Managed Care: Payor Strategies

Cathy Apfel
Director of Managed Care and Business Operations
Objectives

1. Goals and Components of Managed Care
2. Products and Networks
3. Payor Strategies for Negotiations
4. Key Takeaways
Goals of Managed Care

- Profitability
- Patient Growth
- Cost Control – reduce inappropriate use of services
- Improved Operational Efficiency (Provider Network)
- Metrics Management (scorecards)
- Customer Satisfaction and Product Value
- Compliance (CMS, DOH, DOI, DOJ, NCQA, URAC, etc...)
- Improve Quality
- Accessible, Quality Oriented, Price Competitive, stable long term fixed contractual relations with providers which represent efficient, stable, predictable relationships that can be leverage with insurance companies.

HOW DOES THE ABOVE IMPACT YOUR STRATEGY?
Products & Networks

- **Preferred Provider Organization (PPO)**
  - No Medical Home – contracted network for In-Network benefits
  - Reduced out-of-network benefits
  - Limited utilization management
  - Deductibles, coinsurance and co-pays

- **Point of Service (POS)**
  - Possible Medical Home – contracted network for In-Network benefits
  - Reduced out-of-network benefits
  - HMO style utilization protocols
  - Deductibles, coinsurance and co-pays and higher deductibles, coinsurance on OON benefits
Products & Networks

- **Health Maintenance Organization (HMO)**
  - Medical Home – limited network to localized care
  - No non-emergent out-of-network benefits
  - Preferential pricing
  - Primarily co-pays

- **Indemnity (Traditional)**
  - No Medical Home – open network
  - Deductibles and coinsurance
Payor Strategy for Negotiations

1. **CURRENT STATE ASSESSMENT:**
   - Agree on payment structure
   - Formulate preliminary payor value propositions
   - Confirm internal quality measures that are achievable
   - Assess your provider network to determine if you have deficiencies in critical areas
   - Identify how you will fill those deficiencies (telehealth, contracts with larger organizations etc)
   - Review current patient population (Medicare/Medicaid/Commercial/Exchange)
   - Understand your market and the services that are needed for your patient population

2. **DEVELOP INITIAL PAYOR STRATEGY:**
   - Identify target payor partners
   - Analyze current FFS contracts
   - Understand your Total Cost of Care-physician fee schedules in the market
Payor Strategies for Negotiations

3. **INITIAL ENGAGEMENT WITH POTENTIAL PAYOR PARTNERS:**
   - Hold initial meetings with potential payor partners to determine their needs
   - Understand the potential data they will require and can share with you

4. **ANALYZE THE PAYOR DATA:**
   - Determine total accountable medical costs
   - Develop proposed incentive model based on network participation, incentives and timeframes
Key Takeaways

- Know your population
- Develop strong partnership with strategic insurance payors
- Know your value in your marketplace
- Be open and have foresight as you develop the future state of your organization
QUESTIONS??