 \$ 131.00	🔴 \$ 111.00	\$ 128.43	104.33%	104.33%	123.80%	102.00%	86.43%
99215	Office o/p est hi 40-54 min	🟡 \$ 180.00	🟢 \$ 207.00	🟢 \$ 203.00	🟡 \$ 185.00	🔴 \$ 156.00	\$ 179.94	100.03%	115.04%	112.81%	102.81%	86.70%
99381	Init pm e/m new pat infant	🟡 \$ 138.00	🟡 \$ 138.00	🟢 \$ 168.00	🔴 \$ 108.00	🔴 \$ 96.00	\$ 109.46	126.08%	126.08%	153.49%	98.67%	87.71%
99382	Init pm e/m new pat 1-4 yrs	🔴 \$ 124.00	🟡 \$ 147.00	🟢 \$ 175.00	🔴 \$ 111.00	🔴 \$ 100.00	\$ 114.20	108.58%	128.72%	153.24%	97.20%	87.57%
99383	Prev visit new age 5-11	🟢 \$ 151.00	🟢 \$ 151.00	🟢 \$ 165.00	🔴 \$ 121.00	🔴 \$ 100.00	\$ 118.61	127.31%	127.31%	139.12%	102.02%	84.31%
99384	Prev visit new age 12-17	🟢 \$ 170.00	🟢 \$ 174.00	🟢 \$ 185.00	🔴 \$ 133.00	🔴 \$ 117.00	\$ 133.52	127.33%	130.32%	138.56%	99.61%	87.63%
99391	Per pm reeval est pat infant	🟡 \$ 125.00	🟡 \$ 125.00	🟢 \$ 150.00	🔴 \$ 98.00	🔴 \$ 86.00	\$ 98.27	127.20%	127.20%	152.64%	99.72%	87.51%
99392	Prev visit est age 1-4	🟢 \$ 133.00	🟢 \$ 133.00	🟢 \$ 145.00	🔴 \$ 104.00	🔴 \$ 92.00	\$ 105.05	126.61%	126.61%	138.03%	99.00%	87.58%
99393	Prev visit est age 5-11	🟢 \$ 132.00	🟢 \$ 132.00	🟢 \$ 145.00	🔴 \$ 103.00	🔴 \$ 91.00	\$ 104.71	126.06%	126.06%	138.48%	98.37%	86.91%
99394	Prev visit est age 12-17	🟢 \$ 145.00	🟢 \$ 145.00	🟢 \$ 158.00	🔴 \$ 113.00	🔴 \$ 100.00	\$ 114.20	126.97%	126.97%	138.35%	98.95%	87.57%
99395	Prev visit est age 18-39	🟢 \$ 149.00	🟢 \$ 149.00	🟢 \$ 162.00	🔴 \$ 115.00	🔴 \$ 102.00	\$ 116.91	127.45%	127.45%	138.57%	98.37%	87.25%



# Payor Comparison

	Revenue	
Payor 1	\$ 325,071	14.24%
Payor 2	\$ 389,913	17.08%
Payor 3	\$ 994,055	43.55%
Payor 4	\$ 295,016	12.92%
Payor 5	\$ 278,725	12.21%
<b>Total</b>	<b>\$2,282,780</b>	

