BY BILL DEMARCO, M.A., C.M.C.

THE OFFICE

Boost Your Bargaining Power

Earlier this month, United Healthcare implemented a new fee schedule that essentially freezes physician reimbursement fees at Medicare's 2008 resource-based relative value unit scale. The move affects 12% of physicians in the UHC network, or about 70,000 providers.

According to United Healthcare, the transition was made to simplify fee schedule administration and increase the reliability and predictability of physician payments.

The new method for calculating reimbursement replaces the "progressive fee schedule," which used a fixed conversion factor and RVU values that changed on an annual basis. The new "stated year fee schedule" bases physician reimbursement on their existing conversion factors and 2008 Medicare RVUs and non-RVU based fees.

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This solution is not ideal because 2009 Medicare rates are higher than 2008 rates, but it does offer physicians a predictable rate of reimbursement. Under the progressive fee schedule, physicians experienced drops in their reimbursement for certain CPT codes, some by as much as 9.5%.

With that said, physicians may choose to renegotiate their contracts with United Healthcare. But what would be the first step?

First, I would call United Healthcare to get some details and clarification from them. Besides the fee schedule, for example, what other aspects of the contract are changing?

Second, ask the health plan to map out what the steps are for renegotiating the contract. What information do they require from the physician to justify an increase in the fees? How long would it take for that increase to take place? Check on your rights to appeal the change and find out what their expectations are. The process may seem like an uphill fight, but getting all the information you can is key.

Third, if it seems daunting to renegotiate on your own, consider creating an independent network of practices to raise your bargaining power.

Such networks are emerging all over the country. They must adhere to strict federal antitrust guidelines. So, for example, it's illegal for such networks to collectively boycott a health plan, but if they are set up correctly they can be the most effective way for small players to renegotiate contracts with health plans.

Large, nationally organized provider networks exist, but they tend to be so large that they deeply discount their reimbursement rates in order to compete with other large practice networks.

An alternative to joining a large network is to identify a cluster of 15-20 small group or solo physician practices that can be more nimble in their decision making and that can leverage their bargaining power at a local level when negotiating contracts or buying medical supplies.

This so-called group practice without walls concept gives a solo practice the bargaining strength of a large group practice without having to give up a solo practice. ■

MR. DEMARCO *is president and CEO of DeMarco & Associates Inc., a Rockford, Ill.–based health care consulting firm that provides guidance in establishing independent management service organizations. For more information about these services, go to www.demarcohealth.com.*

Cardiac Risk Factors
Serving Size: 1 Adult Male
Servings Per Container: 1
Amount Per Serving
Age 48
Weight 243
Total Cholesterol 259
LDL 169
HDL 47
Coronary Calcium Score 397
Body Mass Index 37
Waist Circumference 48
Blood Pressure
Systolic 150
Diastolic 90
Fasting Blood Glucose 146
Ingredients for Coronary Artery Disease Risk:
Family History, Diabetes, Hypertension, Smoker, Occasional Chest Discomfort
Refer
Nuclear stress testing for reliable diagnostic and prognostic results[1,2]
1. Klocke FJ, et al. *Circulation*. 2003;108:1404-1418.
2. Hachamovitch R, et al. *Circulation*. 1998;97:535-543.
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