

Debunking the Myths of Out-of-Network Reimbursements



1. Payer approach to reducing out-of-network reimbursements
2. Collect Rx expertise
3. The myths regarding out-of-network reimbursements



Payor Approach


Good Old Days

98% - 100%
of billed charges

Today

**25% - 60%
of billed charges**

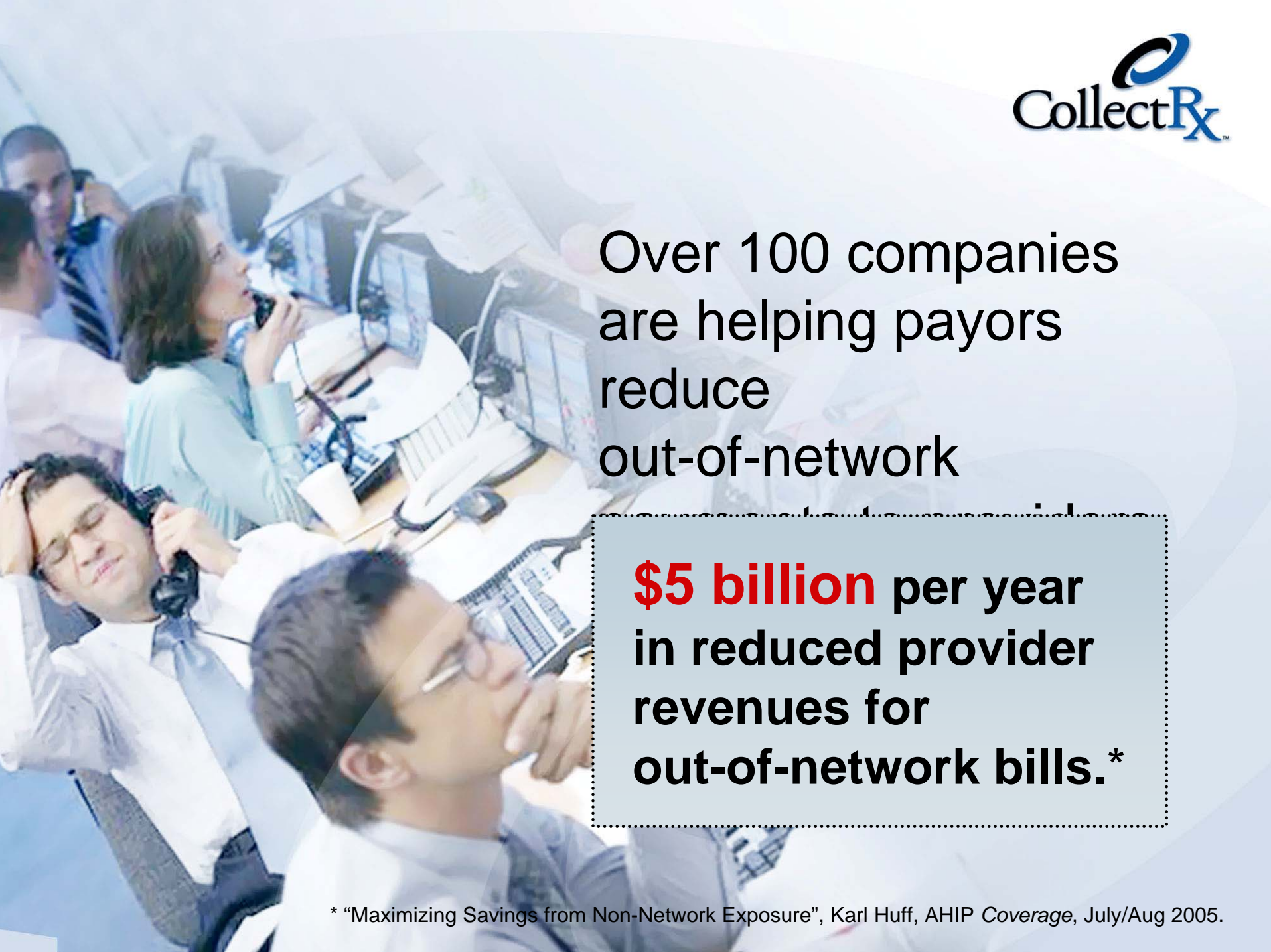


A stack of US dollar bills, with the top bill being a 100-dollar bill, fanned out and slightly blurred, set against a light blue background with abstract shapes.

Payor Strategies to Reduce Out-of- Network Reimbursements

**Professional
Negotiation**

**Cost-to-Charge Re-
Pricing**


A background image of a busy call center with several employees at their desks, talking on phones and looking at computer monitors.

Over 100 companies
are helping payors
reduce
out-of-network

\$5 billion per year
in reduced provider
revenues for
out-of-network bills.*



*Payors Seek
After-the-Fact
Discounts*

A close-up photograph of an older man with glasses, wearing a light blue shirt and a dark tie, talking on a black corded telephone. He is looking off to the side with a thoughtful expression.

