



EDUCATIONAL RESOURCES

Better Rates. Better Pay.

Leveraging Payer Contracting Insights for ASCs

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Introduction

- About Me – Nick Coy
 - Background in econ, valuation, market analysis
 - Specialize in payer contracting strategies
 - Passion for expanding access to quality care

- Agenda:
 1. Understanding payer contracting today
 2. Role of data transparency
 3. Case Study: Ophthalmology group
 4. Case Study: Pain management group
 5. Key lessons for ASC leaders
 6. Q&A



Strategic Contracting for Growth & Goals

What we've heard and seen:

Payer contracting = strategic leadership priority

Common challenges:

- Aging, outdated contracts
- Limited network participation
- Multi-state complexity
- Fragmented contract visibility
- Financial + patient access implications

Evaluate to Evolve: Managed Care Contracting

- Prioritization of contracts and positioning
 - Do your contracts fit your competitive position and market dynamics?
 - Do actual reimbursements match contract construction?
 - Are all products included that should be?
- Outreach to payers – Negotiations / New Network Access
 - Establish an extensive network of contracts at the plans to achieve fast results for new network access and negotiations.
 - Clearly define and articulate what differentiates you from the competition.
- Negotiations
 - Conduct fee schedule analyses using projected utilization data
 - Carve out highlight utilized codes
 - Incorporate price transparency data into your negotiations
 - Lock in increased rates for extended time (3 years recommended)

News Flash



Hospital Price Transparency

Hospital price transparency helps Americans know the cost of a hospital item. Starting January 1, 2021, each hospital operating in the United States will be required to publish accessible pricing information online about the items and services they provide.

1. As a comprehensive machine-readable file with all items and services.
2. In a display of shoppable services in a consumer-friendly format.

This information will make it easier for consumers to shop and compare prices and estimate the cost of care before going to the hospital.

CMS audits a sample of hospitals, in addition to investigating complaints that hospitals may face civil monetary penalties for noncompliance. To learn more about the rule, visit the [Hospital Price Transparency Fact Sheet](#).

[Access a list of hospitals that have been issued CMPs.](#)



Hospitals

The Hospital Price Transparency rule goes into effect on January 1, 2021. Is your organization prepared to be compliant?

Ready to know what the price is for a service? Visit [what hospital price transparency is](#)



Health insurers just published close to a trillion hospital prices

On July 1, insurance companies started dumping an absurd amount of data onto the internet. No one appreciates the scale of it.

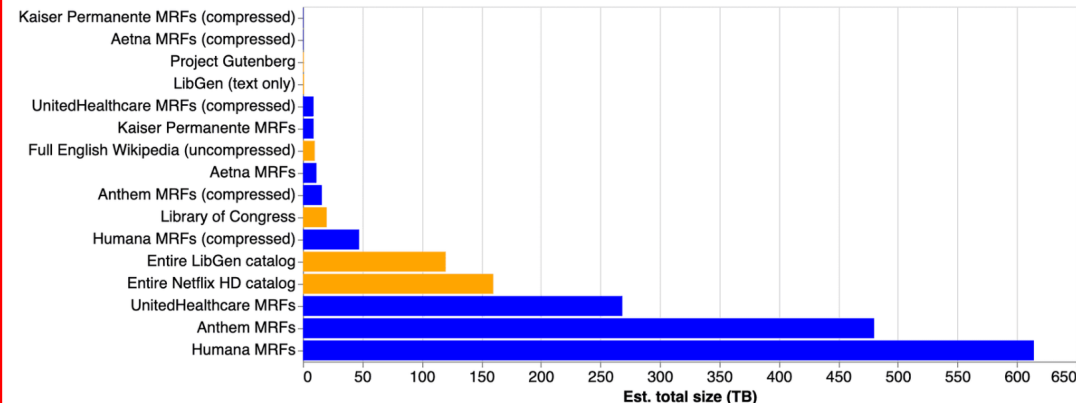
I scraped the headers for hundreds of thousands of files from Humana, UnitedHealthcare, Aetna, and others.

Compressed, the the sum total of the data they're offering up weighs in at around 100TB. That data, uncompressed, the data runs into the petabyte range, dwarfing the Library of Congress, the LibGen catalog, the full uncompressed English Wikipedia, and the entire HD Netflix Catalog — combined.

How much data did insurance companies just publicly dump?

On July 1st, insurance companies were ordered to publish all of their negotiated rates. UnitedHealthcare, Aetna, Humana and others dumped dozens of TB of data onto their "transparency in coverage" pages, as required by law, in the form of "MRFs" or "Machine Readable Files". That's dozens of TB (compressed!) of prices they negotiated with hospitals and clinics.

I scraped the file headers for the major insurers to see how much data was out there. It turns out that it would take months for an ordinary team to scrape and process this data. See how these MRFs (blue) compare with other databases (orange).



