

## MANAGED CARE CONTRACTING

American Society for Diagnostic and  
Interventional Nephrology Annual Meeting  
New Orleans, Louisiana  
Saturday February 25, 2012

## Agenda

- ▣ Getting started
- ▣ What is your goal
- ▣ Strategy
- ▣ Contract
  - Language
  - Rates
- ▣ When to say no
- ▣ Preparation for next round
- ▣ MCR, MCD and ACO's
- ▣ Credentialing

## Why do we need to Negotiate

- ▣ Preserve, build or rebuild market
- ▣ Geographic expansion
- ▣ Set expectations
- ▣ To develop a cooperative relationship
- ▣ To gain market intelligence
- ▣ Create contacts
- ▣ To deal with new codes/procedures

## Getting Started

- ▣ Do your homework
  - Where is the market now
  - Where are you in the market
  - What are the trends
- ▣ What has been their strategy for growth
- ▣ Have they added new products
- ▣ Are they expanding or contracting
  - (providers / members)
- ▣ Develop a plan

## Goals

- |                                |                    |
|--------------------------------|--------------------|
| ▣ Improved rates               | Rate               |
| ▣ Exclusivity                  | Language           |
| ▣ Improved terms               | Language           |
| ▣ Increase patient base        | Language           |
| ▣ Expand product/service Lines | Language and Rates |
| ▣ Payment issues               | Language           |
| ▣ Limit OON issues             | Language and Rates |

## Strategy Begins with Identity

- ▣ Develop a practice profile
  - Providers / credentials
  - Locations: office, hosp, dialysis, etc.
  - Diagnostic & ancillary services
    - Dietary, social worker, radiology, laboratory
  - Expertise: Intervention, transplant, Radiology, etc.
  - Technology: EHR, PACS, Connectivity
  - Quality: PQRS, eRx, Patient satisfaction
  - Affiliations: Dialysis, Hospital, Med School(s)
  - Patient statistics: office, hospital, dialysis
  - Other Facts: Research, special awards, etc.
  - Active Managed Care Patients

## Rate Strategy

- ❑ Where are you today
  - Percent of MCR
  - Days outstanding
  - Total A/R and A/R greater than 120
- ❑ Where do you want to be
  - Across the board increase
  - Selective codes / product line increase
- ❑ Where is your market today?
  - Expanding /Contracting
    - Lives, rates, payers

## Rate Analysis

- ❑ Several Methodologies
  - Volume (cpt count)
  - Dollars (gross collections)
  - Profit Margin (product line contribution)
- ❑ Is your goal realistic and in market?
- ❑ What are you willing to take?
- ❑ Do you loose money on any services

