A View From Major Private Insurers - Strategies

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Fundamental Laws

• Government Philosophy & Programs: Triple Aim
• Uncertainty: Payors and Providers! Presidential Year...
• Health Care is a Local / Regional Culture
• Urban vs. Rural
• Competition: Demand vs. Supply
• Overall Cost of Care in Marketplace & OOP Benefits

The Obvious

• Declining Trend in Reimbursement
  – And Metrics: MU, PQRS, VBPM, MIPS
    | Cost / Quality | Low | Mid-Range | High |
    |               |     |          |      |
    | Low           |     |          | Demand|
    | Mid-Range     |     |          | Most  |
    | High          |     |          | Reject|

  – Increasing Practice Expenses
    • Labor, EHR, Compliance, Technology, Patient Surveys
The Big Insurers

• Mergers – Not Big Enough
• Growth of Medicare Advantage Plans
• Vision Insurance by Medical Insurers
• Proliferation of Mini-Medical / Temp Products
• Big Rise in Pharma Expenses to Patients

Market Dominance

• Insurers & Employers-Self Insured
• Regional Hospital Systems
• Physician Based CIO – ACOs & Gatekeepers
• Networks: PPO, HMO, Narrow, Ultra-Narrow

Critical Success Factors

• Covered Lives
• Data Analytics – Real Time Decision Making
• Doctor Behavior & System Efficiencies
• Speed of Change and Execution

Constraints

• Laws & Regulations: Any Willing Provider & Meeting Compliance, MU, PQR, VBPM, MIPS
• Adequacy of Networks
  – Size, Breadth of Services, Integrated Care
• Geography of Coverage & Practice Size
• Transparency of Prices
Aggressive Payor Strategy

• Fee – For – Service  [ Traditional ]

• Alternative Payment Models

• Medicare to Medicare Advantage

• Aim

Strategy: Partnering & Preparing

• Step One: Internal Assessment
  – Documents, Data, Costs, Services

• Payor Perspectives
  – Profile
  – Loss Ratio
  – Star Ratings System

Market Place - 2016

• Payer Mergers

• Payor-driven Provider Networks

• New Plan Models

Asking For? / Asked to Do?

• Payment Arrangements

• Delegated Services

• Approaches
Negotiations

• Focus
  – Payors
  – Practice

• When to Walk Away

Results of Relationships

• Terms
• Rates
• Risks
• Services
• Networks
• Cooperation

Key Contract Concerns

• Fees
• Codes
• Special Clauses
• Growth Issues
• Risk Arrangements
• Over / Under Payments
• Authorization
• Termination & Disputes