MANAGED CARE PARTNERS

Hard Work.
Common Sense Solutions.
Proven Results.

Contracting Pitfalls and Coordination with Revenue Cycle

Presented By:
Managed Care Partners, Inc.
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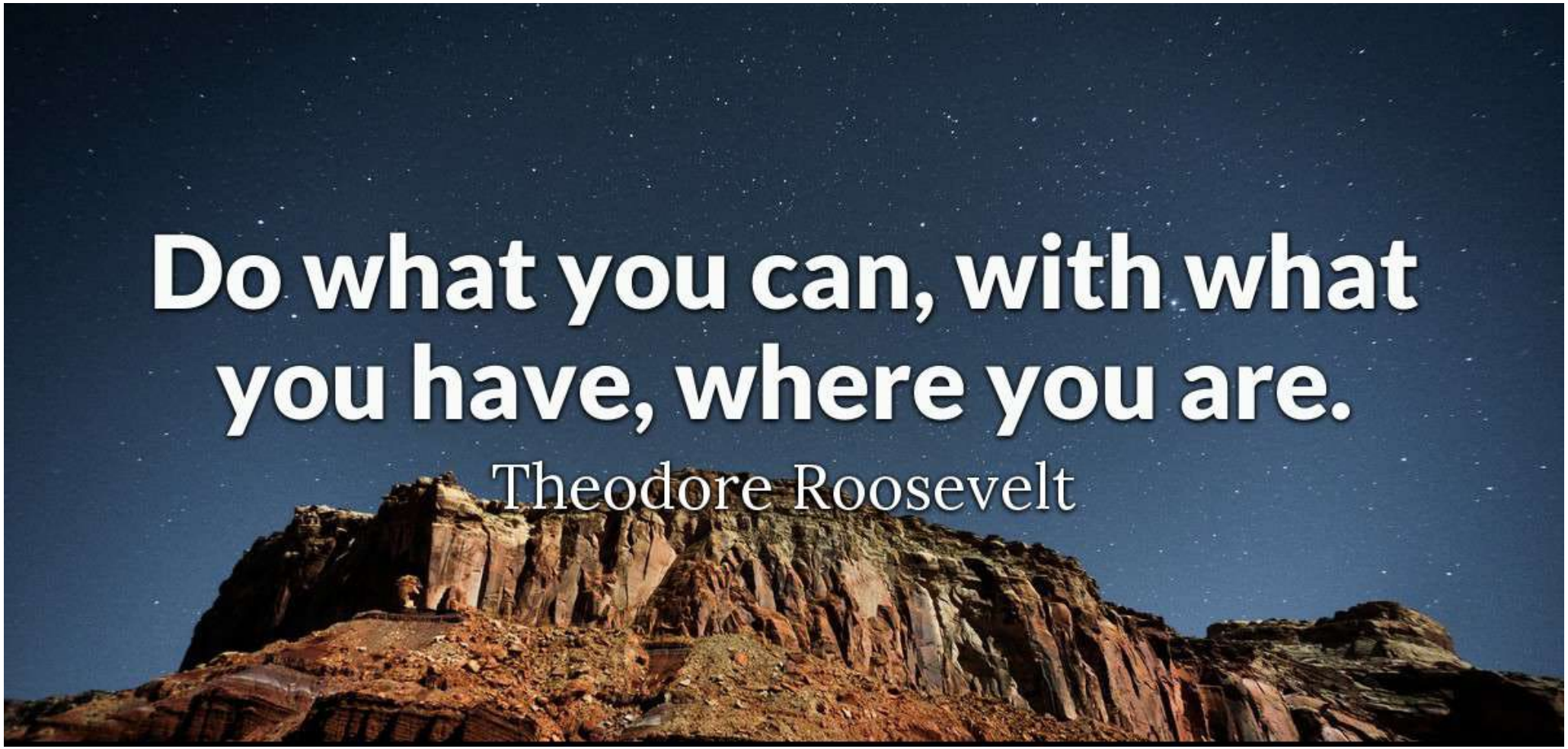
hfma™ greater heartland

Missouri Hawthorn Chapter
AAHAM
American Association of Healthcare Administrative Management
Empowering the future of healthcare revenue cycle excellence.

