Negotiating Fee Schedules with Third-Party Payers

A Case Study by
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Thanks are due….

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Disclaimer

- I have been successful in fee negotiation with health insurance companies, but I am not an “expert.”
- I have never, ever taken any business, marketing, or management classes. So if I can do it, any neuropsychologist can.
- What applies to my practice may or may not apply to yours; sound judgment is required!
My rates are negotiable? Really?

- All rates for any service of any kind are negotiable. This includes Neuropsychological Services.
- Consultants are available for hire, or individuals in a hospital are tasked with the job of negotiating contracts.
- I am not aware of any consultant or any group specifically negotiating for neuropsychologists fees. However, IT CAN BE DONE!
Step 1: Prepare

Data is your friend!
SWOT Analysis

• Strengths
• Weaknesses
• Opportunities
• Threats
We provide excellent care.

- NP saturation in the area
- Long NP clinic waits in area reveal shortage of providers
- Growth in referral numbers
- Affiliated with a local hospital
- Patients are very satisfied.
We save you money!

Our practice
• Bill electronically.
• Get EOB’s electronically.
• Get paid via EFT.
• Verify benefits online whenever possible.

Our profession
• Informs treatment and interventions.
• Allows for more accurate predictions about prognosis, nature, and course of illness.
• Reduces the overall cost of medical care by eliminating unnecessary use of medical resources. (VanKirk, 2013)
We need a raise!

- Cost of operating the business has risen.
- We haven’t had a raise in X years (or EVER).
- We are asking for an X% raise, effective immediately, in these codes:
  - 96116 (or 90791)
  - 96119
  - 96118
  - 96120
Step 2: Find your Provider Rep

Like a Google search, or like snipe hunting?
How to find your representative

• On your contract, or on the “Welcome to the Network” letter.
• From your billing person, who may have had contact with him/her while sorting out a claim issue.
• From friends/colleagues/office staff of other providers in the area (does not have to be neuropsychologists).
• From the 800 provider services number on the back of a member’s card.
Contact your representative

• Email is easiest, and it leaves a “paper” trail.
• Phone calls are more personal, but more nerve-wracking.
• Some negotiators have suggested that you invite/insist that they come to your office for a personal meeting, but I can’t imagine that many of us (or them) have time for this.
Step 3: Wait

And wait, and wait some more, and then more waiting....
Step 4: Haggle

“You gotta know when to hold ‘em, know when to fold ‘em...”
Negotiation is an art form

• The first offer is usually quite poor. It might even be NO.
• Be persistent. Make a counter offer.
• Maybe make several counter offers.
• Ask to speak to/email their boss.
• Be kind and courteous. Nobody likes to deal with a jerk.
• Get it in writing, and check the final version before you sign!
Beware of roadblocks!

• Offers to raise 96120 by a huge amount, when 96118 actually decreases.

• Offers to tie your fee schedule to a certain percentage of Medicare rates in the year you negotiate, then enact them the next year when Medicare rates are lower.
Step 5: Follow Up

Hold up your end of the contract, X company!
Check your EOB’s

• The signing of a contract does not always mean that this message was conveyed to claims.

• Make sure you know the effective date of your rate change so that you can address this if needed.
Thank your rep

• Maybe one of the most important steps!
• Be specific about the way that he/she helped you (minus the raise amount), saying they were “tough but fair.”
• Ask if you can copy his/her bosses.
• Don’t forget to explicitly state (again) that you will not be sharing your rates with those outside your clinic.
Our Clinic’s results

You win some, you lose some.
## Reimbursement increases!

<table>
<thead>
<tr>
<th>Behavioral Health</th>
<th>Medical</th>
</tr>
</thead>
<tbody>
<tr>
<td>LifeSynch (Humana): 23%</td>
<td>UHC: 6%</td>
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<tr>
<td>UBH/Optum: 9%</td>
<td>Humana: ask again in a year</td>
</tr>
<tr>
<td>Cigna</td>
<td>BCBS: 3 year cycle; ask in 2014</td>
</tr>
<tr>
<td></td>
<td>Aetna: Where is Roy?</td>
</tr>
<tr>
<td></td>
<td>WEA: adjusted up without me asking!</td>
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Take Home Message:
If you don’t ask, you won’t receive.