

Health Information Compliance Alert

Compliance Tactics: Overcome Contract Negotiation Challenges With This Checklist

10 tips can prevent carrier hassles.

Carrier contract negotiation is often a long, difficult process. If you don't ask the right questions, you could end up in a binding contract that doesn't work well for your practice.

Don't sign a new carrier contract without reviewing the following 10 items first.

1. Speak up. Don't let carriers intimidate you. Negotiate for what will help, not hurt, your practice.
2. Avoid boilerplate text. Standard contracts don't work for all practices. Make sure you read each word and don't skip over "standard" wording.
3. Put a time limit on negotiations. While you should negotiate points in your contract, if you and the carrier are at odds, going back and forth for months won't be productive for either side. Set up a timeline for completing the negotiations. Keep in mind that it is not the end of the world if negotiations fail and you don't sign a contract. You're better off not signing than signing a bad contract.
4. Check the names on the contract. Make sure the contract is with the right party. For example, if you are a group practice with many physicians, make sure the payer identifies the group as the provider, not an individual physician.
5. Obtain a specialty-specific fee schedule from the payer whenever possible.
6. Seek clear guidelines. Make sure the contract specifies information such as requirements for submitting a clean claim and the timely filing deadline for payment. The contract should also be clear about what you can bill the patient at usual and customary rates --" such as noncovered services, denied services, and services found not "medically necessary."
7. Obtain pre-auth and pre-cert requirements. These should be clearly specified in your contract.
8. Watch out for "assignments" when dealing with PPOs. If a PPO plan can make assignments, it means your contract gives the company the legal right to transfer the contract to another entity, such as a PPO, without your permission.
9. Check on the length of the contract. Also find out if there are automatic contract extensions.
10. Know what's in the contract. Make sure the contract includes parameters for modifiers, multiple surgery discounts, timely filing guidelines, refund processing, arbitration, and appeals.