Seeking Financial Stability



Contracting Pitfalls and Coordination with Revenue Cycle

TOPICS GUIDE

Vision: Where are we going and who is driving

People: Building and supporting your staff

Work: Lead from within, trust yourself

Stay Resolute: Do what you say and say what you do

It's not about you: Staff, patients, community

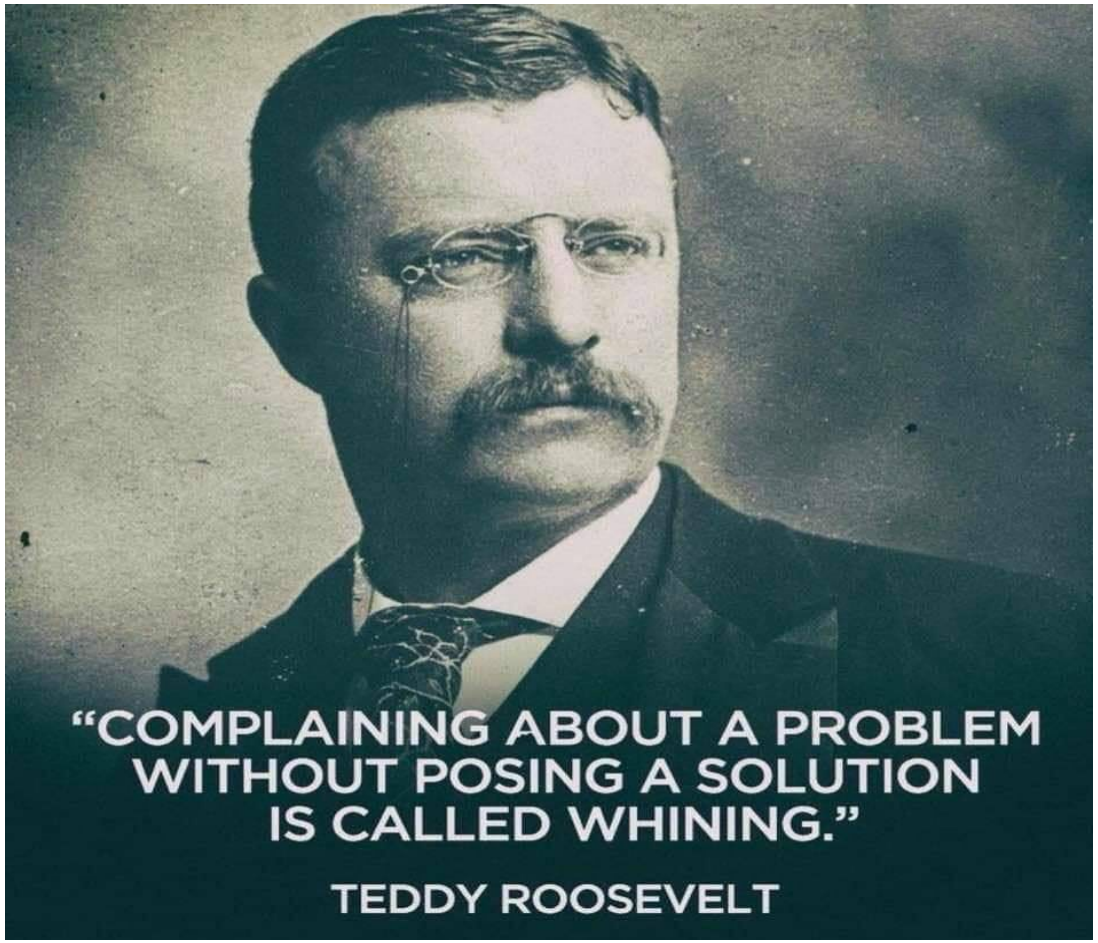
Today's Managed Care Contracting Concerns

- Are the payer's interests the same as your Health System?
- Is the payment level in line with your expense level and future service plans?
- What expansion is planned?
- Is the payer willing to support new services through reimbursement and network steerage?
- What audit procedures are in place to ensure accuracy of payments?
- Are the processes in place for appeal of incorrect payments consistent and effective?

What's Changed in Managed Care Contracting?