CPT Code	CPT Description	Payor 1			Payor 2			Payor 3			Payor 4			Payor 5		
		Count	Rate	Revenue	Count	Rate	Revenue	Count	Rate	Revenue	Count	Rate	Revenue	Count	Rate	Revenue
90460	Im admin 1st/only component	800	\$ 25.00	\$ 20,000	925	\$ 26.00	\$ 24,050	2306	\$ 27.00	\$ 62,262	735	\$ 22.00	\$ 16,170	876	\$ 21.00	\$ 18,396
90461	Im admin each addl component	746	\$ 11.00	\$ 8,206	998	\$ 10.00	\$ 9,980	2475	\$ 12.00	\$ 29,700	687	\$ 9.00	\$ 6,183	890	\$ 8.75	\$ 7,788
90471	Immunization admin	24	\$ 17.00	\$ 408	10	\$ 17.00	\$ 170	47	\$ 28.00	\$ 1,316	13	\$ 20.00	\$ 260	11	\$ 15.00	\$ 165
90472	Immunization admin each add	2	\$ 17.00	\$ 34	1	\$ 17.00	\$ 17	4	\$ 14.00	\$ 56	1	\$ 15.00	\$ 15	1	\$ 11.00	\$ 11
99000	Specimen handling office-lab	90	\$ 11.00	\$ 990	65	\$ 5.00	\$ 325	180	\$ 5.00	\$ 900	102	\$ 4.00	\$ 408	58	\$ 5.00	\$ 290
99202	Office o/p new sf 15-29 min	0	\$ 94.00	\$ -	0	\$ 92.00	\$ -	1	\$ 91.00	\$ 91	0	\$ 95.00	\$ -	0	\$ 91.00	\$ -
99203	Office o/p new low 30-44 min	2	\$ 145.00	\$ 290	9	\$ 145.00	\$ 1,305	9	\$ 134.00	\$ 1,206	7	\$ 118.00	\$ 826	4	\$ 98.00	\$ 392
99204	Office o/p new mod 45-59 min	2	\$ 172.00	\$ 344	1	\$ 187.00	\$ 187	4	\$ 221.00	\$ 884	1	\$ 161.00	\$ 161	5	\$ 145.00	\$ 725
99205	Office o/p new hi 60-74 min	0	\$ 285.00	\$ -	0	\$ 257.00	\$ -	1	\$ 280.00	\$ 280	0	\$ 260.00	\$ -	0	\$ 256.00	\$ -
99211	Off/op est may x req phy/ghp	5	\$ 28.00	\$ 140	8	\$ 30.00	\$ 240	6	\$ 29.00	\$ 174	6	\$ 25.00	\$ 150	3	\$ 20.00	\$ 60
99212	Office o/p est sf 10-19 min	11	\$ 55.00	\$ 605	21	\$ 55.00	\$ 1,155	34	\$ 62.00	\$ 2,108	9	\$ 56.00	\$ 504	7	\$ 49.00	\$ 343
99213	Office o/p est low 20-29 min	604	\$ 92.00	\$ 55,568	844	\$ 92.00	\$ 77,648	1611	\$ 109.00	\$ 175,599	561	\$ 94.00	\$ 52,734	500	\$ 79.00	\$ 39,500
99214	Office o/p est mod 30-39 min	326	\$ 134.00	\$ 43,684	396	\$ 134.00	\$ 53,064	768	\$ 159.00	\$ 122,112	308	\$ 131.00	\$ 40,348	269	\$ 111.00	\$ 29,859
99215	Office o/p est hi 40-54 min	98	\$ 180.00	\$ 17,640	24	\$ 207.00	\$ 4,968	73	\$ 203.00	\$ 14,819	56	\$ 185.00	\$ 10,360	68	\$ 156.00	\$ 10,608
99381	Init pm e/m new pat infant	21	\$ 138.00	\$ 2,898	29	\$ 138.00	\$ 4,002	83	\$ 168.00	\$ 13,944	27	\$ 108.00	\$ 2,916	42	\$ 96.00	\$ 4,032
99382	Init pm e/m new pat 1-4 yrs	4	\$ 124.00	\$ 496	4	\$ 147.00	\$ 588	4	\$ 175.00	\$ 700	10	\$ 111.00	\$ 1,110	7	\$ 100.00	\$ 700
99383	Prev visit new age 5-11	2	\$ 151.00	\$ 302	6	\$ 151.00	\$ 906	5	\$ 165.00	\$ 825	4	\$ 121.00	\$ 484	5	\$ 100.00	\$ 500
99384	Prev visit new age 12-17	5	\$ 170.00	\$ 850	4	\$ 174.00	\$ 696	2	\$ 185.00	\$ 370	1	\$ 133.00	\$ 133	3	\$ 117.00	\$ 351
99391	Per pm reeval est pat infant	154	\$ 125.00	\$ 19,250	184	\$ 125.00	\$ 23,000	516	\$ 150.00	\$ 77,400	126	\$ 98.00	\$ 12,348	218	\$ 86.00	\$ 18,748
99392	Prev visit est age 1-4	203	\$ 133.00	\$ 26,999	242	\$ 133.00	\$ 32,186	609	\$ 145.00	\$ 88,305	193	\$ 104.00	\$ 20,072	180	\$ 92.00	\$ 16,560
99393	Prev visit est age 5-11	180	\$ 132.00	\$ 23,760	296	\$ 132.00	\$ 39,072	445	\$ 145.00	\$ 64,525	165	\$ 103.00	\$ 16,995	174	\$ 91.00	\$ 15,834
99394	Prev visit est age 12-17	148	\$ 145.00	\$ 21,460	154	\$ 145.00	\$ 22,330	294	\$ 158.00	\$ 46,452	165	\$ 113.00	\$ 18,645	138	\$ 100.00	\$ 13,800
99395	Prev visit est age 18-39	27	\$ 149.00	\$ 4,023	23	\$ 149.00	\$ 3,427	60	\$ 162.00	\$ 9,720	39	\$ 115.00	\$ 4,485	26	\$ 102.00	\$ 2,652

