

The Art of Payer Contracting and Negotiation





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Welcome

NGA Healthcare's principal, Nathaniel Arana, has many years experience in business and in the healthcare field. Nathaniel earned a management degree from the Eller College of Management with an emphasis in operational management and organization. He helped start an out-ofnetwork billing and consulting business from concept to profitability. Thereafter, he managed and grew a healthcare consulting business; under his management, the business dramatically increased its revenues and clients.

Nathaniel started NGA Healthcare because he found that practices were looking for consulting companies that could provide results—not just empty promises. Since then, NGA Healthcare has worked with all specialties to help grow, reorganize and make practices more profitable. Nathaniel regularly contributes to many healthcare business magazines and companies as an expert in practice management. A physician advocate, Nathaniel believes in working directly with his clients to achieve, and surpass, their goals.







Why should you negotiate rates?

- Inflation
- Costs of doing business
- Large health systems
- Private equity in healthcare
- Creating the "Law Firm" model for physicians





American Healthcare System

\$11,946

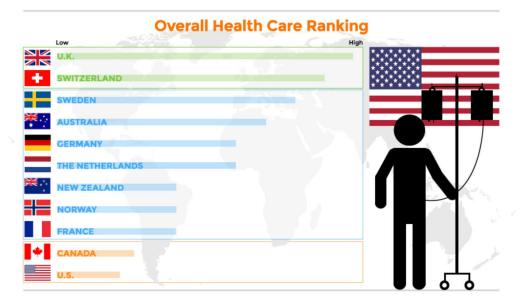
Health consumption expenditures per capita, U.S. dollars, PPP adjusted, 2020 or nearest year

| United States | |
|----------------------------|---------|
| Switzerland | \$7,138 |
| Germany | \$6,731 |
| Netherlands | \$6,299 |
| Austria | \$5,899 |
| Sweden | \$5,754 |
| Comparable Country Average | \$5,736 |
| France | \$5,564 |
| Belgium | \$5,458 |
| Canada | \$5,370 |
| United Kingdom | \$5,268 |
| Australia | \$4,919 |
| Japan | \$4,691 |

Source: https://www.pgpf.org

U.S. HEALTH CARE RANKS LAST AMONG WEALTHY COUNTRIES

A recent international study compared 11 nations on health care quality, access, efficiency, and equity, as well as indicators of healthy lives such as infant mortality.







Who is taking the margin?

HEALTH INSURANCE HUSTLE

Lavish Bonus? Luxury Trip? Health Benefits Brokers Will Have to Disclose What They Receive From the Insurance Industry

HEALTH INC.

Employers trust brokers to guide them to the best value, but conflicts of interest abound. Tucked into the coronavirus relief bill, a new federal requirement will mandate more transparency.

by Marshall Allen, Jan. 6, 2021, 5 a.m. EST

Insurers Hand Out Cash and Gifts To Sway Brokers Who Sell Employer Health Plans

February 20, 2019 · 5:01 AM ET

MARSHALL ALLEN

FROM P



Health Net of California's pitch is not subtle: A smiling woman in a business suit rides a giant \$100 bill like it's a surfboard. "Sell more, enroll more, get paid more!" In some cases, its ad says, a broker can "power up" the bonus to \$150,000 per employer group.

Insurers also don't seem to have a problem with the payments. In 2017, Health Care Service Corporation, which oversees Blue Cross Blue Shield plans serving 15 million members in five states, disclosed in its corporate filings that it spent \$816 million on broker bonuses and commissions, about 3 percent of its revenue that year. A company spokeswoman acknowledged in an email that employers are actually the ones who pay those fees; the money is just passed through the insurer. "We do not believe there is a conflict of interest," she says.



The pitches to the health insurance brokers are tantalizing.



Vertical Business Relationships Among Insurers, PBMs, Specialty Pharmacies, and Providers 2024



Source: https://www.drugchannels.net/2024/05/mapping-vertical-integration-attention





What has inflation done to healthcare?



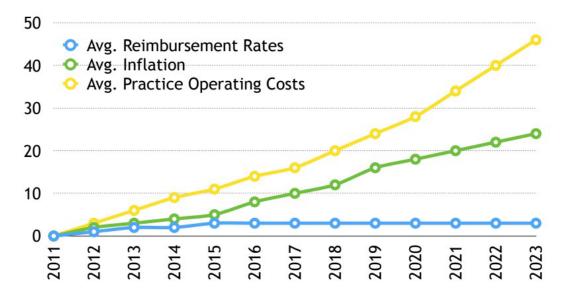




Reimbursement Rate Realities

- Average Reimbursement rates have been largely stagnant over the last 10 years and are projected to stay stagnant or be lowered for the next 5 years.
- Payers often revise fee schedules without recourse or notifying you.
- Inflation and the ever increasing practice operating costs continually reduce independent practices bottom lines.
- The only way to increase your bottom line is to increase patient volume and work longer hours... unless you negotiate your rates...

Historical and Projected Practice Costs vs Rate Increases



Operating Costs Data derived from MGMA Datadive for revenue and expenses
Inflation Data from Kiplinger





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Thank you

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