*These
outside experts
**reduce
payments** to
providers for
OON cases in
multiple ways*

Hidden Payor Schemes



- Procedural changes to choose ***lowest payment level***
- Policy language changes to ***reduce allowable / R&C amounts***
- Leverage of ***direct payment to patient***

Complex computer algorithms determine which tactic yields the lowest payment:

- Cost-to-Charge Re-pricing
- Professional Negotiation



They hire former:

- Provider organization CFOs & Directors of Patient Accounts
- Physicians & physician practice administrators
- Presidents & VP's of home care companies
- Managers of outpatient surgicenters

Database tracks every past negotiation:

- Who on your staff has authority to grant various levels of discount
- Who gives the largest discounts and who to avoid
- How large a bill needs to be before they contact the CFO or Administrator



Expertise

A Growing Company to Serve You



- Sole focus – helping providers maximize reimbursements on out-of-network bills
- Started in 2006
- More than 700 customers nation-wide
- Customers include many of the largest ASC management companies, free-standing ASCs, physician-owned hospitals, large health systems, and provider groups

Out-of-Network Experts



Don Greenberg, M.D., M.B.A.
Founder & Chairman

- M.D. – Univ. of Pennsylvania School of Medicine M.B.A. – The Wharton School, Univ. of Pennsylvania
- Launched the out-of-network (OON) negotiation industry in 1991
- Trained and supervised over 200 negotiators for Concentra / Viant



John Bartos, J.D.
Chief Executive Officer

- A.B. – Princeton University; J.D. – American University Wash College of Law
- Executive leadership positions in companies providing products and services for payors, hospitals, and providers
- Litigator, K&L Gates (formerly Kirkpatrick & Lockhart)



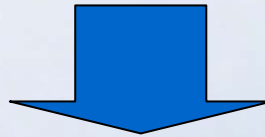
Sonny Bloom, M.B.A.
President

- M.B.A. – Harvard Business School
- Developed, implemented and managed out-of-network (OON) negotiation services at Concentra / Viant and About Health, Inc.
- Provided industry-leading results for OON negotiations for 10+ years

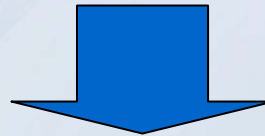
How Does Collect Rx Do It???



Out of Network Claim



CRXISTM Business Intelligence Engine



Unparalleled Expertise

Maximum Result

- Analyzes thousands of insurance policies
- Aggregates data from hundreds of customers
- Identifies “holes” in payor data
- Profiles payors and vendors
- Suggests “best case” results



Out-of-Network Reimbursements – Common Myths

Common Myths



- “The days of out-of-network are over.”

PPO Growth → OON Claims Growth



Growth in PPO Enrollment



Common Myths



- “The days of out-of-network are over.”
- “Being 100% in-network maximizes reimbursements.”

Common Myths



Compare in-network to out-of-network reimbursement levels for common procedures

-

Number of cases

x

Average Reimbursement Levels =

Total Reimbursement

Common Myths



- “The days of out-of-network are over.”
- “Being 100% in-network maximizes reimbursements.”
- “We’ve got it covered.”