# Payor Proposal Review

Current Rates	\$ 325,071
Proposed Rates	\$ 326,999
Variance	\$ 1,928

CPT Code	CPT Description	Count	Current Rates		Proposed Rates		Variance
			Rate	Revenue	Rate	Revenue	
90460	Im admin 1st/only component	800	\$ 25.00	\$ 20,000	\$ 26.00	\$ 20,800	\$ 800
90461	Im admin each addl component	746	\$ 11.00	\$ 8,206	\$ 10.00	\$ 7,460	\$ (746)
90471	Immunization admin	24	\$ 17.00	\$ 408	\$ 17.00	\$ 408	\$ -
90472	Immunization admin each add	2	\$ 17.00	\$ 34	\$ 17.00	\$ 34	\$ -
99000	Specimen handling office-lab	90	\$ 11.00	\$ 990	\$ 5.00	\$ 450	\$ (540)
99202	Office o/p new sf 15-29 min	0	\$ 94.00	\$ -	\$ 92.00	\$ -	\$ -
99203	Office o/p new low 30-44 min	2	\$ 145.00	\$ 290	\$ 145.00	\$ 290	\$ -
99204	Office o/p new mod 45-59 min	2	\$ 172.00	\$ 344	\$ 187.00	\$ 374	\$ 30
99205	Office o/p new hi 60-74 min	0	\$ 285.00	\$ -	\$ 257.00	\$ -	\$ -
99211	Off/op est may x req phy/qhp	5	\$ 28.00	\$ 140	\$ 30.00	\$ 150	\$ 10
99212	Office o/p est sf 10-19 min	11	\$ 55.00	\$ 605	\$ 55.00	\$ 605	\$ -
99213	Office o/p est low 20-29 min	604	\$ 92.00	\$ 55,568	\$ 93.75	\$ 56,625	\$ 1,057
99214	Office o/p est mod 30-39 min	326	\$ 134.00	\$ 43,684	\$ 132.50	\$ 43,195	\$ (489)
99215	Office o/p est hi 40-54 min	98	\$ 180.00	\$ 17,640	\$ 207.00	\$ 20,286	\$ 2,646
99381	Init pm e/m new pat infant	21	\$ 138.00	\$ 2,898	\$ 130.00	\$ 2,730	\$ (168)
99382	Init pm e/m new pat 1-4 yrs	4	\$ 124.00	\$ 496	\$ 120.00	\$ 480	\$ (16)
99383	Prev visit new age 5-11	2	\$ 151.00	\$ 302	\$ 148.00	\$ 296	\$ (6)
99384	Prev visit new age 12-17	5	\$ 170.00	\$ 850	\$ 174.00	\$ 870	\$ 20
99391	Per pm reeval est pat infant	154	\$ 125.00	\$ 19,250	\$ 125.00	\$ 19,250	\$ -
99392	Prev visit est age 1-4	203	\$ 133.00	\$ 26,999	\$ 133.00	\$ 26,999	\$ -
99393	Prev visit est age 5-11	180	\$ 132.00	\$ 23,760	\$ 132.00	\$ 23,760	\$ -
99394	Prev visit est age 12-17	148	\$ 145.00	\$ 21,460	\$ 145.00	\$ 21,460	\$ -
99395	Prev visit est age 18-39	27	\$ 149.00	\$ 4,023	\$ 149.00	\$ 4,023	\$ -



