

# Managed Care Contract Negotiator

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Dear Health Care Administrator:

You know that managed care is filled with risk. What you may not realize, though, is that the boilerplate contracts the HMOs, PPOs, and other plans hand you to sign have many more hidden risks and dangers than you ever imagined.

Crafty plan attorneys intentionally fill every provider contract with dense legalese. Why? So the plans can cut your fees if you fail to meet certain conditions.

In essence, the plans make sure you assume all the risk, not them.

But some providers nationwide are beginning to fight back -- to get paid every dollar they deserve for the risks they absorb. For example:

- A Southern California IPA recently got HMOs and PPOs to agree to pay penalties with interest whenever the plans fail to pay a clean claim within 30 days.
- A Washington medical group questioned an HMO's "standard" 3% service fee during negotiations. The HMO rep immediately dropped the fee and confided to the provider's attorney: "We never insist on the fee and will almost always drop it when asked to."
- A Denver PHO got HMOs to guarantee the accuracy of the actuarial data on which capitation fees are based. If the data doesn't hold up and utilization is greater than anticipated, the plans will reimburse the PHO providers in cash for any losses.

The point is: You can negotiate less risky, more profitable managed care contracts. But to do it, you have to know where the land mines in the contracts are, when the plans will budge (and when they won't), and how to insert contract language to get your way without being struck down by plan reps and lawyers.

And that's where we can help. Introducing...

**Managed Care Contract Negotiator,**  
the new monthly newsletter  
written from the provider's side.

Now for a short time only, you can send for a **FREE** copy of the **Negotiator** with no obligation to subscribe. I'll give you the details in a moment. But first let me tell you

over, please...

some of the little-known but proven strategies that can help you beat the plans at the negotiating table every time.

### **PLUG CONTRACT LOOPHOLES** **BEFORE THEY DRAIN AWAY** **YOUR PROFITS**

There's an insidious little clause HMOs and PPOs insert into their managed care contracts. Yet most health care providers never know about it... until it's too late.

Your contract requires you to treat enrollees for covered services. This clause defines covered services as "benefits provided to members under the terms of a Certificate of Coverage or Member Handbook which may be amended from time to time." What this means is that the plan can add services to new and existing enrollees... and you have to provide these services. Without reimbursement.

The solution? **Managed Care Contract Negotiator** gives you a simple but effective working tool -- a full text, ready-to-use Model Schedule of Covered Services. Add it to each of your contracts and spell out, line by line, which services are covered under the contracts... and which are not. With our Model Schedule, you're fully protected from uncompensated, unauthorized add-ons.

That's just one example of how the **Negotiator** goes beyond the usual newsletter. Its articles provide you with real tools -- each one carefully crafted by top health care attorneys -- that you can use to protect your interests and beat the plans at their own game.

In every monthly issue, you'll get contract negotiation and performance "secrets"... and ideas that can prevent payors from siphoning off the profits you have earned and deserve. (See the enclosed brochure for details.)

### **STOP PLANS FROM HOLDING YOU LIABLE** **FOR MEDICAL DECISIONS THEY MAKE!**

It's ironic: When a plan says a service isn't medically necessary, it means you won't be reimbursed if you provide the service to a patient. But in many instances, if a patient suffers because he was denied services the plan won't authorize, he might sue you as well as -- or instead of -- the plan. And the plan won't do anything to help in your defense; in fact, it may try to shift the liability over to you completely.

When it comes to making clinical decisions, plans should defer to doctors... and not the other way around. Month after month, the **Negotiator** gives you strategies for regaining control of patient care and protecting the integrity of clinical decisions. PLUS: Our tested model contract language changes the dangerous (but rarely understood) "indemnification clause" in your contract to ward off malpractice liability your insurance doesn't cover.

And there's more. The **Negotiator's** proven techniques for improving credentialing, peer review, and outcomes measurement help you attract plans without surrendering control of your quality management program.



