

## Features

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### Healthcare reform Part II: The hidden effects on your practice:

As we navigate through the confusion in Congress' healthcare reform bill, there are some initial concerns that can greatly affect the way a practice operates (this may seem obvious). But observe closer and you may see some not-so-obvious impacts. In looking at just some of the key changes, Medicare funding is cut by 21%... but just how far does that cut hurt your revenue? Also, covered procedures are now decided by a “commission”. What does this mean? (article continues below)

### I know Dr. Jones is being paid more than me... “How”? Secrets of negotiating managed care agreements:

(reprinted with consent from PRG Services) I've been there many times, physicians frustrated with their managed care agreements and on the verge of bankruptcy. Why is it that some can get their rates increased while others are told to “go fly a kite”. The answer is simple and complex all in one.

First, the simple part. You must have something to bargain with... What is that? Well it can be a number of things: either a large patient volume from a particular plan or a highly needed specialty in the area or coverage at a particular hospital. In any event, knowing that you have this chip is key. (article continues below)

### Can you control risk and increase revenue and patient satisfaction at the same time?

*Is it possible to cut your expenses, cut risk and increase profit all while increasing patient satisfaction? Yes*

First, let discuss “Risk”. Risk is defined as “The potential for a loss”. In the case of a practice, the most common ways of loss are via legal action (malpractice), revenue leakage or employee action. At BIU, we work with practices to assist you in avoiding many of the most common “Risks”. As a licensed agency, we work to cover you practice properly for your malpractice risks. In addition, our practice consultants can work with you or your administrator to identify revenue losses and establish “Best Practices” guidelines.

A practice should never overlook their medical malpractice exposure. Just about every physician is aware of a colleague who has been sued (more than likely, frivolously). In addition to working with many “A” rated carriers and the JUA, BIU is now working with an emerging insurer who has a very unique approach to insuring medical malpractice. This insurer shares the philosophy that working in partnership with the agent and the practice can reduce exposure and thus reduce your malpractice premiums. The insurer provides training for the staff and the physician on what are the frequent causes of malpractice suits as well as how to avoid them. Should a potential claim arise, the insurer will actively work to avoid a large settlement. In addition to other benefits, the program includes free CME course for the clinical and non-clinical staff.

Now more than ever you need to protect your practice. Let us earn your trust by working with your administrator to lower your premiums. Give us a call at 813-348-0762 or contact an agent at [info@bayshoreinsurance.com](mailto:info@bayshoreinsurance.com). Our consultative agents are here to assist you. We can assure you that the time spent will be well worth it (see testimonial at [www.bayshoreinsurance.com](http://www.bayshoreinsurance.com)).

### Continued from: Healthcare Reform and the hidden effects:

Other than direct cuts, does the Medicare funding cuts affect your practice in other ways? Possibly, but in ways you might not have thought of. If you accept managed care patients, your provider agreements are generally reimbursed at a percentage of Medicare or a percentage of billed charges not to exceed a certain percentage of Medicare (Not just your Medicare Advantage plans). Since it is all but certain that a great deal of the cuts will be applied directly to the relative value reimbursement, you will see the cut directly to the Medicare Allowable and thus the Managed Care rate as well.

As far as covered procedures, most believe that commercial carriers withhold authorization for “elective” procedures or play games with providers. But if we compare the authorization process for, say, MRI's in Canada vs. an radiology authorization group in the U.S. (like NIA® or CareCore®), you will see that the state-run system in Canada will not provide for a diagnostic MRI for injuries NOT deemed life threatening or where it is found that the MRI doesn't warrant sufficient “necessity”. In most cases with our current system, the foundation is based on ACR (American College of Radiology) criteria. The most alarming concern is in Canada, you can purchase your way out of state-run care. With the current reform, ALL insurances are equally governed by the SHH. Meaning, your patients do not have the right to purchase, say, indemnity coverage and opt out of government control.

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### Continued from: Secrets of negotiating managed care agreements

Second, know YOUR reimbursement vs. the regional standard for your specialty. This can be obtained through various sources such as MGMA.

Now the complex portion: Consider becoming a partner in their efforts. Many physicians have a distaste for HMO's, not that it's unwarranted but it can be over-exaggerated. There are many good carriers out there. Usually, the smaller plans are willing to work WITH you if you are willing to partner with their efforts. The goal is to reach out the to Medical Director to see if there is room on the peer review panel. Many carriers openly invite steerage participation. This power gives you the ability to govern (in part) what is and isn't acceptable in the community.

If none of the above appear to be within the scope of your reach, seek a consultant. A good consultant can be greatly effective. There are keys to getting a good consultant. In your contract, you should have clause that only pays if he or she can deliver results. Meaning, unless they get you an increase in your revenue, you don't have to pay for their time and effort. Never pay more than a small retainer and always ask for a weekly report of progress that includes detail follow-up. A good practice consultant can deliver as much as 20% or more in higher reimbursement.

Want to take the insurances on yourself? Make sure you do your homework. Go to their provider directory and look at the number of specialists in your area. Make sure you aren't one of many in a dense area. How many are affiliated with the same hospital? Start here and *Good Luck*.

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tion is meant solely to protect our practices as we all try to exist in the changing environ-  
ment.

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