# Which Year Is Best?

CPT Code		Annual Code Billing Volume						Given Year Conversion Factor And Non Facility Total						2022 Quantities Applied To Given Year Allowed Amount					
		2018	2019	2020	2021	2022	2023	2018	2019	2020	2021	2022	2023	2018	2019	2020	2021	2022	2023
		\$ 36.00	\$ 36.04	\$ 36.09	\$ 34.89	\$ 34.61	\$ 33.89												
90460	Im admin 1st/only component	22,393	27,781	29,283	26,872	27,180	0.58	0.47	0.40	0.49	0.49	0.67	\$ 567,512	\$ 460,385	\$ 392,366	\$ 464,713	\$ 460,892	\$ 617,106	
90461	Im admin each addl component	18,012	23,674	25,150	22,621	22,819	0.36	0.36	0.36	0.37	0.37	0.30	\$ 295,731	\$ 296,055	\$ 296,470	\$ 294,603	\$ 292,181	\$ 231,982	
99213	Office o/p est low 20-29 min	17,246	19,593	11,701	11,340	18,778	2.06	2.09	2.11	2.65	2.66	2.68	\$ 1,392,561	\$ 1,414,391	\$ 1,429,927	\$ 1,736,340	\$ 1,728,562	\$ 1,705,375	
96110	Developmental screen w/score	10,129	10,792	11,121	12,181	12,198	0.29	0.28	0.28	0.29	0.31	0.32	\$ 127,346	\$ 123,089	\$ 123,262	\$ 123,432	\$ 130,859	\$ 132,274	
99214	Office o/p est mod 30-39 min	9,623	11,271	10,739	13,342	12,142	3.04	3.06	3.06	3.76	3.75	3.79	\$ 1,328,806	\$ 1,339,015	\$ 1,340,892	\$ 1,593,007	\$ 1,575,707	\$ 1,559,427	
90471	Immunization admin	12,205	12,706	10,772	11,732	9,946	0.58	0.47	0.40	0.49	0.49	0.60	\$ 207,670	\$ 168,469	\$ 143,579	\$ 170,053	\$ 168,655	\$ 202,225	
99177	Ocular instrumnt screen bil		5,686	9,780	9,501	9,017	0.14	0.13	0.13	0.13	0.14	0.14	\$ 45,445	\$ 42,245	\$ 42,305	\$ 40,902	\$ 43,686	\$ 42,779	
94760	Measure blood oxygen level	2,432	4,139	3,184	3,885	6,257	0.08	0.07	0.07	0.07	0.07	0.07	\$ 18,020	\$ 15,785	\$ 15,807	\$ 15,283	\$ 15,157	\$ 14,842	
96127	Brief emotional/behav asmt	746	3,245	4,587	5,879	6,012	0.18	0.15	0.14	0.14	0.14	0.14	\$ 38,957	\$ 32,500	\$ 30,376	\$ 29,369	\$ 29,127	\$ 28,522	
99391	Per pm reeval est pat infant	4,192	5,390	5,683	5,729	5,818	2.81	2.82	2.83	2.89	2.90	2.90	\$ 588,542	\$ 591,285	\$ 594,213	\$ 586,693	\$ 583,883	\$ 571,752	
99393	Prev visit est age 5-11	5,432	5,999	5,928	5,746	5,626	2.99	3.00	3.00	3.08	3.07	3.09	\$ 605,576	\$ 608,268	\$ 609,120	\$ 604,630	\$ 597,712	\$ 589,107	
99392	Prev visit est age 1-4	4,764	5,121	5,221	5,551	5,594	3.00	3.01	3.01	3.09	3.08	3.10	\$ 604,145	\$ 606,824	\$ 607,675	\$ 603,143	\$ 596,248	\$ 587,651	
99394	Prev visit est age 12-17	4,369	4,720	4,899	4,730	4,462	3.28	3.29	3.30	3.37	3.36	3.37	\$ 526,867	\$ 529,053	\$ 531,405	\$ 524,685	\$ 518,827	\$ 509,560	
90472	Immunization admin each add	2,435	2,904	2,604	2,739	2,407	0.36	0.36	0.36	0.37	0.37	0.43	\$ 31,194	\$ 31,229	\$ 31,272	\$ 31,075	\$ 30,820	\$ 35,074	
99188	App topical fluoride varnish	296	926	1,067	1,437	1,626	0.35	0.35	0.35	0.36	0.35	0.35	\$ 20,487	\$ 20,510	\$ 20,539	\$ 20,425	\$ 19,694	\$ 19,285	
92551	Pure tone hearing test air	1,391	1,713	1,504	1,413	1,319	0.35	0.33	0.33	0.34	0.34	0.36	\$ 16,619	\$ 15,687	\$ 15,709	\$ 15,648	\$ 15,519	\$ 16,091	
99215	Office o/p est hi 40-54 min	657	902	828	1,041	971	4.10	4.10	4.11	5.25	5.29	5.31	\$ 143,318	\$ 143,475	\$ 144,027	\$ 177,876	\$ 177,758	\$ 174,723	
99395	Prev visit est age 18-39	788	995	961	970	926	3.35	3.36	3.38	3.44	3.43	3.45	\$ 111,674	\$ 112,131	\$ 112,956	\$ 111,150	\$ 109,916	\$ 108,259	
99212	Office o/p est sf 10-19 min	1,025	1,269	892	565	697	1.24	1.27	1.28	1.63	1.66	1.68	\$ 31,114	\$ 31,901	\$ 32,198	\$ 39,642	\$ 40,040	\$ 39,681	
96161	Caregiver health risk asmt		322	623	887	688	0.11	0.09	0.07	0.08	0.08	0.08	\$ 2,724	\$ 2,232	\$ 1,738	\$ 1,921	\$ 1,905	\$ 1,865	
99404	Preventive counseling indiv	2	75	281	501	581	3.19	3.21	3.24	3.29	3.31	3.26	\$ 66,721	\$ 67,213	\$ 67,937	\$ 66,698	\$ 66,552	\$ 64,184	
99173	Visual acuity screen	7,096	3,661	775	135	512	0.09	0.08	0.08	0.09	0.09	0.09	\$ 1,659	\$ 1,476	\$ 1,478	\$ 1,608	\$ 1,595	\$ 1,562	
96372	Ther/proph/diag inj sc/im	322	375	189	381	465	0.58	0.47	0.40	0.41	0.42	0.42	\$ 9,709	\$ 7,876	\$ 6,713	\$ 6,652	\$ 6,759	\$ 6,618	
99238	Hosp ip/obs dschrg mgmt 30/<	388	267	440	527	453	2.07	2.06	2.06	2.07	2.08	2.39	\$ 33,757	\$ 33,631	\$ 33,678	\$ 32,720	\$ 32,607	\$ 36,689	
99460	Init nb em per day hosp	385	271	436	514	450	2.71	2.71	2.70	2.74	2.75	2.74	\$ 43,902	\$ 43,950	\$ 43,849	\$ 43,023	\$ 42,825	\$ 41,783	
99381	Init pm e/m new pat infant	388	390	216	474	427	3.13	3.13	3.13	3.22	3.21	3.23	\$ 48,114	\$ 48,167	\$ 48,234	\$ 47,976	\$ 47,434	\$ 46,738	
99211	Off/op est may x req phy/qhp	1,697	1,838	1,023	593	397	0.61	0.64	0.65	0.66	0.68	0.69	\$ 8,718	\$ 9,157	\$ 9,313	\$ 9,143	\$ 9,342	\$ 9,283	
90474	Immune admin oral/nasal addl	264	304	219	486	377	0.36	0.36	0.36	0.37	0.37	0.35	\$ 4,886	\$ 4,891	\$ 4,898	\$ 4,867	\$ 4,827	\$ 4,471	
17110	Destruct b9 lesion 1-14	410	428	389	338	322	3.18	3.13	3.17	3.33	3.37	3.41	\$ 36,862	\$ 36,322	\$ 36,838	\$ 37,414	\$ 37,553	\$ 37,209	
99383	Prev visit new age 5-11	319	378	334	367	317	3.40	3.41	3.42	3.49	3.48	3.50	\$ 38,800	\$ 38,957	\$ 39,126	\$ 38,603	\$ 38,176	\$ 37,598	
94640	Airway inhalation treatment	519	577	213	162	297	0.53	0.51	0.50	0.41	0.33	0.27	\$ 5,667	\$ 5,459	\$ 5,359	\$ 4,249	\$ 3,392	\$ 2,717	
													<b>\$ 7,180,305</b>	<b>\$ 7,058,327</b>	<b>\$ 6,990,579</b>	<b>\$ 7,655,971</b>	<b>\$ 7,606,442</b>	<b>\$ 7,651,848</b>	