## GET CONTRACT CONCESSIONS OTHER HEALTH CARE PROVIDERS DON'T EVEN KNOW ABOUT

Do some -- or all -- of the plans you contract with charge you for out-of-area services, ask you to settle for handshakes and verbal commitments, or get you to agree to big fee discounts based on enrollment projections that don't hold up?

Look at how **Managed Care Contract Negotiator** puts you at the front of the pack when it comes to negotiating concessions:

- HMOs often insist on charging you for the costs of medical services needed by patients who are away from the service area. The **Negotiator** shows you how providers in different parts of the country protect themselves -- with risk corridors, reserve funds, and adjustment formulas -- and gives you step-by-step instructions for implementing each of these "risk sharing" mechanisms.
- "Trust me." You hear it all the time from plan representatives, especially after they've made you a promise. But somehow it never gets written down. Once the contract starts, the plan simply ignores it -- or even denies its existence. How do you get around the verbal agreement pitfall that so many providers fall into? With the **Negotiator's** Counter Offer Execution Strategy, Letter Agreement, and Model Contract Addendum. These three working tools make verbal promises by HMO reps an enforceable part of your contract.
- Plans ask for a hefty discount and, in return, promise you a lot of new patients. But many contracts are worded so that even when plans deliver far fewer covered lives than you expected, the plans still apply the big discounts. By inserting the **Negotiator's** Volume Enrollment Guarantees and Applicability of Rates Clauses in your contracts, you ensure that the discount on your fee is reduced if the volume is not as promised. And, you get a refund for the appropriate portion of the discount already taken by the plan.

I think by now you can see how valuable **Managed Care Contract Negotiator** can be in making winning deals with HMOs, PPOs, and other plans. For more, read on!

## NOW GET PAID EVERY DOLLAR YOU DESERVE

Next time you review a plan contract, check the Hold Harmless Clause limiting your rights to bill patients directly.

While you may have been told "it's the law," many plans go a lot farther than the law requires... in keeping you from billing their enrollees and interfering with your right to collect even a fraction of what you should be paid legitimately.

over, please...

**Managed Care Contract Negotiator's** Model Hold Harmless Clause and Patient Billing Proviso cover the 6 key areas where you can protect your income and prevent HMOs and PPOs from interfering with your accounts receivables.

Example: The laws saying plan providers can't bill patients directly don't ban you from collecting co-payments. And, the **Negotiator** gives you tested contract language that explicitly gives you the right to collect those co-payments.

**ORDER A FREE SAMPLE ISSUE**  
**WITH NO OBLIGATION TO SUBSCRIBE**

Why not put **Managed Care Contract Negotiator** to work for you today, without cost or obligation of any kind? Just complete and mail the enclosed No-Risk Subscription Coupon. For faster service, fax it to (212) 473-8786, or call 1-800-643-8095.

I'll send you the next issue for your approval. Review it carefully. Put some of the strategies and model clauses to work on your current contract negotiations and reviews. If for any reason... or for no reason... you decide the **Negotiator** is not for you, write "cancel" on our invoice and you owe nothing. Keep your issue -- FREE.

But if you find **Managed Care Contract Negotiator** to be as useful as I think you will, simply honor our invoice. As a new subscriber, you get our special discount rate of only \$195 -- \$60 off the regular price of \$255 for a one-year subscription (12 monthly issues)!

With more than 149 million Americans enrolled in managed care plans (a 13% increase over last year), managed care is here to stay. So don't delay. Send for the monthly "how-to" guide on negotiating and performing more profitable managed care contracts -- **Managed Care Contract Negotiator**. You'll be glad you did.

Sincerely,



John M. Striker, Esq.  
Publisher

P.S. **100% Unconditional Money-Back Guarantee!** If you ever feel **Managed Care Contract Negotiator** is not absolutely ESSENTIAL to helping you negotiate less risky, more profitable managed care contracts, you can cancel and receive a full refund at any time during the first year of your subscription -- even the 12th month! -- with no questions asked.



