

Healthcare

Revenue Pressures Hinder Provider Profitability

Overcoming Demographic, Environmental, and Competitive Risks Requires Actionable, Real-World Market Intelligence

Revenue degradation. It's the new normal for many hospitals, health systems, and physician enterprises nationwide, and it's being driven by such factors as:

- Stagnant commercial payer contract growth and enhanced pricing pressures
- Flat care utilization and the inpatient to outpatient volume shift
- Growth in Medicaid usage and an aging population
- Expenses increasing faster than revenue growth

This weakened revenue growth puts more pressure on managed care leaders to succeed by negotiating with strategic intent, clear goals, and precise data to support their requests from payers. Overcoming these risks requires increased precision around managed care contracts and balancing revenue mix at a local market level.

Balancing Your Managed Care Portfolio: The “Pay Me Right” Strategy for Payer Contracting

When it comes to payer contract negotiations, you need detailed and market-specific claims data to justify the rates you’re seeking. Instead of the traditional “pay me more” approach, Guidehouse deploys a “pay me right” strategy to payer negotiations, equipping providers with market-based reimbursement data to benchmark their rates to market norms and inform broader pricing strategies. Central to the strategy is our database, comprised of claims and benchmarking data from more than **50 million covered lives and \$100 billion in contractual revenues**. Having the ability to compare a customized market of reimbursement data at the DRG and CPT level empowers providers to negotiate with confidence and lock in more beneficial, longer-term pricing, and predict future revenue that’s at-risk. We have used this data to inform pricing strategies and support contract negotiations for dozens of payer deals, often with more than a 10:1 ROI.

Prepare for your Upcoming Payer Negotiations

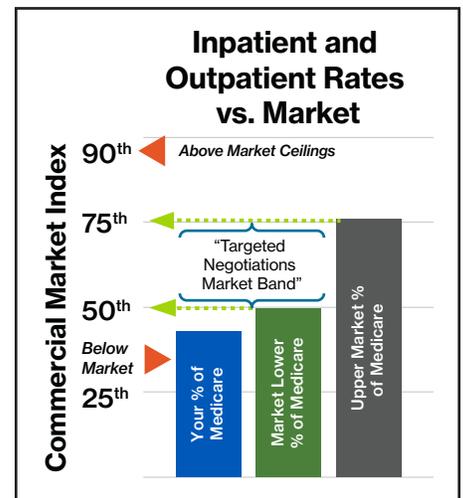
Guidehouse’s benchmarking assessment compares your inpatient and outpatient reimbursement rates to the average Medicare and commercial reimbursement rates in your market. The results can be incorporated into your rate negotiation strategies to help you optimize revenue realization, and ensure you’re paid “right.”

How to Get Started

Visit [guidehouse.com/paymeright](https://www.guidehouse.com/paymeright) or contact us:

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About Guidehouse

Guidehouse is a leading global provider of consulting services to the public and commercial markets with broad capabilities in management, technology, and risk consulting. We help clients address their toughest challenges with a focus on markets and clients facing transformational change, technology-driven innovation and significant regulatory pressure. Across a range of advisory, consulting, outsourcing, and technology/analytics services, we help clients create scalable, innovative solutions that prepare them for future growth and success. Headquartered in Washington DC, the company has more than 7,000 professionals in more than 50 locations. Guidehouse is a Veritas Capital portfolio company, led by seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets, and agenda-setting issues driving national and global economies. For more information, please visit: www.guidehouse.com.

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