We've got it covered



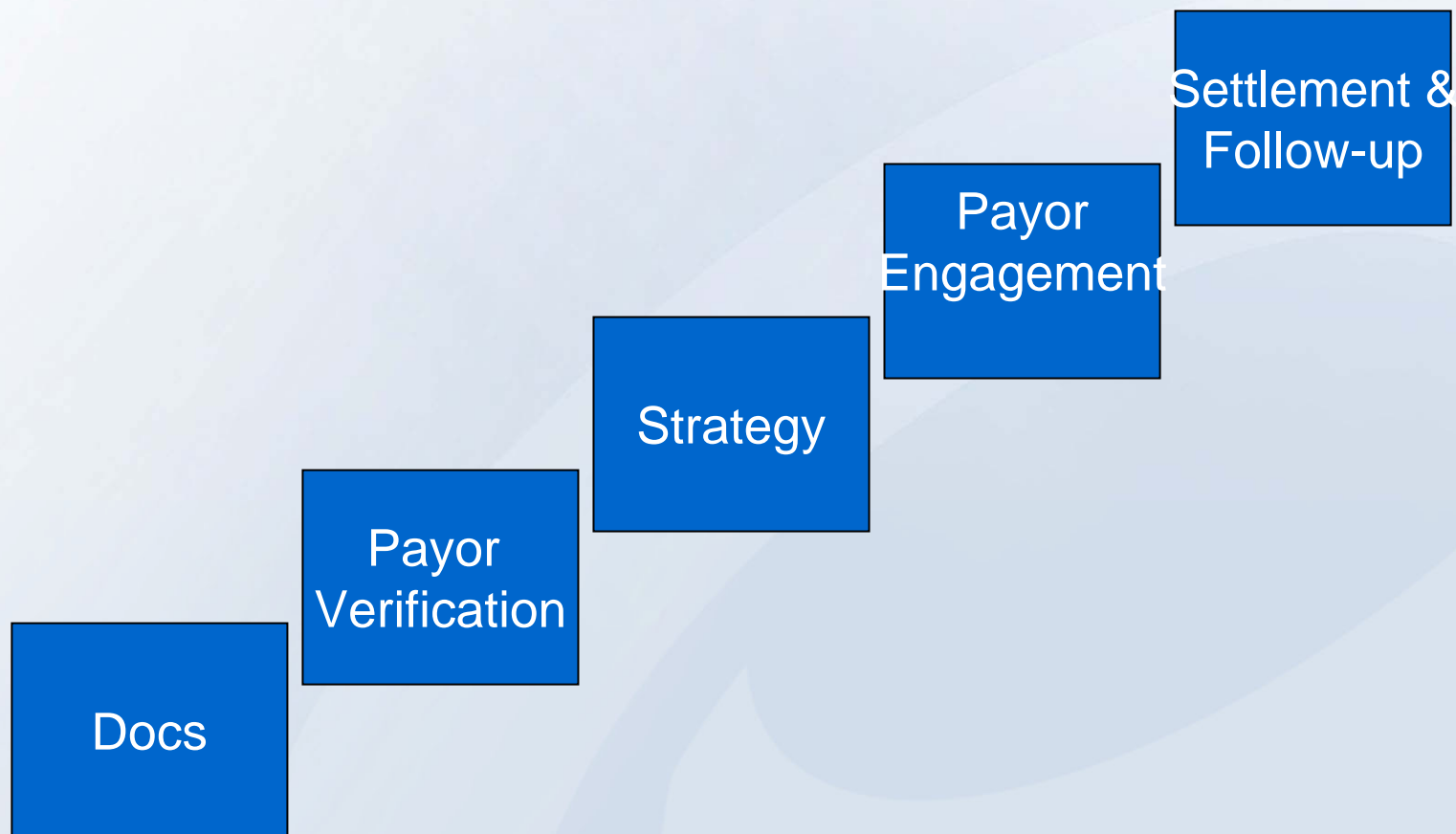
- We are doing fine.
- My billing company is handling it.
- I've entered into third party rental agreements with the negotiation companies (Silent PPOs).
- I've entered into continuous discount agreements with the negotiation companies.
- I've established a set policy of never accepting anything below a 5% discount.

“We are doing fine.”



- Resource allocation
- Expertise
- Assignment of benefits
- Documenting all calls
- Recording reference numbers

Appeals Process



Expertise - Translating an EOB



EOB Examples:

“Payments of benefits has been made in accordance with the terms of the managed care system”

“Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement

Electronic vs. Long Form EOBs

Out-of-Network Analysis



- Run report of out-of-network activity
- Eligible bills – up to one year
- Identify bills ideal to appeal
- Gather paperwork
- Impactful results

“We are doing fine.”



CRXISelectTM Results

Time Period – 3 months

Cases – 71

Billed Charges - \$914, 555

Initial Payments - \$186,643

Additional Payments - \$207,092

We've got it covered



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Third Party Rental Network Agreements (Silent PPO)



- Reimbursement levels & multiple procedure reductions
- No patient steerage
- Which payers have the right to access
- Notice requirements
- Payers apply in-network discounts / out-of-network benefits.

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I've got it covered – Continuous Discount Agreements



- What is a continuous discount agreement?
 - When signing a single case rate agreement, there's a box where the provider can indicate they're willing to accept that level of payment going forward
- Many providers don't even know they've entered into these agreements
- Often at low discount levels

We've got it covered



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Processing An Out-of-Network Claim

Provider Generates Out-of-Network Bill

Insurance Company

Vendor for Insurance Company



U&C Re-pricing

Negotiation Prior to Payment

Common Myths



- “The days of out-of-network are over.”
- “Being 100% in-network maximizes reimbursements.”
- “We’ve got it covered.”
- “I don’t have many out-of-network patients so it’s not worth my time.”

How much will reimbursements increase?

Net Revenue		% of Revenue from OON Bills		Increase in Allowable Amount		Increase in Reimbursements
\$5 Million	X	15%	X	33%	=	\$250,000

Common Myths



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- “We’ve got it covered.”
- “I don’t have many out-of-network patients so it’s not worth my time.”
- “Outsourcing doesn’t make sense.”

Outsourcing – Questions to Ask



- Do I have the expertise?
- Do I have the resources?
- Do I have the data?
- How does the outsourced vendor charge for their services? Upfront costs? On-going minimums?
- At the end of the day, does it make financial sense?

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