# Managed Care Contract Negotiator

## Stop 'Silent PPOs' from Misappropriating Discounts

### INSURE YOUR ISSUE

**Stop Silent PPOs from Misappropriating Discounts**  
How to stop an increasingly common billing practice that could be costing you a lot of money.

- Model Contract Working Tools
- PPO vs. HMO
- Model Silent PPO Contract Guide

**Avoid State Rate Percentage of Payment Discounts**  
Don't get caught by a capitated payment discount that could hurt you badly.

- Model Percentage of Payment Contract

**Eliminate Risk-Selecting from the Network**  
How to protect against the state's new risk-selecting rules.

- Model Risk-Selecting Contract

**Go Where the Plan is in the Network**  
Successful network and provider selection.

- Model Network Selection Contract

**Negotiating Your Power: Reasons of Working Contract for the Employer**  
The employer's "bad contract" and the employer's "good contract" and the employer's "bad contract" and the employer's "good contract".

- Model Employer's "Bad Contract" and the Employer's "Good Contract"

**How to Make Address Changes, Update and Amend**  
Full "contract" information and working tools.

- Model Address Change Contract

**When to Amend**  
A number of reasons, plans, and providers are changing.

- Model Contract Amendment Contract

**How to Amend**  
A number of reasons, plans, and providers are changing.

- Model Contract Amendment Contract

When you enter into a contract with a PPO, you expect that PPO to send patients your way in return for a discounted fee. What you don't expect is for the discounts to be used by other payors whose patients don't belong to the PPO and who should pay your full fee. And yet that is exactly what's happening, according to many providers. The culprit is the "silent PPO," and it may be costing you a great deal. But you can stop it by adding several key provisions to your PPO contract.

You become vulnerable to "silent PPOs" when you sign a PPO contract that workarounds the PPO rule of not paying more and the discount you provide to other payors who don't have a contract with you and whose patients aren't members of the PPO. These payors will then claim the discount you grant the PPO each time you do have a contract. And, when you sign it, you'll end up losing the full fee you had the right to collect.

Here's why it's so painful to use another PPO's discount to represent your own claim. Regardless of how you want to set up, if you tell a payor who doesn't want to pay full fee, all the payor has to do is how a "PPO broker" to see if you have any PPO contracts. Or a payor can simply pay the PPO you contract with for the information. Once it knows all the discounts you give the top-level PPO, it applies it to its own data. The Explanation of Benefits (EOB) form

uses the PPO discount as the reason for the lower payment.

If you're not up on the need providers, you can verify that you give a discount to a PPO but can't really check the EOB form against the PPO membership list. As you won't discover that the payor doesn't belong to the PPO and end up inadvertently granting the discount.

### Include Several Provisions in PPO Contracts

Protect the physicians, medical groups, hospitals, or health system you represent against such losses. There are, according to providers familiar with these arrangements, seven contract language provisions you need to plug to defeat silent PPOs. In addition to a Model Clause, the 14 provider has created a Checklist of Making PPO Working Signs on page 4. Use the list to see if PPOs also approach you are likely to pull or seek information about your contract on the secondary market.

1) Our Model Clause specifically bans the "rule of other insurance" rule of contract rate information. The important because PPOs will use of the credit and provider's data, systems, along with the EOB form, along with the EOB form, along with the EOB form, along with the EOB form.

2) Our Model Clause is PPO provider that it will

Minimize risks of capitation and "risk pools"

Get paid without hassles

Decipher HMO contract legalese

Stop interference with peer review

Create a sturdy financial safety net

Protect confidential information

And much, much more!

**FREE Trial Issue!**

Beat Plans at Their Own Game with the *Negotiator's* "Working Tools" — Model Contract Clauses, Checklists, Forms, Schedules, Letters, Amendments, Provisos, and Much More!







