

Proactive Negotiations Strategies to Avoid Managed Care Denials

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Agenda

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- 1. Understand the Payer
- 2. Understand your Strategies to compete in your Market
- 3. Understand the Challenges in each Contract
- 4. Discuss Solutions: Proactive Strategies

Understanding your payers



Preparation is the Key to Success

“To defeat your enemy - you must know him”

Sun Tsu, The Art of War

Understanding a little bit about the payers
can be an advantage for you

Understanding your payers



- Payer Vulnerabilities
- Many of the larger national payer are locked in FFS Mentality
 - Existing contracts
 - Sales Channels
- Old adjudication systems
 - Would need new staff capabilities
 - Expensive to change

Understanding your payers



- Realize that government program plans are **NOT** the government agencies (though some may have you believe that)
 - Do have government obligations
 - Doesn't mean they can pass them on (w/o a price) 😊
 - What is the cost to you?
- MCA's are **NOT** CMS
- Medicaid payers are **NOT** the state!

Understanding your payers



- Please realize these agreements are built by payers to limit their risk and work to their systems advantage
- Also realize that Payers need you to deliver the Patient Care they have contracted for – so if approached properly they WILL negotiate

Understanding your payers



- Government program Payers are capitated by CMS/HHS = they make money by retaining premiums
 - Have limits on what they can charge patients (subscribers)
- Commercial Payers
 - Can adjust premiums and benefit design
 - Do have limits; they have to compete in the market

Strategic Perspectives

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KNOW YOUR MARKET(S)

**KNOW YOUR HOSPITAL /
HEALTH SYSTEM**

Strategic Perspectives



- Understand your Health Systems goals for each contract and their respective advantages and limitations in the market
- Involve the respective system departments to leverage their expertise across departments

Contract Challenges



- Understand what is in each payer contract
 - Standard clauses v Company specific
 - Written is language specific to Payers goals
 - Current Contract
 - Products (PPO, HMO, MCA, HIX)
 - Language Issues
 - Rate Structure
 - Proposed Contract
 - Products (PPO, HMO, MCA, HIX, NN, Medicaid)
 - Language
 - Rate Structure; new fee schedules

Contract Challenges



Definitions are Payer Tools

- Intended to be used as levers throughout the contract
- Take time to understand how each payer uses them
- Understand how they impact other definitions

Contract Challenges



- Let's review some sample Problem Clauses
 - * (not an exhaustive list)
- Payer Contracts frequently have unilateral conditions
- We seek to balance those out throughout the contract

Contract Challenges



Problem Clauses

- General
 - Administrative Guidelines
 - Policy and Procedure Manual
 - Utilization Management – Guidelines

Contract Challenges



Problem Clauses

- Payer(s) responsibility for payment
 - Definition of who is the “payer” (insured v ASO)
 - Covered Services/Benefit Plan
 - Benefit Design/Coverage Decisions; usually sole discretion of payer/plan
 - Coverage limitations; benefits exhausted, loss of eligibility

Contract Challenges



Problem Clauses

- **Benefit Design / Payment Limitations**
 - Admission criteria / NMN
 - Non Covered Services
 - Participant Incentives Prohibited

Contract Challenges



Problem Clauses

- **Benefit Design / Payment Limitations**
 - Access to Medical Records
 - Carved out services (lab, imaging); excluded services
 - Continuation of Coverage Responsibilities post Contract Termination

Contract Challenges



Problem Clauses

- Audit deadlines;
 - Timely Filing deadlines; exceptions
 - Under/over payment responsibilities
 - Legal & Financial Audit timelines; balance

Contract Challenges



Problem Clauses

- Changes to Payer P&Ps, Products, benefit plans, coverages, fee schedules:
 - Notice Requirements for each of these changes
 - What are Hospitals rights with respect to these changes?
 - Dispute Resolution Process
 - Amendments

Proactive Solutions

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- Identify and Organize Issues
- Measure Magnitude & Velocity
 - Prioritize
 - Materialize
- Gather right Resources to address
- Plan Measured Response

Proactive Solutions

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- Identify and Organize Issues
 - Investigate to determine real cause
 - Document evidence
 - Validate from several sources

Proactive Solutions

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- **Measure Magnitude & Velocity**
 - Volume of claims affected & dollar amount impacted
- **Prioritize**
 - What will give you the greatest ROI?
- **Materialize**
 - What will have the biggest impact on workflow?

Proactive Solutions

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- Gather right Resources to address
- Involve the right departmental leaders
- Need a team measurement of the issue to ensure the solution that is developed serves the system

Proactive Solutions

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- **Develop a Measured Response**
 - That is based on facts, not emotion
 - That proposes a solution to resolve the problem(s) at hand
 - That quantifies the damage and rectifies it in a balanced way
 - That is comprehensive in addressing all departments needs

Proactive Solutions

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- Remember your Objective
- It is to get paid correctly according to the agreement your hospital signed
- Not to wipe them off the face of the earth!

Proactive Solutions

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Questions?

Discussion?

Feedback?

Was this helpful?



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