2024



# How the contra proferentem rule is applied in contract disputes

## Insurance

The contra proferentem rule is often applied in [contract disputes](#) involving insurance companies that have refused to pay claims. Insurance companies have complete control over the contracts their policyholders sign, and they sometimes include ambiguous language that could allow them to deny claims that policyholders would assume are covered. Insurance companies use experienced and talented attorneys to draft their policy documents, so they may find it difficult to argue that ambiguous language is unintentional.



The Law Offices of  
**Sanford F. Young P.C.**

<https://www.sfy.com/blog/2023/02/how-the-contra-proferentem-rule-is-applied-in-contract-disputes/>

**UC  
2024**

**PCC**  
Pediatric EHR Solutions

# Sample Spreadsheets

- PMI Responsibility Matrix
- Scheduling Guide
- Scheduling Reference
- Sample Provider Compensation Model
- Sample Provider Margin Review
- Practice Overhead Calculation
- Sample Partner/Owner Allocation
- Provider Compensation Model #2
- Employee Bonus #1
- Employee Bonus #2
- Employee Bonus #3
- Practice Valuation Calculation
- **MCO Rate Grid**
- **Payor CPT Comparison**
- **MCO Abstraction Worksheet**
- KPI's Explained
- Daily KPI Tracking Sample
- Monthly KPI Tracking Sample
- Labor Tracking Sample
- Vaccine Tracking Sample
- Vaccine Payment Analysis
- Budget Step 1- Revenue
- Budget Step 2- Operating Expenses
- Budgeting Step 3- Provider Expenses
- Budgeting Step 4- Capital Expenses
- Budgeting Step 5- Review
- **Payor Comparison**
- **Payor CPT Review**
- **Payor Compare**
- **Payor Proposal**



