

Navigating Negotiations With LHA's **Managed Care Contracting Services**

The Challenge

The client is a nationally recognized provider of ophthalmology services. The client's contracts for their 3 major commercial payers had all entered autorenewal and the client needed an understanding of how their current rates positioned them in the payer market. Additionally, the client needed assistance with:

1. Identifying key stakeholders at the major commercial payers
2. Negotiating new contract rates & contract language.

The Solution

Lighthouse Healthcare Advisors (LHA) assessed the current rates and contract language. Contract language can be complicated, which is why our team feels it is extremely important to read every contract in detail, cutting through the minutiae. Once we had a thorough understanding of the contracts, we created a portfolio summary that detailed the total revenue and percentage of Medicare by coding category for each payer. The recommended initial proposals were modeled out based on the client's current utilization patterns. A payer strategy was developed in collaboration with the client to determine the order and approach to each payer negotiation.

LHA Pro Tip

It is important for providers to perform periodic reviews of payer contracts to ensure they are receiving optimal reimbursement for services rendered and to consider taking advantage of alternative payment models.

The Result

- LHA was able to successfully execute contracts for each major commercial payer as well as negotiate more favorable contract terms regarding mergers and acquisitions as the group continues to grow.
- LHA facilitated all communication with the payers and obtained rate increases that totaled \$2.3 million across three payers in year one with an additional \$1.6 million in years two and three.
- The increases brought the client to top of market rates that will allow for sustainable growth as they employ additional providers.
- LHA continues to partner with client, as we negotiate rates for additional commercial payers as well as their Facility contracts for their Ambulatory Surgery Centers.

Revenue Increase Across 3 Payers

