

# Secret Provider Agreements: Where They Came From. Why They Must Go.

Presenter:

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***Pioneering Specialists in***

***Group Health Care***

***Post-Payment Administration***

***For Over 25 Years***

**Customer Philosophy**

**Respect** for Existing Procedures

**Emphasis** on Customization

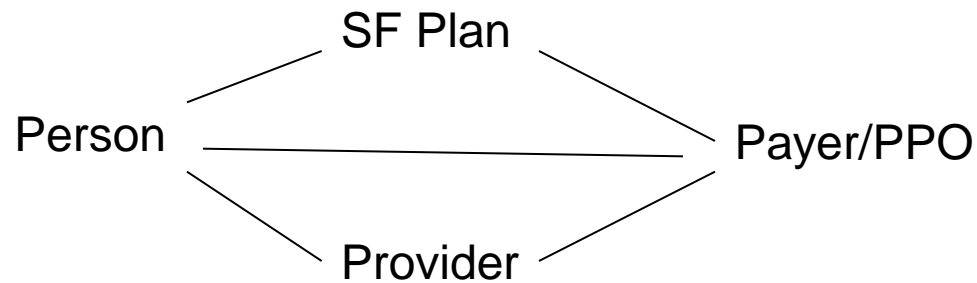
**FOCUS** on Solutions

# Tale of Two Billings

Vendor Billings	Provider Billings
<b>Businesses</b> pay thousands of bills from hundreds of <b>Vendors</b>	<b>Self-funded Plans</b> pay thousands of bills from hundreds of <b>Providers</b>
<b>Accountant</b> promises Businesses savings on three conditions	<b>Administrator</b> promises Self-funded Plan savings on three conditions
1. Business/Self-funded Plan must pay whatever bills the Accountant/Administrator submits.	
2. Business/Self-funded Plan is prohibited from seeing the payment agreements Accountant/Administrator has with the Vendor/Provider.	
3. Business/Self-funded Plan is prohibited from contacting or communicating with the Vendor/Provider about any billing questions or issues.	
Business would laugh Accountant out of the room right after they fired them.	Self-funded Plan accepts Administrator conditions without question.

# Current Situation

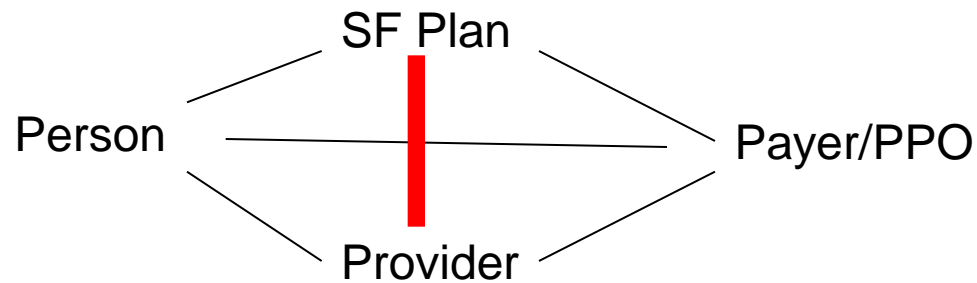
PPOs are the dominant form of coverage for Self-Funded Plans



Many PPOs rely on “Secret” (i.e., proprietary) provider agreements.

# What's Missing

Self-funded Plans cannot contact or communicate with Providers.



Done contractually as part of agreement with Payer.

**CHECK YOUR CONTRACTS TO SEE IF THIS IMPACTS YOU!**

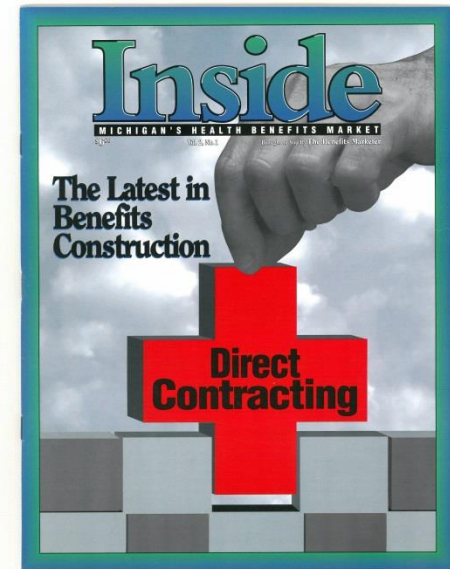
# THIS WAS NOT ALWAYS SO

1993

Reprint from Corporate Detroit “Could Direct Contracting be Your Firm’s Health Care RX?”

Reprint from Managing Health Care Benefits “The Direct Provider Contracting Option”

Interview with Consumers Power on their experience with direct contracting



## How Did This Happen?

- Employers and the Self-funded Plans they sponsor hit the “Easy” button.
- Providers preferred fewer discussions.
- Payers needed Providers to have competitive networks.
- Providers co-opted negotiations.
- Payers sided with Providers.
- Self-funded Plans signed agreements prohibiting Provider contact.

# What Does it Mean?

Based on what we have seen:

- Distorted Discounts
- Disguised Settlements
- Excess Billings
- Excess Payments
- Hidden Fees

All getting worse.

Worse still is what we don't know.



# What to do?

## Right Now:

- Fight for transparency.
  - Demand claim records that identify providers and all payment details.
- Ask questions and expect REAL answers from Payer about
  - Evidence of unbundling, upcoding and excess billings (using Medicare billing standards)
  - Missed discounts between provider and PPO
  - Unexplained cost increases (same provider, same procedure, same plan)
- Confirm what Payer knows and what they are doing.

# What to do?

## To Regain Control

- Do what Medicare does: Comparative Billing Reports (CBR)
  - Compare Providers.
  - Find the few “bad apples”.
  - Let them know you know who they are.
  - Ask them to explain themselves.
  - Harness the power of the “sentinel effect”.
- Demand Payers support your provider communications.
- Do not work with Payers who will not support your efforts.
  - Payers protecting Providers over Plans are a Problem.

## Other Resources

### Health Decisions, Inc. Prior Webinars

- Provider Score Card: 5 Common Sense Tests to Foster Competition (November 2010)
- Finding Provider Fraud (October 2011)

### Medicare Program Integrity Manual

- Chapter 3: Verifying Potential Errors and Taking Corrective Actions
  - Section 3.7.2: Comparative Billing Reports (CBR)

# Past Webinars Available

Recordings of past webinars are available upon request, including:

- August 2013 – What Happens After Open Enrollment (And Before Obamacare)?
- July 2013 – The Claims You Should Be Auditing, but Aren't
- June 2013 – Obamacare Compliance – How it Helps Self-funded Plans
- Mid-June 2013 – Employer Mandate Calculations Explained
- May 2013 – Pay or Play: A Bigger Challenge for TPAs than for Plans
- April 2013 - The Most Overlooked Part of Health Reform: Enrollee Communications
- March 2013 – Why Cost Sharing is not Working
- February 2013 – Loss of Fiduciary Control
- January 2013 – Top 10 Do's and Don'ts of Data Warehousing
- December 2012 – Union Trusts: Health Reforms Most Overlooked Winner?
- November 2012 – Year-end Renewal and Bidding: Opportunities for Control and Savings
- October 2012 – The 5 Most Important Things an Effective Dependent Audit Should Include
- September 2012 – Old Question, New Twist: Is Self-funding Right for Your Group Health Plan?

For More Information  
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