# Contracting Tips and Tricks: Practice Manager's Perspective

*Kimberly Brennan, MBA, CMPE*

# The Rundown:



## Who We Are:

- Medium-sized (and growing!) independent group practice
- 9 physicians, 5 PNP's, 1 Psych NP, ~65 employees total
- Integrated behavioral health - both practice-employed and with 3rd party community agencies
- Always looking for new ways to pull financial levers

## Challenges We Faced as of January 2020:

- Outdated, unorganized contracts
- Falling short in P4P incentive programs, despite high quality services and care
- Unresponsive payors. First level negotiation shutdowns.
- Limited experience in contracting/negotiations
- Enrolled in new shared risk contract with limited understanding, poor deficit repayment options



**Fast forward 4 years...**

## **Wins we've achieved:**

- **HUGE** success with shared risk VBC program (especially shared-risk)
- Increased **ALL** major FFS commercial fee schedules
- Improved internal billing department and workflows
- **Drastically** increased our confidence in demanding what we deserve!





## VBC % of Revenue

2019	1.3%
2020	4.5%
2021	6%
2022	20%
2023	24%

# Where do I start?

**Make. Life. *Easy.***



Name	Status
Aetna - Better Health & Commercial	
Amerihealth	
Avmed	
BCBS - FL Blue	
Beacon Health Options - Commercial	
Beacon Health Strategies - Medicaid	
Behavioral Services Network	
CareSource	
Cigna	
Community Care Plan_prev SFCCN	
Dimension Health	
Emblem Health	

# How do I keep up with it?

- House a summary of your critical dates in **one, simple place.**
- **Check it monthly!**

SAVE  
A  
COPY!



PAYOR CONTRACT MASTER									
LAST UPDATED	9/1/2023								
PRACTICE	High Quality Pediatrics								
	Contract Payor	Orig. Effective Date	Anniversary Date	Days to Anniversary	Term (years)	Term Notice (days)	Notice/Term Due Date	Notice Notes	Reimbu
Examples	Behemoth Payer 1	July 1, 2021	July 1 2024	304	3	90	April 2 2024	Include proposal, quality data, carve out vaccine admin to \$24+/dose	105% of
	Behemoth Payer 2	January 1 2023	January 1 2024	122	1	60	November 2 2023	Include TIN on all pages, proposal must be submitted based on current CMS RBVRS rates	115% of
	Smaller Payer 3	October 1 2015	October 1 2024	396	1	120	June 3 2024	Carve out rates for POC testing	125% of
	Small Payer 4	October 1 2022	October 1 2023	30	1	15	September 16 2023	No changes, but need to ensure no changes proposed by rep	120%
				4/28/1776			0		
				4/28/1776			0		
				4/28/1776			0		
				4/28/1776			0		

# Rally the troops!

## Your Value-Based Care Toolkit

### Notes for Providers

- THIS is how the \$\$\$ bonus pool fills
- Share their patient data
- Offer constructive suggestions
- Optimize EHR
- Provide program and coding education



### Notes for Staff

Empty Visit Slots



Ignored Care Caps



Lower Performance =

**Less \$\$\$  
for bonuses/raises**

### Get Creative

- ANYONE in your office can call patients to check in and schedule
- NO ONE is too above helping kids stay well, get vaccines, and stay engaged with the medical home



### Pay Attention!

- Demand (politely) engagement with your reps
- Request monthly (or at a minimum - quarterly) quality performance meetings
- Engage intelligently - can you provide a limited level of EHR access?



### Question Everything

- Do not assume their report and data are accurate - assume they are NOT.
- Take a sample size and verify their data against your records - start with the measures you **know** you've met.



### Fight Back



- Don't be afraid to push back!
- YOU know your patients, and YOU know your quality.
- Kill them with kindness - invite a payor leader to visit your office to see first hand how great you are.

### Make Payors HELP you

- Email is your friend, and your paper trail.
- Email twice on the same thread. No response? Find the market/area leader on LinkedIn and email them directly to share your frustration and efforts to date.



### Be Realistic

*Real  
NOT  
PERFECT*

- Know not all of your staff care, or are even the right fit for this part of the work.
- Reward all efforts that support overall practice efforts, quality, and care.
- Consistency > Perfection



# Sample Negotiation Initiation Letter

The purpose of this letter is to initiate renegotiations for the fee schedule for Palm Beach Pediatrics, PA. As you may recall, this contract was renegotiated for a 1-year term (then annual auto-renewing) in 2010. In the effort of timeliness for both parties, we felt it prudent to begin this process in a judicious manner.

