

### **3 Reminders for Effective ASC Managed Care Contracting**

Susan Charkin, MPH, president of Healthcents, an ASC and physician specialty hospital contracting and consulting group, offers the following three reminders for ASCs negotiating contracts.

**1. Carve out your top procedures.** When you submit a proposal to a payer, you should ask for your top five or six procedures separately, Ms. Charkin says. In addition to presenting statistics on these procedures such as case volume and costs, you will want to convince the payer why you deserve higher rates. "What the payers are going to be looking at is whether there other specialists or ASCs in your area that do what you do," she says. "They are going to weigh whether they would be better off giving you the increase or risk losing you as an in-network provider."

**2. Understand the payer chain of command.** Payers have a three-tier system, says Ms. Charkin. They have a low-level person, a mid-level person and a senior level executive. "If you start at the top, all they do is push you back down to the bottom and you've wasted that time and your first opportunity" to correspond with the senior executive, she says.

When you want to connect with a payer, do not call their claims or provider relations departments. You will want to reach a person in their contracting division. "Start there, work with them and then work your way up," Ms. Charkin says. "The people who have the most power aren't even in contracting, they reside in the actuarial department. Frankly, most of the contracting people are just mouthpieces for actuarial. What happens when you send the proposal letter is the contractors send the letter to actuarial, the people in actuarial work out their numbers and then they come back to contracting with a counter proposal which they give to you. Regardless, you're still going to have to convince that low-level person first."

**3. Show your value.** As with demonstrating why a payer should carve out your top procedures, you will need to show a payer why they should contract with you (or continue to do so) and at good reimbursement rates for your entire procedure.

"You have to show them your book of business, how much did you collect last year from that particular payor, how many patients did you see," Ms. Charkin says. "That kind of information is key."

"Also, how do you compare to other similar providers in your geographical area," she says. "If you're the only game in town, you're going to have a lot more leverage. Another issue: Do your doctors only admit to your ASC and the hospital? Even if there are other ASCs in the area, if your doctors are admitting only to yours and you have the only hand specialist in town, for example, that's going to give you a lot of leverage."