



The **Out-of-Network** Opportunity

The Hidden Opportunity to Significantly Increase Reimbursements

Part II: Best Practices to Maximize Payor Reimbursements for Out-of-Network

Part I of this Planning for 2019 Series reviewed how to build your out-of-network strategy. Read on for best practices and pitfalls to avoid as you jump in and realize the benefits of a diversified revenue strategy that includes out-of-network reimbursements.



Best Practices for Engaging with Payors to Win Higher Reimbursements

As providers look at the landscape today, there are fewer opportunities than ever before to improve their revenue profile. In-network contracts are set with very little opportunity to move the needle. Medicare and Medicaid are immovable. Out-of-network represents the last great opportunity for many providers to improve their reimbursement levels overall. However, without a strong understanding of process and procedures in place to maximize reimbursements, providers run the risk of dedicating time, energy and effort without gaining the benefits of a diversified payor mix strategy.

How can you avoid the pitfalls associated with implementing an out-of-network program and ensure that your efforts are realized in increased reimbursements? Keep reading for the Top 10 best practices for engaging with payors and getting the reimbursements you deserve.

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BEST PRACTICE #1

Implement a Rigorous Appeals Process

Appeals occur when payors reprice at a lower amount than you are willing to accept. An appeal engages the payor to make a second payment. From the insurance company's perspective, they have satisfied their obligation: they made a determination of what is reasonable and customary and made the payment, and now it is up to the provider to convince them to change their mind.

The process to appeal an underpayment and obtain a higher payment can be very labor-intensive, but the best practice process is:



- **Initial intake:** ensure that you have the documentation necessary to handle the claim, including the explanation of benefits, the assignment of benefits, the bill itself and any notes or other relevant documentation



- **Payor verification:** contact the payor to verify the patient and bill information, and obtain a verbal explanation for the basis of the deduction



- **Strategy development:** devise the appropriate strategy for a given claim, including facts you want to present, arguments and if available, data to support your argument. At Collect Rx, we leverage our CRXIS business intelligence engine and the data and analytics that come from it to assign levels of appropriate reimbursement.



- **Engage with the payor:** present the facts and arguments. Persistence is key here; you need to make calls, write letters and understand how to escalate the bill up to and including to the State Insurance Commission. Once you fully present the information to the payor, the payor will typically wait a few weeks as they consider their decision.



- **Follow up to make sure you get paid correctly when you are successful:** frequently you are paid correctly; sometimes you are not, and you must stay on top of it to get the reimbursement that you have earned.
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BEST PRACTICE #2

Have the Data to Support and Prove that the Insurance Company's Payment is Inaccurate.

You need to be able to argue that the insurance company's reimbursement levels is inconsistent with your own history and preferably the history of the other providers in the community.

From a data perspective, the payors and the vendors know a lot about you. They have databases to track every past negotiation. In addition to knowing about past negotiations, they know very specifically how they want to deal with your office. When an out-of-network bill is received by a payor, they have the names, titles, the phone numbers of



your business office staff, with notes about each individual such as "Don't go to Mary, she'll only give you a 20% discount. Go to Bill, he'll give you a 40% discount."

Key points they will know about you are:

- Who on your staff has authority to grant various levels of discount
- Who gives the largest discounts and who to avoid
- How large a bill needs to be before they contact the CFO or Administrator



BEST PRACTICE #3

Have a Well-Drafted Assignment of Benefit

The assignment of benefits is what puts you in the shoes of the patient in terms of pursuing the payor to get the appropriate reimbursements. We are not offering legal advice but there are a few items to consider as you draft your assignment of benefits:

- Assigns the provider all rights under the insurance policy
- Maintains the right to appeal and the right to receive relevant documentation
- Refers to the provider as the patient's authorized representative
- References ERISA and a full and fair review of claims

If an AOB is inadequate, it is another roadblock the payors can use to stop you from getting reimbursed for out-of-network bills. Much of the payors' strategy is built around putting up enough roadblocks to convince you to give up and walk away.





BEST PRACTICE #4

Don't Take Short Turnaround Demands for Granted

When the vendors opt to settle cases through negotiations, they often do so by sending proposals that have a short turnaround time for response. Their goal is to put pressure on the provider to settle quickly but in reality, sometimes turnaround times are real and sometimes they are not.



