

Part B Insider (Multispecialty) Coding Alert

Reader Question: Even Local Relocation Could Impact Insurers

Question: Our practice is going to be moving a few towns over, which means we will likely be seeing several new patients. We have been told by other providers in that area that the demographics between the two areas are very different despite the relatively small geographical distance. They suggested we may need to consider changing the payers we contract with. How should we do that?

Answer: Different areas with different demographics can indeed affect the productivity associated with the payers you contract with. For example, if one area has a high pediatric population and the other has a higher elderly population, the number of Medicare patients an internal medicine practice sees could be drastically different in the two locations.

Any practice should closely monitor its payer mix and the productivity and income each different payer brings in to your practice. A shift in your patient population could impact your practice revenue.

Make sure you are monitoring what services you are billing to each payer, how much those payers are reimbursing you for each service, and the number of patients you are seeing under each payer. If you are doing so, you should be able to fairly quickly identify whether you need to reconsider which payers your providers contract with and whether you need to renegotiate some of your contracts based on the percentage of patients that have that insurance.