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On Healthcare

HEALTHCARE

CONTRACT AND REIMBURSEMENT SOLUTIONS — A PATH TO UNREALIZED REVENUE

Announcer: Welcome to Navigant On Healthcare, offering insights for healthcare leaders striving for success in an evolving industry.

Host: Welcome to Navigant On Healthcare. I'm your host, Alven Weil. Healthy margins continue to be a challenge for healthcare providers. With payer reimbursement at the top of the list of the issues that are leading to decreased cash flow, in this podcast Navigant's Robert Roig will explain the importance of contract and reimbursement solutions and how these services can assist organizations experiencing unrealized revenue. Robert is a director at Navigant focused on business process management and healthcare solutions. His expertise spans contract negotiations, day-to-day operations, strategic planning and overall practice management. Robert, thanks for joining today.

Robert Roig: Thanks for having me, Alven. Appreciate it.

Host: Robert, let's begin with an overview of what is included when you discuss contract and reimbursement solutions, or CRS, and how it influences a provider's revenue cycle.

Robert: Sure thing, Alven. What we're doing here is we're trying to provide two elements within our department that kind of kick that revenue into high gear for our clients. The first component of our department focuses around the zero-balance collections and identifying issues with payers. The second part of it is kind of like an optimization portion of it, with our contract modeling and pricing and support. That's where we go into different what-if scenarios and pricing with our proprietary technology called ProClaim to get our clients what-if scenarios with payer negotiations and forecast contractual net revenue. Part of our department is centered around the zero-balance review. This zero-balance review is the second line of defense after a client has gone through and decided, "We're kind of giving up on these accounts and the primary insurance balance has gone to zero."

SPEAKER



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About Navigant

Navigant Consulting, Inc. (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant's professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage, and/or protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, the firm primarily serves clients in the healthcare, energy, and financial services industries. Across a range of advisory, consulting, outsourcing, and technology/analytics services, Navigant's practitioners bring sharp insight that pinpoints opportunities and delivers powerful results. More information about Navigant can be found at navigant.com.

We have a team of experts that have subject matter expertise in not only contracts, but understanding the analytics behind the accounts and why a payer isn't paying. What we do is we leverage these folks in their knowledge to go back to these accounts that have kind of been given up on and find if there's any money there. We've been really successful in a lot of ways with that, so it's a real value-added process that we can give to our clients.

Host: How can contract modeling and pricing assist with contractual net revenue and bring more clarity to the forecasting process?

Robert: That's a great question, Alven. A lot of healthcare providers in the current marketplace today really need to understand what they're looking at from a revenue perspective, what they're seeing that's coming in. Understanding that is what are the payers going to be paying and what's the contracted rate they're supposed to be paying? A lot of time getting clarity around that becomes difficult for a lot of providers out there. It's a challenge unless you have some kind of tool to do so. Understanding that, we can take the opportunity to get the contracted actual rate from the payer loaded into a system, shown to the providers, and shown to the forecasting folks. It gives some accuracy around what the payment's going to look like from the payer, and what they can anticipate.

Instead of kind of guessing at what that rate may be and what the forecast may come to based on what they've seen historically, we're providing data in a very real time to say, "This is what we can expect and this is what you're going to expect out of a payer," and provide that information back so that a more accurate revenue forecast can be made.

Host: It's been said there might be gold hidden in a provider's zero-balance accounts. Can you describe how CRS can act as the last line of defense against under payments?

Robert: Yeah, absolutely. A lot of times providers struggle with accounts that come into this gray area of how do we deal with them? What's the next step? Is there opportunity still to get paid from these payers? That could be for a multitude of reasons. It's really important that a team kind of really dives in and takes a look at what's going on with those zero-balance accounts that have kind of been given up. The insurance payers have applied the money that they think they're supposed to be paid to those accounts, but they're not. The total account value isn't where it should be. When you have a group of people that can go in there with technology at hand, as well, to kind of dig in and look with their expertise to kind of see what's happening with specific accounts as far as the reason why they were denied, the opportunities for appeal, the contract language and how it was applied to the account, you can really take an actual look and find out if there's payments that still should be made to the hospital provider for collections on. Right now finding that additional money, especially in this environment of revenue being scarce and payers liking to play games with what they pay on and what they don't.

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This becomes a real added value. To have somebody there at the end of the day to pick up some of those accounts and say, "Hey, is there anything left here that we can still squeeze out of this?" I really think it's an important concept, because over the past few years with one particular provider there's been an uptick in about \$6 million of collected revenue that wasn't there when they did a first pass on it. Having us as a second line of defense or having somebody there as a second line of defense, to look at that money and see where the opportunity is - that is hugely important.

Host: Robert, what do our listeners need to know about CRS as they prepare for 2020?

Robert: I think the most important thing to know is that we're here and we're in a position to help providers make the most of their revenue and their organization and make things better. There are a lot of challenges that happen in the payer world, and especially when it comes to payments on accounts. That could be as far as an incorrect payment when it comes to, it's supposed to be a DRG, but the payer is paying as a case rate and not really understand the dynamics behind that, and things get missed. There's area of opportunities that drop and the fact that we can go into those contracts and not only look at those variables, but model them within a system that gives us those variances is really of use. I just want to kind of put a little more emphasis on what technology does and how it can help and how we leverage that. The ability to take the ProClaim technology and not only price accounts but put every contractual detail into it allows a pay twofold. One, it obviously shows the variances of where the payers aren't paying correctly, and then we can provide that information to our providers in terms of detailed reports and performance reviews of the payers.

But it also allows us to go to our providers and say, “Hey, listen, if you’re in an active negotiation with a payer, how can we help you? We can help you by giving you a what-if scenario in the proposed rates that the payers gave you and model that out and say, ‘What does a 5%, 7% decrease look like? What does it look like when they take these CPT codes, knock them down 20%? What’s the effect on your revenue and what position do you need to be in to successfully negotiate a contract that’s going to give you some incremental revenue?’” We’re glad to be able to help that and provide that. I think CRS is going to provide a real valuable function going forward to providers who are looking for that insight and really want to secure as much revenue as they possibly can.

Host: Is there anything else you’d like to add to the conversation regarding CRS?

Robert: I would just say this: As contract terms begin to end and renegotiation time comes around, I would just encourage our providers to take a real close look at what they’re being paid, how they’re being paid, and if there’s opportunity there to really dig into their revenue and find ways to get your bottom line to increase. That’s through contract review, revenue analysis, and the payer performance, and CRS can provide helpful solutions to all of those items I mentioned. I think as the challenges in healthcare continue to proliferate with new reimbursement methodologies, we’re staying on the cutting edge of understanding those dynamics of those methodologies so that we can best provide those options to our providers.

Host: Great Information, Robert. Really appreciate you joining us today and sharing your expertise.

Robert: Thanks, Alven. Appreciate the time.

Announcer: That concludes today’s episode. Be sure to check in with us for future installments on the Navigant On Healthcare podcast series on navigant.com/healthcarepodcast. Navigant On Healthcare is a podcast series produced by Navigant’s healthcare practice. If you enjoyed this episode, please share it with friends and colleagues on social media. Learn more at navigant.com.