Contract Management & Managed Care

nThrive Speakers Bureau // Sample Presentation

Agenda

- Setting the Stage

- Payment Variances

- Proactive Management
  – Contract Language
  – Analytics
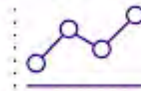 – Team Approach

Burden of Payment Variances

$3 trillion
claims submitted

> $262 billion denied,

averaging almost
$5 million per hospital

Industry average denial rate between **5-10%**

65% of claims denials are never re-submitted

The MGMA found only **35%** of providers appeal denied claim

31%
of hospitals manage denials manually

> **60% without an external solution**

but plan to purchase one in the next **7-12 months**

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Increasing Complexity and Risk

Increased **managed care** as percentage of payor mix

Increased focus on **pricing and charge practices**

Increase participation in **medical homes, alternative payment methods** and **ACOs**

Increased **regulatory scrutiny** and fines

Complexity impacts financial results

1 **Operating Loss Per Physician: 17.5% of net revenue**
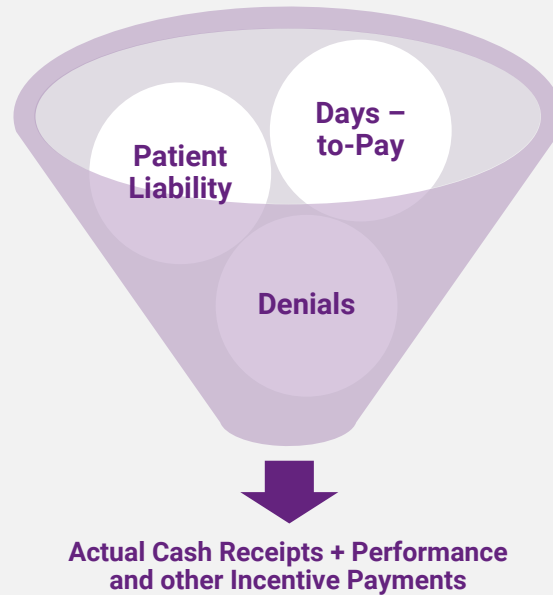10% increase YOY

2 **Health insurance companies are averaging a 19.3 percent error rate**
Up 2% YOY

2 **Physicians were not paid on almost 23 percent of the claims they submitted to commercial health insurers**

Patients and physicians assume the burden of insurance company errors

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Track Payor Performance

Payor Score Cards
(Track by Payor and Plan)

Sample Metrics

- Initial Denial Rate – (Zero Pay and Partial Pay)
- Denials Overturned by Appeal
- Denial Write-offs as a Percent of Net Revenue
- Payment as a percent of charges (PAF)
- Current Balances
- Bad-debt (from patients with plan)
- Underpayments and Actual Payments (Percent and Dollars)
- Underpayment recoveries

Identify Top *Vs.* Bottom Performers:

Review and analyze your top contracts and plans by specific KPI's such as current balance, under payments and actual payments

No metric or KPI is meaningful by itself!

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