CMS Fines 2 Hospitals for Price Transparency Violations

Large Final Rule (F)

violations of its the third and the rule took effect more common — enforcement

ed today by the Department of Health Labor, and the Department of the nt Trump's executive order on American Healthcare to Put Patients putting health care price information ers, advancing the Administration's the critical information they need to

the data: not for

s the tools needed to access pricing e builds upon previous actions the sparency by giving patients access to i has already finalized requirements including negotiated rates with third- ency in Coverage final rule will reduce goal of bringing greater competition

Sabrina Corlette

The Power of Price Transparency

- What it is:
 - Requires every payer to publish in-network negotiated rates for every provider each month
- Why it matters:
 - ~170M covered lives & 10,000+ plans
 - CPT, HCPCS, DRG, NDC codes
- Provider Benefits
 - Benchmark rates
 - Identify competitive gaps
 - Inform market entry/expansion strategies

aetna™ Anthem® Cigna®

KAISER PERMANENTE® UnitedHealthcare®

BlueCross BlueShield of Arizona BlueCross BlueShield of Maryland BlueCross BlueShield of Texas BlueCross BlueShield of Tennessee BlueCross BlueShield of Alabama BlueCross BlueShield of North Carolina BlueCross BlueShield of Illinois BlueCross BlueShield of Oklahoma BlueCross BlueShield of Vermont BlueCross BlueShield of Rhode Island Wellmark BlueCross BlueShield

Transparency in Coverage

unitedhealth In Network Out of Network Index

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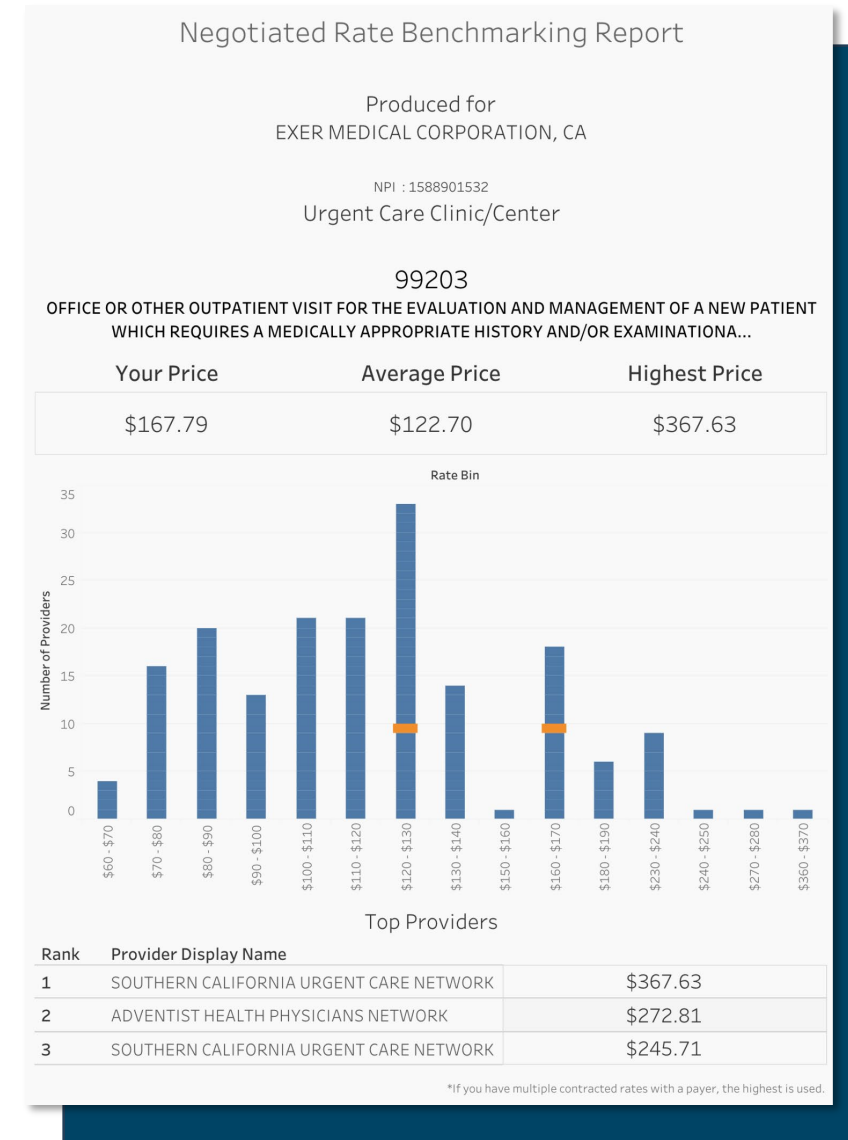
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United	93010	Sat Jul 01 20	7.3400015	ffs	CPT negotiated

Data Sample: Urgent Care

Geo	Los Angeles County, CA
Billing Class	Professional
Insurance	Cigna
Taxonomy Codes	Urgent Care Clinic / Centers

- Benchmark shows E&M 99203 rates for Cigna treatment facilities
- Height of each bar indicates the number of NPIs that have that contracted rate
- Top-3 highest rates / providers are shown along the bottom



Case Study: Ophthalmology

 99 clinics, 9 ASCs, Multi-state

Challenge

- Overextended team
- Aging contracts
- ASC network gaps

Actions

- Prioritized contracts by revenue
- Centralized contract management
- Expanded ASC access in NV & TX

Results

- \$1M revenue gains in 2 years
- 38% ASC rate increase in NV
- 10+ new ASC patient referrals/month in TX



Case Study: Pain Management

 Clinics + ASCs in 5 States

Challenge

- Multi-state growth
- Internal people + process changes
- ASC payer gaps

Actions

- Strategic payer contracting
- Market-specific expansion plans
- ASC-focused rate improvements

Results

- 81 agreements over 5 years
- ASC rates up to 180% CMS
- Expansion into CO & IN with payer participation



Practical Lessons for ASC Leaders







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Thank you

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