Medical Xpress

Docs should negotiate health care payer contracts

January 21 2015

(HealthDay)—The terms in health care payer contracts are not immutable, and contracts should be negotiated, according to an article published Jan. 9 in *Medical Economics*.

In order to sustain viable revenue, physicians should analyze and effectively negotiate health care payer contracts. These contracts are frequently signed without negotiation, but the terms of the contract are not immutable. Poorly negotiated or worded contracts can result in a loss in net revenue, even if a practice is run efficiently.

According to the article, physicians should conduct SWOT analysis to assess the strengths, weaknesses, opportunities, and threats to their practice, including the fee schedule and payment inequalities. A bargaining range should be established before negotiations, and should include optimum and minimal target goals. The practice representative with the most experience with complex negotiations should meet face-to-face with the payer representative and present clear data and requests for change. Other items to negotiate include easing the prior authorization process, extension of the period for submitting a claim, improvement and ease of the appeal period, and clarification on late payments.

"In conclusion, it is essential that payer contracts are carefully reviewed for their fee schedules and the provisions that can alter the net revenue a practice generates," according to the article.

More information: More Information