- Artificial Intelligence
- Analytics - Establishing a set time frame for revenue review
- Medicare – *Medicare Advantage*
- MCO - Another middleman or patient support for your staff
- Patient satisfaction - Star ratings
- Insurance products - Network participation

Managed Care Contracting



Payer Contract Review
Don't Sign Until…

- Contract is purged of unacceptable language
- Understand ramifications of any unacceptable language that cannot be removed
- Know the reimbursement paid per service line
- Assigned an organizational person to read, monitor changes, and understand the provider manual, along with the affect on reimbursement that the policies and procedures will have on AR if non-compliant. Most of which are not in the contract or provider manual.

Contract Review (2025)

Contract Pitfalls

- Revenue neutral proposals
- Per Diem increases instead of outpatient increases
- Outpatient service lines, new services reimbursement
- 3–5-year goals for outpatient reimbursement

Payment Avoidance

- Using “lesser of” language to avoid paying contract rates
- Retro-active denial language
- Unilateral amendments without needing provider consent
- Incorporating policies and procedures manuals into the contract
- No inflationary tools incorporated

Payment Avoidance

- No notice prior to reclaiming overpayment
- No limit on lookback/takeback periods
- No limit on audit language
- Limiting time periods for under-payments but not overpayments
- No ability to appeal denials or claim overpayment

Additional Concerns in Contracting

- Behavioral Health Services
- High-cost drugs: included or subject to white/brown bagging rules?
- High cost implantable
- Infusion centers
- Urgent care VS Immediate care

Revenue Department

What Hasn't Changed in Revenue Cycle Management?

- Revenue management - how to lose less
- Denials | Appeals | Extra work
- Audits
- Recoupments
- Payer policies and procedures
- Payment models
- Doing what payer wants in order to get paid

Building a Supported Team

Strengthening Team Recourses

Investing in Staff Development

- What is insurance and how does it work?
- Carrier, product, network
- Difference between authorizations and referrals?
- Resources for the team and patients

Revenue Cycle Staff Support

Question- Where do your payer notices go?

Written Notifications of changes to policies, utilization management, and procedures.

- Carrier email bulletin
- Provider Portal
- US Mail

Revenue Cycle Staff Support

- Do you verify payments on government programs?
- Do you follow up on every denial with an investigation?
- Who monitors appeals and responses?
- Do you institute changes when new policies or procedures or denial issues pop up?

Denial and Loss Management

The Department of Mysteries & Corrections

Before we start:

Can we see everything - multiple systems, processes, and workflows. Where are the internal blind spots?

Denial and loss management:

The process of preventing, investigating, analyzing and resolving denied insurance claims

Denial and Loss Management

- Verifying coverage prior to the encounter
- Obtaining/receiving prior authorization & referrals
- Knowing who we are contracted with & who our providers are credentialed with:
  - Provider Networks and product lines
  - Office visits, testing, procedures

Denial and Loss Management

Investigating & Analyzing Denials

- Group the denials: COB, Benefit Max, Plan Coverage, Patient Eligibility, Invalid Auth, Auth Denied, Service Exceeds Auth, Services Not Covered
- Know our numbers: initial denial rate, rate of appeals, win/loss ratio

Denial and Loss Management

Best Practices - Monthly Check Ups

- By insurer: to identify issues for special focus
- By denial reason: reasons can be linked to revenue cycle areas
- By insurer: according to reason and service location
- Highlight opportunities within the health system and within service lines

Audit, Audit, Audit

Audit 20% of all claims

- If you find a problem, audit all that payer's claims for a time period
- Look for patterns
- Once you have a problem, schedule regular meetings with that payer and/or internally about that payer

Audit, Audit, Audit

- Do you have checks and balances to avoid mistakes?
- If the problem is lack of authorization, do you drill down to find the root cause of the issue?
- Are there inconsistencies between independent medical practices?
- Multi disciplinary communication & education!

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Coordinating The Future

- Payer relationship
- Preferred Language Scorecards – new agreements
- Favorable Language Scorecards – current contracts
- Reimbursement rates are only as good as the best practice enforcement language available to counter payer efforts to deny claims

Coordinating The Future

- Patient satisfaction
- Local Employer: are you the preferred source of care?
- Community outreach
- Community economic drivers
- Community needs
- Collaboration

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Thank You!

Any Questions?

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