

Internal Medicine Coding Alert

Reader Question: Prepare Well for Payer Fee Negotiations

Question: We're getting ready to begin contract renewal negotiations with one of our payers. We aren't happy with the fees they're paying on some of our services. Do we have to accept a generic fee schedule?

Maryland Subscriber

Answer: The short answer is "no," you don't have to sign a payer contract and accept the fees they put forth. You have the option to not sign the contract if you're unhappy with your reimbursement.

If you contract with a payer and end up with poor reimbursement rates, you'll only burden yourself with hassles.

Key strategies: Obtain a specialty-specific fee schedule from the payer whenever possible. Most contracts will attach a generic fee schedule, but this may not provide the valuable information you need regarding your most frequently reported codes.

Make sure the fee schedule in your contract is comparable to the reimbursement amounts you believe appropriate for your specialty codes. If a payer offers you a fee schedule with fees that fall below what you receive from other payers, consider using your reimbursement grid as a bargaining tool.

But don't base your decision solely on the fee schedule of your 10 most commonly reported codes. Ask for a full fee schedule from the payer.

Clarify: The contract should also be clear about what items you can bill the patient at usual and customary rates -- such as non-covered services, denied services, and services found not "medically necessary" by the payer.

In addition: Negotiate things other than just your fees. Check the payer's policies on modifier use, multiple surgery adjustments, timely filing time period regulations, recoupment, bundling, and arbitration.