We request that [REDACTED] update our current fee schedule to better align with current CMS RBRVS rate, effective beginning June 1, 2022. Please find our detailed proposal enclosed. This increase is less than the medical rate of inflation. As we are sure you are aware, practice expenses increased exponentially over the last two years. The most significant of these increases for our practice were incorporating in-office COVID-19 testing for your members, increased vaccine costs, and increased recruiting expenses incurred to attract and hire high-quality staff.

We realize that [REDACTED] is faced with similar challenges, as recent premium increases suggest for many offerings. To ensure that our practice remains financially healthy and may continue to provide a high level of quality care, we request an increase to allow us the privilege of continuing to serve your members. We appreciate that you recognize our level of quality as a Patient Centered Medical Home. We're happy to report that in 2021, we were also awarded the NCQA's Distinction in Behavioral Health Integration for all locations.

We are open to discussing this matter in person, by phone, or by virtual meeting. If these options are satisfactory, please let me know your preference and I will begin working to arrange a date that works for all parties.

We thank you in advance for your attention, and kindly request a response no later than March 1, 2022. We value our relationship with [REDACTED] and look forward to continuing to work together to serve your membership.



# Sample Proposal (attach to letter)



PALM BEACH PEDIATRICS, P.A.

██████████ FEE SCHEDULE PROPOSAL  
PROPOSED EFFECTIVE DATE JUNE 1, 2022

Primary Fee Source:

██████████ Fee Schedule

Proposed Fee Structure	
FEE SCHEDULE	% Primary Fee Source
Schedule A – ██████████	110%
Schedule B – ██████████	105%
Schedule C – ██████████	110%
Schedule D – ██████████	90%

## LAB CARVE OUT PROPOSAL

Primary Fee Source:

2022 CMS 22CABLQ1 Fee Schedule

Proposed Fee Structure	
FEE SCHEDULE	% Primary Fee Source
Schedules A, B, and C as named above	100%
Schedule D – BlueSelect	95%

**UC  
2024**

# Sample Termination Letter

Re: Contract Termination – [REDACTED] Line of Business

Dear Ms. [REDACTED]:

On behalf of Palm Beach Pediatrics, we would like to provide 90-day notice of terminating our [REDACTED] [REDACTED] line of business contract. Our final date of in-network status should be July 28, 2022. Enclosed is a list of providers and locations affiliated with Palm Beach Pediatrics.

While we appreciate your effort and diligence in assisting us in contract renegotiations, unfortunately the level of payment offered by this line of business remains inadequate to cover operational costs. Regrettably, it is not financially stable for Palm Beach Pediatrics to continue to provide care for members at the level of reimbursement [REDACTED] proposes. We highly value our relationship with [REDACTED] and **remain open to continuing servicing your [REDACTED] membership, should an appropriate fee schedule be presented.**

Thank you for your assistance, and we are available to discuss further should [REDACTED] be open to a more suitable reimbursement schedule.

Sincerely,

Shannon Fox-Levine, MD  
President, Physician

Kimberly Brennan, MBA, CMPE  
Practice Administrator

# Sample Patient Letter

Dear Patient/Family:

We are very saddened to report that as of **September 1, 2022 Palm Beach Pediatrics will no longer be an in-network provider with [REDACTED] plans.**

**Despite our attempts to come a reasonable, financially viable solution with [REDACTED] they have declined to increase contractual reimbursement at a level that covers the basic, simple costs of providing high-quality care to [REDACTED]. We are pediatricians – this is not a lucrative specialty. However, what [REDACTED] has proposed would require that we would have to significantly downgrade the care provided to these members, and we cannot accept this.**

Over the past seven years, Palm Beach Pediatrics has not requested rate increases from [REDACTED]. Due to increasing supply, staffing, and overhead costs, we reached out to [REDACTED] to help with this. Unfortunately, [REDACTED] has failed to propose an appropriate agreement for the [REDACTED] lines of business, so we have made the difficult decision to terminate these contracts.

**THIS DOES NOT AFFECT [REDACTED] NETWORKS.** If you are unsure of the status of your plan, please contact Member Services at [REDACTED] and request that they check our practice on your specific policy.

