

IMAGING CENTER CONFERENCE RBMA
 March 6-7, 2009 • Texas New Orleans Hotel • New Orleans • Louisiana

Gaining Control of Your Managed Care Contracts

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Disclosure: CBIZ MMP Medical Management Professionals

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- Since the DRA implementation in 2007 it has become increasingly important for imaging centers to be able to negotiate contracts with high reimbursement rates and favorable contract terms
- Particularly in competitive markets where multiple imaging centers exist



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What we will accomplish in this session

- Look at your **current managed care agreements** and understand them and organize them
- We will also review what **steps to take on future contract negotiations** to ensure a positive impact for your imaging center
- Lastly we will review how to make sure you continue to **receive proper reimbursement** on your managed care contracts

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- **The First Step: Check the Contracts**
- Aetna and other carriers are executing the reimbursement reductions through contract language that ties payments to a percentage of current-year or prevailing Medicare rates.
- Groups should revisit their managed care agreements and determine whether payments are pegged to a percentage of Medicare generally, or alternatively, to a percentage of the Resource-Based Relative Value System (RBRVS.)

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Sample contracts that have in effect taken on the DRA...

All services are otherwise identified
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Radiology CPT Codes 70000 to 79999, Professional Component:
 % of the current Medicare fee schedule

Radiology CPT Codes 70000 to 79999, Technical Component:
 % of the current Medicare fee schedule

Definition	Range	HMO Blue Texas Conversion Factor		HMO Blue Texas Conversion Factor	
		Dallas, Collin, Tarrant Counties	NETX Other Counties	Dallas, Collin, Tarrant Counties	NETX Other Counties
Evaluation and Management	99200 - 99499	\$35.00	\$35.00	\$35.00	\$35.00
Other	81000 - 81999 90000 - 91999 92000 - 93999 94000 - 99999	\$35.00	\$35.00	\$35.00	\$35.00
Imaging	70000 - 79999 (28 modifier)	\$50.00	\$50.00	\$45.00	\$45.00
	70000 - 79999 (TC modifier)	\$40.00	\$40.00	\$35.00	\$35.00
Laboratory	80000 - 80999 81000 - 81999	see Note 1 below	see Note 1 below	see Note 1 below	see Note 1 below
HCP's	A0000 - 29999	\$35.00	\$35.00	\$35.00	\$35.00

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What Are Some Current Items in the Market Place?

- UHC Precert requirements-paying the professional component only
- TX BCBS- NPI issues having to do with site NPI's
- TX BCBS- 5% reduction on "family procedures"
- Aetna not paying contrast and denying the entire claim
- Cigna-MedSolutions

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Let's say you have few contracts or realize you have some Contracts that need to be renegotiated....

- Why Negotiate Managed Care Contracts?
- To Increase or maintain market share
- Improve or maintain relationships
- Improve cash flow
- Reduce overall administrative cost

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Information Required to Evaluate Discount Proposals..

- Complete copy of the proposed contract
- Proposed fee/Rate schedules- not just market basket
- Current list of employers utilizing plan
- Plan financial and operating data
- Practice procedure volume for previous twelve months
- Current practice fee schedule
- Utilization review criteria

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Other Contract Negotiation Issues...

- Term of the contract
- Termination Provisions
- Covered Services
- Non-covered Services
- Insurance Requirements
- Indemnification Provisions
- Records and Reports
- Exclusivity
- Billing/Collection Procedures
- Fee/Rate Structure
 - Try to avoid current year RBRVS
 - Tie to a certain year- 2001 to 2006

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Additional Items to Review in a contract...

- Claims filing deadlines?
- Claims payment obligation?
- What can the physician/group bill the member for?
- Are covered services defined by the plan?
- Precert/Preauthorization requirements?

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Specific Radiology Items to look for in a contract...

- Does the contract reimburse for contrast and supplies?
- CAD?
- How does the contract handle new CPT codes? New 77,000 range codes
- Radiology modifiers recognized?
- Are CTA's a covered service?

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Producing an impact analysis...

CPT	Description	Current Fee	BCBS		2007		Old BCBS Allowable as a % of Care	New Proposed Allowable as a % of Care
			Proposed	Current	Technical	Medicare Allowable		
70543	MRI Orbit Face Neck W & W/O contrast	2,700	628.6	1214.61	478.33	255%	132%	
70544	MRA Head W/O Contrast	1,250	440.58	557.22	333.94	167%	132%	
70545	MRA Head, w/ contrast	1,250	475.64	557.22	360.49	155%	132%	
70546	MRA Head, w/o contrast followed by with	2,425	627.27	1085.34	475.27	228%	132%	
70547	MRA Neck, w/o contrast	1,250	440.58	557.22	333.94	167%	132%	
70548	MRA Neck W/ Contrast	1,250	475.08	557.22	360.40	155%	132%	
70549	MRA Neck w/o followed by w contrast	2,425	627.27	1085.34	475.27	228%	132%	
70551	MRI Brain W/O Contrast	1,225	440.23	557.22	334.03	167%	132%	
70552	MRI Brain W/ Contrast	1,500	475.38	667.63	360.67	185%	132%	
70553	MRI Brain W & W/O Contrast	2,775	630.82	1237.38	478.60	259%	132%	
71550	MRI Chest W/O Contrast	1,225	439	550.21	333.07	165%	132%	
71551	MRI Chest W/ Contrast	1,475	473.96	658.86	369.44	183%	132%	
71552	MRI Chest W & W/O Contrast	2,700	627.03	1208.42	475.45	254%	132%	

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Creating Leverage in your negotiations...

- If you are a joint venture with a hospital use the leverage of the hospital system
- Letters to large employers
- Letters/discussions with the referring physician base

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