

Contracting with Insurance Carriers and Medical Groups – Deal or No Deal!

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Objectives

- Making the decision to contract with carriers
- Getting organized – doing your homework
- How to start the contracting process
- Pitching your services
- Closing the deal
- Actually getting clients referred
- Properly documenting visits
- Resources

Managed Care Statistics

- Over 13 million Californians receive health care through Managed Care Organizations.
- Over 50% of California's healthcare delivered by physicians working in Managed Care.
- 57% of Medicaid patients are serviced under managed Care MediCal.
- Medicare Advantage (Managed Care) plans are increasing their marketing efforts.

Making the Decision to Contract – Fee for Service Payment

- Fee for service payment requires less paperwork.
- Provides freedom and flexibility.
- No contracts required.
- Patient pays for service out of pocket.
- Requires more marketing efforts to attract clients.
- Ability to set your own fees.
- No lifetime maximum for visits.

Making the decision to Contract – with Carriers and Medical Groups.

- Requires a contract for payment.
- Potential for a greater pool of clients.
- Easier access to clients medical records.
- Must establish negotiated fees for service.
- Bound to policies established by carriers.
- May need prior authorization for visits.
- Potential for limited number of follow up visits.

Getting Organized - Do Your Homework

- Know the Medical Groups or IPA's.
- Learn the terminology.
- Find the contracting contact person.
- Establish your niche!
- Network, network, network!
- Set up standardized paperwork forms.
- Set your fees.

Knowing Medical Groups and IPA's

- **Medical Groups** – a group of physicians that contract with a health plan to manage a patient's health care. Use a Staff Model of "internal providers" and either "internal or external" specialty practices.
- **Individual Practice Association (IPA)** – individual or small group of physicians who contract with a health plan to manage a patient's health care. Primarily "external" providers and specialty areas only.

Knowing Medical Groups and IPA's

- Gather information by visiting their website and look at the structure of how many PCP's and specialty areas are within the group.
- How many patients do they service.
- What type of preventative medicine services they provide.
- Who is the Medical Director or better yet find out who is the Provider Relations or Contracting Person.

Learn the Terminology

- **Capitation System** – A specific dollar amount that is allotted to the Managed Care Group to cover the cost of all health care delivered to a patient in a designated period of time (usually yearly).
- **Gatekeeper** – the term used for a provider that arranges, approves and coordinates medical care of an individual.
- **Case Management** – a process used to manage and meet specific health care needs to produce a favorable outcome in a cost effective manner.
- **Pay for Performance (P4P)** – an incentive based strategy by which providers are paid more for improving their patients health outcomes.
- **Hierarchical Category Codes (HCC)** – similar to ICD9 codes but are used by Medicare Advantage plans for increased payment for providers assessing and treating chronic diseases and conditions.

Start the Process - Pitching your Services.

- Write a Letter of Intent to contract.
- Keep the Letter of Intent simple and to the point.
- Sell yourself similar to sending your resume.
- Be specific about the services **you** can provide to the carrier or Medical group.
- Market your expertise – differentiate yourself from other dietitians!
- Show the cost effectiveness of MNT services.
- Speak their language!

Getting the Contract

- The contract sent by health plan or Medical group will contain many components.
- Outlines rates for services and billable CPT codes with payment terms – usually 85% of Medicare fee schedule or lower.
- States how referrals are made and processed.
- May provide number of allowable visits per client.
- Uses standard or generic language.

Getting the Contract – Closing the Deal.

- Review the contract carefully before signing.
- Refer to an Attorney if necessary.
- Be willing to strike or negotiate.
- Certain terms or payment issues may need to be clarified.
- Focus on the main contract agreements.
- Don't be afraid to walk away if not satisfied with their terms of the contract.

Getting Clients Referred for Service

- Request a meeting with RN Case Managers, Medical Director or Referring Providers to present your offered services.
- Prepare brochures and marketing pieces that clearly describe the services you can provide.
- Offer to set up a breakfast or lunch meeting with referring parties.
- Stay in contact with provider relations or the contracting person.

Properly Documenting Visits.

- Consult note should include no more than 3 goals of MNT at a time.
- Number of potential visits needed to accomplish the set goals.
- All pertaining nutritional conditions treated during the visit.
- Use the Nutrition Care Process Model for documenting.
- Use a CMS 1500 Form or find out if you can electronically submit notes and claims .

Follow up Documentation

- Establish what percentage of initial goals were achieved by the patient.
- How many more visits are needed to accomplish the goals.
- Any changes in medical condition of nutrition treatment plan.
- Request further authorizations for additional visits only when set goals were not achieved.

Resources/References

- "ADA Guide to Private Practice" – Ann Litt, MS, RD and Faye Berger Mitchell, RD.
- www.eatright.org – Advocacy and the Profession – MNT link.
- www.dietitian.org – Public Policy Council site
- "Understanding and negotiating access contracts with insurers and complementary networks" Mary Albarado, MS, RD, FADA. JADA. Volume 102, Issue 2, pgs 187-189.
- "Tips for contract negotiations and establishing MNT rates", Esther Myers, Pam Michaels, Karen Duester. JADA. Volume 101 Issue 6, pgs.624-626.
- www.CAPG.org – California Association of Physician Groups. Resources information about Medical Groups and IPA's in CA.