

Unlocking the potential in Payer Contracts

CASE STUDY





The Person behind the story

Dr. Cathy Dues is the founder and CFO of an anesthesiology medical group based in Miami, Florida. It has a patient population that is dependent on private insurance carriers. Due to the huge number of insurance companies that the medical group works with there were inconsistencies in their contract management process.

The group practice requested an independent audit of their payer contracts to spot and weed out inefficiencies.

They also requested AnesthesiaBillingBridge to architect value based contracts and develop a go-forward plan.



“With the downward pressure on reimbursement rates and complex payment schemes we needed to audit our current processes and create an effective strategy to battle upcoming reimbursement challenges. And negotiate better performing contracts”, exclaimed Cathy.

The Challenge

The anesthesiology medical group works with 120 payer contracts and was [struggling to negotiate strong contracts with insurers](#) in a timely manner. They wanted to achieve greater visibility of their payer contracts, better manage compliance and analyze key contract parameters. With a diverse payer matrix and an unclear renegotiation strategy, the group practice found it difficult to improve contract terms and increase contract yield.

“It became a huge concern for us as our collections were dropping. We knew that under-performing contracts were the reason and grew tired of dialing “800” numbers to get discrepancies resolved. The amount of time it took to spot payment errors in IPAs and contracts was truly overwhelming”.

That’s when I decided to get an independent assessment of my contract management processes”, explained Dues.

Cathy then reached out to AnesthesiaBillingBridge to [perform an audit to identify inefficiencies](#) and dead end home-grown fee schedules.

AnesthesiaBillingBridge’s contract auditing team conducted a full baseline assessment of the anesthesia medical group’s contracts. Jerald, who headed the auditing team found that a significant number of payments received didn’t intersect with the agreed contracted rates. They were also at variance with the charges [AnesthesiaBillingBridge’s medical billers](#) would’ve submitted to the insurers.

Acute pain points of the medical group:

- ! High variance between actual and expected yield
- ! The yield for the contracts did not intersect with the medical group’s contractual allowance budget
- ! Inconsistent reimbursement structure
- ! Frequent underpayments and revenue leaks
- ! Poor visibility and control over their contract processes

Key Objectives:-

- Identify and validate underpayments.
- Verify line-item contractually allowed amounts
- Mine the medical group's complicated contract database
- Monitor insurer compliance
- Review contract performance and service lines to spot discrepancies
- Identify appeal opportunities
- Mitigate risky provisions

The EHR the medical group uses automatically posts payments. There was no specific system in place to identify contractual aberrations. This issue had to be resolved.

The Solution

After creating a detailed roadmap the contract analysis and auditing team of AnesthesiaBillingBridge started analyzing contract rules, payment terms and deductible information. Through vast managed care contracting experience the contract auditing team could [identify several underpaid claims](#). After the initial recovery efforts, automated managed care contract analysis tools were used to mine, segregate and scrutinize data.

The in-house healthcare payer contract analysis system developed by AnesthesiaBillingBridge enabled the auditors to spot weak links across contracts with a few clicks. The team systematically documented underpayments and critical workflow errors.

A brief overview of AnesthesiaBillingBridge's contract negotiation strategy:



-  Performed a SWOT analysis of the medical group
-  Created a payer matrix
-  Developed fee schedule benchmarks based on Medicare rates
-  Ran a blinded comparison report of insurer fees to blinded examples
-  Collected good quality care/outcomes data to identify negotiation leverage
-  Analyzed the reimbursement performance of each payer based on key parameters such as denial rate, DAR and billing hassles, to identify insurance companies that performed poorly
-  Tracked the underpayment/denial percentage of each payer
-  Rated insurance companies based on reimbursement performance

AnesthesiaBillingBridge's recommendations for better performing contracts



Add-QX modifier on surgeon-supervised CRNA claims (based on opinion and trend)



Recommend an MDA on duty at all centers for medico-legal reasons.



Conduct quarterly audits in the several main areas. Increase dollar-per-unit charged.



Update payer contracts with an eye for anesthesia codes and qualifying circumstances.



Include PQRS on Medicare to avoid increasing payment penalties.



For those patients with insurance policies that do not credential CRNA, schedule them with MDA

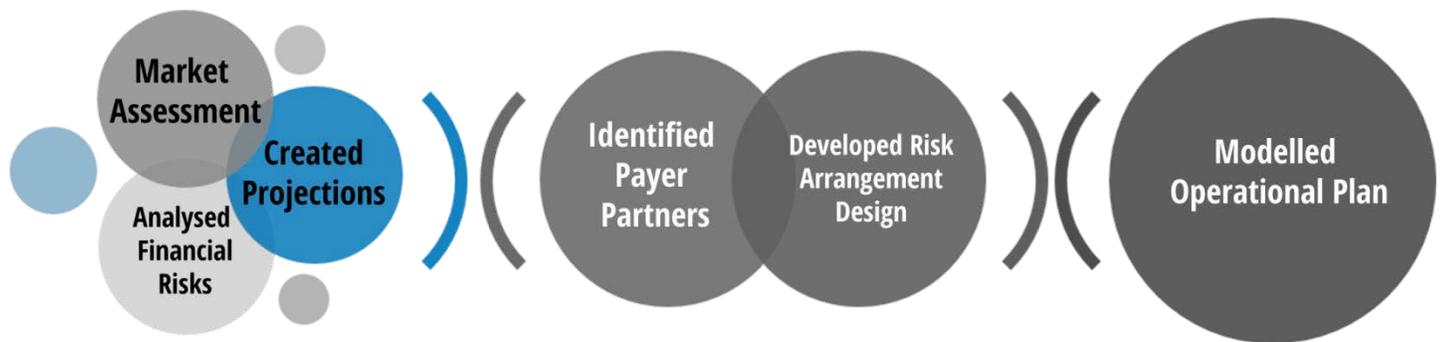


“The in-depth analysis has put us on even footing with the insurers while renegotiating contracts. The audit findings have helped us in resolving key errors and paved the way for a more data-backed negotiation process.

The audit reports have helped us to reduce and mitigate underpayment and non-payment risks and we're sure will ensure the ongoing financial success of our medical group”, Cathy Dues shares.

Lighting the way for successful value based contracts:

The road to value based contracts can be thorny. We put together an effective strategy to enable the medical group develop better yielding contracts in the value based reimbursement environment.



- ⚡ Performed basic market assessment
- ⚡ Analyzed organizational readiness for financial risks
- ⚡ Created financial projections
- ⚡ Formulated preliminary payer value propositions
- ⚡ Identified ideal payer partners
- ⚡ Developed a risk arrangement design
- ⚡ Developed an incentive and network design
- ⚡ Modelled an operational plan

About Us

AnesthesiaBillingBridge is a [revenue cycle management company](#) with footprints all across the country. We help healthcare organizations maintain a positive cash-flow, stay compliant and reduce cost to collect. Our tools and applications will enable medical practices to take quick decisions about their revenue cycle operations.

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