## Volume Analysis

CPT	Code Description	Current		Proposed		MCR		Current		Proposed		Current		Proposed	
		Rate	Annual	Rate	Annual	Rate	Annual	Rate	Annual	Rate	Annual	% of MCR	% of MCR	% of MCR	% of MCR
99232	F/U HOSP CARE L2-0FC	70.09	90.25	91.82	413,079.33	507,645.73	567,346.03	126.76%	131.00%						
99234	OV EST PT LEVEL 4-0FC	104.89	134.36	137.41	364,191.09	462,113.81	503,760.35	136.39%	131.00%						
99090	HEMO SERVICES 4-VISITS 20+ YR	283.63	368.00	399.92	838,086.29	1,087,403.29	1,181,718.58	126.75%	141.00%						
90935	DIALYSIS SINGLE EVAL-0FC	73.18	92.60	103.18	156,327.52	187,812.32	220,411.32	126.54%	140.89%						
90970	ESRD PER DAY	7.86	10.20	11.06	13,759.82	17,304.62	18,696.25	129.79%	141.00%						
99233	F/U HOSP CARE L3-0FC	100.46	131.00	131.63	347,386.06	452,150.00	503,070.68	130.73%	131.00%						
96372	IM/SUBCUTANEOUS ADMIN-0FC	24.47	31.09	32.06	23,353.03	29,557.26	30,470.94	127.07%	131.00%						
99231	F/U HOSP CARE L1-0FC	38.25	48.96	50.11	38,360.58	44,019.08	45,063.50	126.00%	131.00%						
99233	OV EST PT LEVEL 3-0FC	70.98	91.53	92.96	56,123.34	74,972.22	76,143.54	126.96%	131.00%						
99232	ADMIT L2-0FC	133.27	169.54	174.58	70,339.93	89,492.22	92,343.93	137.73%	131.00%						
99061	HEMO SERVICES 2-3 VISITS 20+ YR	236.07	298.00	332.86	110,576.52	140,088.88	155,477.46	126.23%	141.00%						
99215	OV EST PT LEVEL 5-0FC	140.83	180.26	184.49	54,471.04	69,724.97	71,360.73	126.00%	131.00%						
76795	RENAL SONOGRAM LIMITED-0FC	113.83	184.50	134.56	37,905.39	61,438.50	64,808.48	167.06%	131.00%						
36147	ACCESS OF GRAFT OR FISTULA FOR EXAM	887.83	1,097.00	1,260.88	360,467.09	346,542.30	366,305.03	133.33%	140.89%						
99223	ADMIT L3-0FC	70.08	90.25	91.83	21,538.17	26,248.28	26,739.06	126.76%	131.00%						
75978	TL BALLOON ANGIO VEN-SUPV/INT-0FC	186.18	201.35	221.57	50,308.73	54,183.28	59,624.48	108.58%	131.00%						
96496	PT BALLOON ANGIO VEN-0FC	1,799.12	2,123.03	2,354.75	473,708.39	558,961.56	672,865.68	138.05%	141.00%						
90945	PERITONEAL DIAL EVAL-0FC	61.96	108.18	118.41	18,500.08	24,118.53	26,690.03	126.00%	131.00%						
71000	CHEST 2-VIEWS-0FC	31.32	50.76	57.23	4,723.06	7,395.18	5,630.84	102.00%	131.00%						
99211	OV EST PT LEVEL 1-0FC	19.97	25.72	26.16	3,003.49	3,867.29	3,934.52	126.76%	131.00%						
96504	OV NEW PT LEVEL 4-0FC	161.25	206.46	211.29	23,822.53	30,467.03	31,207.53	126.00%	131.00%						
99066	HEMO SERVICES HOME 20+ YRS	275.00	353.41	381.39	56,756.47	66,146.38	68,217.25	126.00%	131.00%						
77080	BONE DENSITY STUDY-0FC	98.41	159.59	177.13	14,002.32	22,840.83	24,769.82	152.00%	131.00%						
36148	ACCESS OF GRAFT OR FIST 2ND PUNCTURE	273.48	361.28	388.36	31,560.75	41,691.73	44,816.74	132.39%	142.00%						
36870	THORACOTOMY AV DR SHUNT-0FC	1,968.48	2,684.00	2,795.78	236,773.48	295,336.48	307,815.58	136.32%	144.00%						
					5,535,158.73	4,552,216.28	5,845,428.05	127.00%	127.00%						

