Improving Practice-Payer Collaboration

By Erica Sprey [6]

Practices can often feel helpless when it comes to working with payers. Here's how they can change that dynamic and become empowered.

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Every year it seems there is a new wrinkle when it comes to getting paid for the services physicians provide their patients. In addition to a virtual obstacle course of insurance mandates and reimbursement changes from Washington, D.C., practices are also facing tense payer relations.

Lucien Roberts, a practice administrator for Gastrointestinal Specialists, Inc., a 22-provider specialty practice with seven offices spread throughout Central Virginia, has been involved in practice management for over 20 years and during that time has seen many changes in payer relations. But one thing that hasn't changed is his desire to craft strong working relationships with his payers. "All we want is to be treated fairly," says Roberts. "There may be disagreements over fees or processing times, but we tend to stay in contact with our payers through the year, so that things don't fester out of control. I think that is critical."

If your physicians feel the same way, there are things you can do to improve your payer environment. We asked our experts about practical strategies to help physicians work better with their payers. Here's what they said.

WHAT PAYERS DO WELL

Each year, cloud-based services company athenahealth reveals its PayerView® results, which ranks commercial and government health insurers according to specific measures of financial, administrative, and transactional performance. The rankings are derived from claims activity within the athenaNet® database of 64,000 providers and provide a comparative benchmark for assessing how easy or difficult it is for providers to work with payers. The 2015 PayerView report, which covers the largest sample of insurers to date, indicates continued gains in payer efficiencies and performance, despite Medicaid expansion and the increase in both state and federal health insurance exchange plans. This year's data finds that Medicaid expansion states are doing significantly better on payer metrics than non-expansion states. And smaller, regional payers like Maryland Physicians Care managed care organization are stepping up performance to effectively compete with large payer groups like Humana, which has held the top PayerView ranking in the major payer category for the last four years.

* Interested in finding out how are your payers are performing? Check out the in-depth national PayerView data for Major Payers / Medicare / Blues / Medicaid / All Payers.

So what is it, exactly, that makes a payer easy to work with? Laurie Graham, manager of payer relationships at athenahealth, says in 2014 payer metrics like the first pass resolve rate, denial rate, and electronic remittance advice (ERA) transparency have continued to improve over previous years.
and are the backbone of efficient claims processing. Kim Williams, director of payer performance for athenahealth, says payers should have claims processing down cold by now, especially since the coming transition to the ICD-10 code set will certainly upset standard operating procedures for both payers and practices.

The closer payers can come to implementing common standards, the easier they will be to work with, says Roberts. "To the extent that you can have your systems talk and have things done automatically, it saves everybody time and money," he says.

**WORKING TOGETHER WITH PAYERS**

Marshall Baker, president and CEO at Boise, Idaho-based Physician Advisory Services, says taking time to become more involved with payers and spending more time collecting and analyzing patient data are vital to better reimbursement, but take physician time away from patient care or family activities.

It would take a firm commitment on the part of practices to "exert the energy to enhance reimbursement," he notes. But if they don't make the effort to meet payers halfway, practices stand to lose out on significant revenue.

Here are five ways practices can start adopting strategies to help them work more efficiently with payers.

1. **Don't be afraid to negotiate contract terms with payers.**

   Negotiating with a payer for better reimbursement rates can sometimes be difficult. Especially if your practice is in a region where there is one dominant payer. But there are ways your practice can demonstrate its worth.

   The best thing your practice can do is arm itself with data, says Baker. "If I can document to the payer that the patients that we see and treat have better outcomes, lower readmission rates, higher satisfaction, then I believe I have a just argument for higher reimbursement ..."

   Sometimes your practice may be able to negotiate for something less tangible than money, like a waiver. If a practice can demonstrate that it does not over-utilize certain tests, it may be able to make the case that asking for a prior-authorization each time is a superfluous cost, says Roberts. Both the practice and the payer would benefit by the reduction in staff time and cost that a waiver would bring.

   *(For more on negotiating payer contract terms, watch a video with Marcia Brauchler, president of consulting firm Physicians' Ally, at bit.ly/payer-negotiation-tips.)*

2. **Critically review financial data and create an ideal payer mix.**

   Running financial reports and analyzing reimbursement data is great, but some practices do not have access to a sophisticated practice management system. Still, that doesn't mean they can't review their payer performance. Roberts likes to use what he calls "The Payer Report Card," which is simply a way of grading how easy or hard it is to work with each payer on a scale from A to F. "Who's easiest to get an authorization when you need it? Who processes claims cleanly most of the time? It is a subjective ranking, but it is really good at letting us know which payers cost us more to do business with," he says.

   *(To learn more about ranking your payers, visit bit.ly/payer-report-card.)*

3. **Use available payer tools to process claims.**

   What payer resources are available to practices? It varies by payer, but most have online tools such as portals that practices can use to confirm benefit information, patient eligibility, or track outstanding claims. It would be ideal if there were a common platform for all payers, says Roberts, because it is difficult to have, say, five payer portals open at the same time.

   Some payers offer real-time adjudication which allows practices to bill charges and receive a response from the payer while the patient is still in the office.

4. **Develop solid payer relationships.**

   Baker thinks that payer-provider relations have tarnished because the channels of communication that used to be available have been largely eliminated. "It seems in my experience we had a much better outcome when physicians from the group were talking to medical directors and chief medical officers on the payer's end," he says, "Doctors need to talk to doctors ..."

   But don't let that deter you. Roberts says he regularly reaches out to his payers, noting that his location near a large metropolitan area probably makes it easier to visit in-person. Nevertheless, make sure you stay in touch, notifying payers of problems as they occur. And make sure you document both the conversation and the problem.

5. **“Group-up” and join a physician organization.**

   In dealing with payers, practices are often limited by their size and budget. But if they are willing to join together in a legal entity such as an independent practice association, they can gain economies
of scale and negotiating clout, says Baker. "Now I can walk in to the payer and say, 'I'm representing 75 orthopedic surgeons.'" It also benefits practices because they become big enough to hire professional management, or upgrade to a newer, more powerful EHR that can generate the patient data reports and analysis that will help them make their case for better reimbursement to the payers.

* Interested in finding out how are your payers are performing? Check out the in-depth national PayerView data.

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