## What This Means for You

Since [REDACTED] failed to agree to the reasonable terms, after August 31, 2022, PBP will not be considered an in-network provider for [REDACTED]. You may contact the member services line at [REDACTED] for a list of in-network providers, however your child has likely already been assigned to another pediatrician. **On September 1, 2022 [REDACTED] will no longer cover services at Palm Beach Pediatrics at your in network rates if your plan is in the [REDACTED] networks.**

If you are unsure if your plan is [REDACTED] please contact [REDACTED] or send us a portal message - Select Messages - Compose Message - choose "Billing and payments" message type, and we will check your policy and respond as soon as possible.

## Can my child still come to Palm Beach Pediatrics for care?

We are happy to continue seeing your child, however you would be charged self-pay rates for all care provided including visit fees, vaccines, lab testing services, etc. at the time of your appointment. **Please remember, the most cost-effective way to receive medical care utilizing your insurance is to use a contracted, in-network provider.** Your specific policy may offer you some reimbursement for out-of-network services, however this is plan-specific

and may not apply to you. Palm Beach Pediatrics will NOT be participating in [REDACTED] network as of September 1, 2022.

## Can you see my child prior to September 1st?

Yes, you may still use your in-network insurance benefits for services provided by our offices through August 31, 2022. After that date, services would be charged at the self-pay rate. Unfortunately, [REDACTED] has in recent months refused to allow families to select Palm Beach Pediatrics as their child's primary care provider. Much to our dismay, our staff is not able to make these changes for you. For complaints regarding this, please contact [REDACTED] directly.

## How do I begin care with another pediatrician?

While we hate to see your family leave our practice, we understand the importance of using your health coverage to pay for medical care. If you choose to transfer care to another pediatrician, please contact our medical records department to arrange a transfer of your child's medical record. You should do this prior to your first visit. We do not want to see your child leave our practice, however we are here to help with your transition of care if needed.

Sincerely,

Kimberly Brennan, MBA, CMPE

Practice Administrator

End of document ■

# Google Sheet Contract Master

[https://docs.google.com/spreadsheets/d/1X7WIRBuXOcRdke33Byh2-LIbN5xD2anmR7MQnqnOGVU/edit?usp=drive link](https://docs.google.com/spreadsheets/d/1X7WIRBuXOcRdke33Byh2-LIbN5xD2anmR7MQnqnOGVU/edit?usp=drive_link)

PAYOR CONTRACT MASTER									
LAST UPDATED	9/1/2023								
PRACTICE	High Quality Pediatrics								
	Contract Payor	Orig. Effective Date	Anniversary Date	Days to Anniversary	Term (years)	Term Notice (days)	Notice/Term Due Date	Notice Notes	Reimbu
Examples	Behemoth Payer 1	July 1, 2021	July 1 2024	304	3	90	April 2 2024	Include proposal, quality data, carve out vaccine admin to \$24+/dose	105% of
	Behemoth Payer 2	January 1 2023	January 1 2024	122	1	60	November 2 2023	Include TIN on all pages, proposal must be submitted based on current CMS RBVRS rates	115% of
	Smaller Payer 3	October 1 2015	October 1 2024	396	1	120	June 3 2024	Carve out rates for POC testing	125% of
	Small Payer 4	October 1 2022	October 1 2023	30	1	15	September 16 2023	No changes, but need to ensure no changes proposed by rep	120
				4/28/1776			0		
				4/28/1776			0		
				4/28/1776			0		
				4/28/1776			0		

# Changes you may wish to make in practice:

1. Gather all your contracts and construct a spreadsheet that has renewal dates for all of your participating payers
2. Identify your lowest payer and estimate the impact to your practice if you dropped them
3. Identify who in your practice is going to be responsible for doing a CPT comparison of payments quarterly and meet with them to begin the work
4. Recognize and use the power you have to negotiate your worth!



# References

For more information on this subject, see the following publications:

<https://www.resolve.com/pricing/american-academy-of-pediatrics>

RVU/Fee Schedule Calculators:

<https://chipsblog.pcc.com/free-2023-rvu-calculator>

<https://chipsblog.pcc.com/free-2022-rvu-calculator>

<https://chipsblog.pcc.com/free-2021-rvu-calculator>

<https://chipsblog.pcc.com/free-and-legal-2020-rvu-rbrvs-calculator>

<https://chipsblog.pcc.com/free-and-legal-2019-rvu/rbrvs-calculator>

# References

For more information on this subject, see the following publications:

Success stories:

<https://chipsblog.pcc.com/insurance-negotiation-story-175>

<https://chipsblog.pcc.com/insurance-negotiation-continues>

<https://chipsblog.pcc.com/hello-world-3>

<https://chipsblog.pcc.com/trench-stories-i-or-harnessing-mom-power>

<https://chipsblog.pcc.com/trench-stories-ii-or-do-the-math>