## Revenue Analysis

CPT	Code Description	Current		Proposed		MCR		Current		Proposed		Current		Proposed	
		Rate	Annual	Rate	Annual	Rate	Annual	Rate	Annual	Rate	Annual	% of MCR	% of MCR	% of MCR	% of MCR
99040	HEMO SERVICES 4-VISITS 20+ YR	283.63	368.00	399.92	838,086.29	507,645.73	567,346.03	126.76%	131.00%						
99232	F/U HOSP CARE L2-0FC	70.09	90.25	91.82	413,079.33	507,645.73	567,346.03	126.76%	131.00%						
35476	PT BALLOON ANGIO VEN-0FC	1,799.12	2,123.03	2,354.75	473,708.39	558,961.56	672,865.68	138.05%	141.00%						
99214	OV EST PT LEVEL 4-0FC	104.89	134.36	137.41	364,191.09	462,113.81	503,760.35	136.39%	131.00%						
36870	THORACOTOMY AV DR SHUNT-0FC	1,968.48	2,684.00	2,795.78	236,773.48	295,336.48	307,815.58	136.32%	144.00%						
90935	DIALYSIS SINGLE EVAL-0FC	73.18	92.60	103.18	156,327.52	187,812.32	220,411.32	126.54%	140.89%						
36147	ACCESS OF GRAFT OR FISTULA FOR EXAM	887.83	1,097.00	1,260.88	360,467.09	346,542.30	366,305.03	133.33%	140.89%						
99233	F/U HOSP CARE L3-0FC	100.46	131.00	131.63	347,386.06	452,150.00	503,070.68	130.73%	131.00%						
99061	HEMO SERVICES 2-3 VISITS 20+ YR	236.07	298.00	332.86	110,576.52	140,088.88	155,477.46	126.23%	141.00%						
37005	INTRAVASC STENT 1ST VESSEL-0FC	4,407.42	6,823.00	6,258.54	104,655.85	161,705.30	148,327.38	156.80%	142.00%						
35475	PT BALLOON ANGIO BRACHIAL-0FC	2,373.70	3,154.00	3,370.65	102,069.30	135,023.00	144,898.30	132.87%	142.00%						
99222	ADMIT L2-0FC	133.27	169.54	174.58	70,339.93	89,492.22	92,343.93	137.73%	131.00%						
99223	ADMIT L3-0FC	195.84	262.73	255.55	61,297.62	77,846.23	76,803.28	127.00%	131.00%						
99215	OV EST PT LEVEL 5-0FC	140.83	180.26	184.49	54,471.04	69,724.97	71,360.73	126.00%	131.00%						
75978	TL BALLOON ANGIO VEN-SUPV/INT-0FC	186.18	201.35	221.57	50,308.73	54,183.28	59,624.48	108.58%	131.00%						
99213	OV EST PT LEVEL 3-0FC	70.96	91.53	92.96	56,123.34	74,972.22	76,143.54	126.96%	131.00%						
76795	RENAL SONOGRAM LIMITED-0FC	113.83	184.50	134.56	37,905.39	61,438.50	64,808.48	167.06%	131.00%						
99066	HEMO SERVICES HOME 20+ YRS	275.00	353.41	381.39	56,756.47	66,146.38	68,217.25	126.00%	131.00%						
99231	F/U HOSP CARE L1-0FC	38.25	48.96	50.11	38,360.58	44,019.08	45,063.50	126.00%	131.00%						
91880	DOPPLER CAROTID BIAT-0FC	256.03	325.40	304.68	12,212.45	15,531.12	14,511.03	127.17%	119.00%						
36148	ACCESS OF GRAFT OR FIST 2ND PUNCTURE	273.48	361.28	388.36	31,560.75	41,691.73	44,816.74	132.39%	142.00%						
91823	DOPPLER ABI SEGMENTAL-PRE	163.05	206.56	194.78	6,284.16	7,551.50	7,439.15	125.22%	115.00%						
96372	IM/SUBCUTANEOUS ADMIN-0FC	24.47	31.09	32.06	23,353.03	29,557.26	30,470.94	127.07%	131.00%						
99204	OV NEW PT LEVEL 4-0FC	161.25	206.46	211.29	23,822.53	30,467.03	31,207.53	126.00%	131.00%						
99205	OV NEW PT LEVEL 5-0FC	201.31	256.19	262.41	14,802.68	18,690.88	18,426.46	126.00%	131.00%						
					9,760,115.05	4,895,306.03	5,159,952.91	128.33%	127.23%						

## Outside the Box

- ❑ Old School
  - Electronic filing primary
  - Timely filing
  - Clean Claims
- ❑ Current
  - Secondary electronic claims
  - eRx / generic utilization
  - PQRS

