

Legal Checkup

Increasing Practice Revenue by Negotiating your Managed Care Contracts

By Heather Skelton, Esq.

Too often practices think they need to work harder in order to make more money. This may be difficult if providers and staff are already working to capacity and expenses have been trimmed to the bare bone. The solution is to increase what you are getting paid for the work that you are already doing.

How do you increase what you are getting paid? Negotiate your managed care contracts. I can hear the objections already: you don't know how; you are only a small practice with no bargaining power; you don't have time. These roadblocks can easily be overcome, with a little time and training. Besides, how can you afford not to?

If you dedicate time throughout the year, every year, to contract negotiations based on your long-term strategy, you can be confident that you will have the best reimbursement possible. This will help you keep the edge on your competition and improve your profit margin.

Are you properly prepared to negotiate successfully? Take the quiz below to find out.

- | | <u>Yes</u> |
|---|--------------------------|
| 1. Do you know who your top 5 payors are in terms of revenue? | <input type="checkbox"/> |
| 2. Are you able to locate those 5 contracts? | <input type="checkbox"/> |
| 3. Do you know the managed care representatives assigned to your practice? | <input type="checkbox"/> |
| 4. Do you know what it costs you to provide your most common services? | <input type="checkbox"/> |
| 5. Do you know what year, in the last five, Medicare paid your specialty the highest? | <input type="checkbox"/> |
| 6. Have you analyzed your standard fee schedule in the last two years? | <input type="checkbox"/> |
| 7. Do you know what rates to ask for? | <input type="checkbox"/> |
| 8. Do you know what to look for in the legal language that can affect your bottom line? | <input type="checkbox"/> |
| 9. Do you know what compromises you are willing to make? | <input type="checkbox"/> |
| 10. Do you know if you can afford to walk away if negotiations do not go well? | <input type="checkbox"/> |

Scoring

- | | |
|---------|--|
| 9 to 10 | Excellent. You are a negotiating expert and have the facts at your fingertips to ensure successful negotiations. |
| 6 to 8 | Good Start. You should develop a long-term strategy to regularly negotiate your top contracts. |
| 0 to 5 | Huge Opportunity. Your reimbursement is probably lower than any of your competitors. |

Need more copies? If you would like to have "Increasing Practice Revenue by Negotiating Your Managed Care Contracts" sent to someone who might be interested, just e-mail us their information at subscriptions@doctorslawyer.com. We'll send along this edition and add them to our mailing list.

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With more than 10 years experience in healthcare law, Heather Cook Skelton provides thorough legal advice to clients comprised of healthcare providers and healthcare-related entities. Her specialized knowledge and expertise in the managed care arena stems from several years of in-house professional experience with a national managed care organization, prior to opening her own law practice.