# tract Negotiator Works for You...

- ▶ Do you know that every time you sign a managed care contract you take on 10 risks that your liability insurance doesn't cover? Uncover what one expert calls "the biggest little-known liability trap in the business."
- ▶ Don't end up like the Missouri medical group that lost a \$1.5 million suit to a patient for failing to provide "quality care." Use our Hidden Liability Checklist to identify this and other traps hidden in the boilerplate of your contract.

## 5 Take Back Control of Peer Review

- ▶ How a Colorado PHO improved its credentialing by upgrading its physician questionnaires — and won more managed care contracts. The **Negotiator's** 12-point physician questionnaire checklist is based on this industry success story.
- ▶ Avoid authorization nightmares when dealing with multi-plan payors. Our Program Requirements Clause makes plans use one set of UR and QA rules for all products.
- ▶ Take back control of treatment decisions from HMO bureaucrats. Our Model Care Quality Clause safeguards the right of your physicians to determine whether services are "medically necessary" and "emergent."

## 6 Control Records and Reporting Obligations

- ▶ Limit UR agents' access to patient records. Our Model Privilege Letter shows you how to refuse requests for confidential medical information — without giving plans an excuse to terminate you for not cooperating with UR/QA programs.
- ▶ Are you worried about revealing proprietary information during contract negotiations? The **Negotiator's** Model Confidentiality Agreement prevents plans from disclosing your organization's trade secrets to competitors.
- ▶ Eliminate burdensome reporting requirements that ask for reams of unnecessary information. Use our tested Model Reports Obligation Clause to stop plans from wasting your time and money.

## 7 Resolve Disputes without Lawsuits

- ▶ Don't agree to arbitration by American Arbitration Association rules without incorporating the 8 critical changes found in our Model Arbitration Clause. They make the arbitration process cheaper, faster, and fairer.
- ▶ Or try mediation as an alternative to arbitration. The **Negotiator** shows you why mediation is sometimes preferred by providers — and how it has been used successfully in real disputes.

- ▶ Fight gag rules with 3 tested techniques — including a "reciprocity" strategy a Seattle attorney has successfully used to convince plans to "voluntarily" drop gag clauses.

## 8 How to Amend, Renew, and Terminate Contracts

- ▶ Did you know most plans can change your contract — without your approval, at any time, even after you've signed it? Take that power away from them with the **Negotiator's** tested Model Program Rules, Contract Amendments, and Letters.
- ▶ Who "owns" patients? A California court recently struck down one plan's anti-solicitation clause. Learn step-by-step what you can do to legally keep your patients if you end with one plan and sign with another.
- ▶ Don't get stuck treating patients at cut rates after a contract ends. Our exclusive Termination Strategy Checklist shows you how to negotiate a termination clause that pays you your full fee during the "continuation period."

## 9 Stay on Top of Changing Laws and New Developments

- ▶ New Federal Health Care Antitrust Guidelines
- ▶ Medical Fraud and Abuse and Anti-Referral Laws
- ▶ HCFA Physician Incentive Payment Rules
- ▶ Medicare managed care contracting
- ▶ Direct contracting with self-insured employers
- ▶ Workers compensation managed care contracting
- ▶ Pediatric and mental health carve-out agreements
- ▶ Disease state management contracts

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**Strike the  
Best Deal with  
HMOs & PPOs!**



**STRIKE  
the  
BEST DEAL  
with  
HMOs & PPOs!**

## Managed Care Contract Negotiator

### Stop "Ghost PPOs" from Misappropriating Resources

Most PPOs have a "ghost" PPO plan that is not disclosed to members. This plan is used to pay for services that are not covered by the PPO plan. This is a violation of the PPO plan's terms and conditions. The Managed Care Contract Negotiator can help you identify and stop these "ghost" PPOs. The Managed Care Contract Negotiator can also help you negotiate better rates for your PPO plan. The Managed Care Contract Negotiator can also help you negotiate better terms and conditions for your PPO plan. The Managed Care Contract Negotiator can also help you negotiate better rates for your PPO plan. The Managed Care Contract Negotiator can also help you negotiate better terms and conditions for your PPO plan.

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