## Outside the Box (2)

- ❑ New School
  - Reduced Hospital days
  - Preventive service and disease management
  - Advanced quality measures
  - Reduced overall cost to payer
  - Transition of care
    - CKD to Dialysis (OP initiation, modality)
    - PD catheter or Fistula
  - Patient Satisfaction (i.e. CGCAHPS)
- ❑ Compensation
  - PMPM (group of pts)
  - Quarterly / annual Bonus
  - Milestone payments
- ❑ Partnership relationship vs. Adversary

## Contract Language Strategy

- ❑ What does your current contract look like?
  - Summarize your current agreement – standard practice?
    - Term 2 yr, expires 3,2013
    - Timely filing 60 days
  - Identify problematic areas and or language
    - Termination without cause 180 days
    - Rate decrease 45 day notice
  - Prepare alternative language
    - Company may change rates with 45 days notice, if new rates are unacceptable to practice, practice may term in XX days

## Language to Contemplate

- ❑ Indemnity – do you really want to indemnify the MCO or other payer?
- ❑ Recoupment's – same as timely filing or appeals?
- ❑ Unlisted Codes (i.e. 99254/99255)
- ❑ Data Protection – Is your intellectual property protected?
- ❑ Timely response to appeals
- ❑ Retro retraction of eligibility and benefits
- ❑ Bankruptcy (MCO and practice)
- ❑ Protected territory

## Language to Contemplate (2)

- ❑ Timely credentialing
- ❑ POS codes and Rates
- ❑ Audits – justification and risk adjustment
- ❑ Notification provisions (legal ,disciplinary, impaired physician)
- ❑ Issue resolution and timelines
- ❑ Exit language (without cause)
- ❑ Assignment of contract
- ❑ Limitation of products (HMO/PPO/POS, etc)

## When to Say NO

- ❑ When it is a bad deal!
  - You loose money
- ❑ If you cannot come to terms on a deal point
  - Is it realistic, is it worth giving up the contract
- ❑ When the MCO has too much control
  - To many hoops to jump through
- ❑ If your practice or physicians have too much exposure
- ❑ If you can't meet your objectives

## Once You have Contracted

- ❑ Develop a contract summary
- ❑ Make a list of failures and successes
- ❑ Set up audits and or reporting periods for contract compliance
- ❑ Establish quarterly meetings
  - Payor report card\*
- ❑ Track issues
  - Eligibility, non responses, delayed payment, invalid denials
- ❑ Track Metrics
  - (A/R, days in A/R, denial rate, payment accuracy)

## When to Get Out

- ❑ When the payer breaches obligations
  - When a breach can't be resolved
- ❑ If it brings no value to you
  - Profit or market share
- ❑ It is ok to cut your losses
  - As long as the payer is at fault
  - You can't stay in business if you run at a loss
- ❑ If you made a bad deal
  - Try to resolve with payer
  - If unable to renegotiate, use your without cause notice

## Vascular Carve Out

- ❑ Payer Education
  - IP or OP Hospital Costs
  - Early Intervention
  - Screening – Flow monitoring / Doppler
- ❑ Specific codes
  - They will not want to give you all IR codes
  - May have preferred centers for Radiology Procedures
- ❑ Patient Satisfaction

## Managed MCR & MCD

- ❑ Very difficult to negotiate
  - Limited flexibility
  - Limited financial resources
- ❑ Low cost provider syndrome!
- ❑ Unrealistic terms
- ❑ Can be practice resource hog-Audits
- ❑ Stand behind “CMS Requires”

## ACO's

- ❑ Opinion: Most Nephrology groups will participate in ACO's as a contracted provider.
- ❑ Exception will be creative project from innovation center.
- ❑ Opportunity for out of the box options

## Credentialing

- ❑ Specify in contract
  - Time
  - Documentation requirements (TSCA, DEA, Ins Binder, etc.)
  - New Provider vs. re credentialing
- ❑ Delegated or not
  - Do you really want this obligation and liability
- ❑ Standard Credentialing Applications
- ❑ Demonstrate quality hiring process
  - Current
- ❑ Procedure List

Questions ?

Thank You

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