BEST PRACTICE #5

Track your Third Party Contracts

Vendors sell contracts to providers that promise great rates. The catch is that they apply various cuts like U&C and multiple procedure reductions to these rates, so many times your final rate is just a fraction of what you expected.

Most providers do not check their EOB's to make sure they're getting paid correctly. Given the difficulty, it is understandable. They can be time-consuming, but necessary if you want to take advantage of the out-of-network opportunity.





BEST PRACTICE #6

Stay on Top of your Contracts

Another tactic is to attempt to beat a contracted rate by negotiating a lower rate. For example, they might have a third party rental agreement that calls for reimbursement at X%.

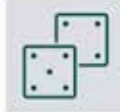
They may give that claim to a vendor for them to obtain a better rate in return for a commission. Again, if you're not on top of this, you won't even realize it is happening.



BEST PRACTICE #7

Seek Retro Authorizations

Sometimes you can get an authorization after the fact, so if you have a claim that's been denied on these grounds don't give up. Try to get authorization after the fact.



BEST PRACTICE #8

The Persistence Game

Ultimately, this is a battle of wills between you and the payors and vendors. They are putting up obstacles to success and banking (literally) that you will get fed up and walk away. Their goal is to get you to throw in the towel. They know that you are busy, and that you do not have the time to revisit the same claim ad infinitum and if you do give up they win. So ultimately to succeed you must have the persistence to continue fighting for the reimbursement you deserve.



BEST PRACTICE #9

Not Your Friend

We hear providers say all the time that they have a great relationship with the vendors. That is exactly what the vendors want you to believe. Remember, they are not your friend. They are continually trying to find new ways not to pay you any more money on behalf of their clients, the insurance companies.



BEST PRACTICE #10

Consider Outsourcing, Since They Do

Even if a provider has the skills, expertise and data to be successful in improving their out-of-network reimbursements, generally, it is difficult to manage the time required to fight for the appropriate reimbursements. Think about it from this perspective: major insurance companies worth billions of dollars, who have vast amounts of money, resources and data at their disposal outsource this. You should at least consider a similar tactic as you go about putting together your strategy.

Conclusion

Despite efforts of the payors to reduce out-of-network reimbursements, the market has grown to \$60 billion, and continues to expand, with no signs of slowing. Out-of-network will continue to be an important piece of the reimbursement landscape. Make sure you are positioned to achieve success by leveraging best practices, being persistent and bringing in the experts who will help you maximize your reimbursements.

Hopefully you have a better idea what's happening with respect to out-of-network and remember that when done right, out-of-network reimbursement management is one of a few ways that you can improve your reimbursements and bottom line.





COLLECT RX

John Bartos, J.D.

Chief Executive Officer

John Bartos is a veteran in the field of healthcare and information technology. As President of DrFirst, Inc. and Executive Vice President of Prematics, Inc., Mr. Bartos has specialized in providing cost containment services to health insurers and various products and services to hospitals, health systems, and other healthcare providers. Previously, Mr. Bartos was an attorney at Kirkpatrick & Lockhart, LLP (now K&L Gates), where his practice focused on litigation.

Mr. Bartos' clients have included a wide range of for-profit and not-for-profit health insurers, including Blue Cross Blue Shield of Florida, Humana, Capital BlueCross, Kaiser Permanente of the Mid-Atlantic Region, CareFirst, and BlueCross BlueShield of Massachusetts. Mr. Bartos has also worked on behalf of numerous hospitals and health systems, including Henry Ford Health System and MedStar Health, along with hundreds of physician practices.

Mr. Bartos is a graduate of Princeton University and received his J.D. from the American University Washington College of Law, where he graduated Summa Cum Laude and was a member of Law Review.

Collect Rx is the leading provider of solutions that help providers maximize reimbursements on out-of-network bills, reduce patient billings, and eliminate the hassle of dealing with the insurance companies. Utilizing its proprietary CRXIS™ business intelligence engine and subject matter expertise, Collect Rx has delivered proven results for more than 1,300 providers across the nation.

As an innovator in data-driven professional services for healthcare providers' most complex billing issues, Collect Rx is the only company in the country that is laser focused on maximizing out-of-network collections, serving a variety of different provider groups including hospitals, surgery centers, labs, physician groups and behavioral health centers, among others.

For more information, please visit us at www.CollectRx.com.

