

# McKesson Practice Consulting Solutions for Payor Contracting

## Benefits

- Comprehensive approach to payor assessment and negotiation
- Business intelligence required to negotiate from strength
- More than 20 years of experience in negotiating managed care agreements
- Comprehensive database of contracting information to ensure that you win the terms and rates you deserve
- Proven results of securing favorable agreements

Pressure from commercial payors aimed at freezing or reducing physician payments is unrelenting across nearly every specialty. Making matters worse, Medicare and Medicaid reimbursements continue to decline, and unreasonable agreement terms and conditions have become the norm.

For many practices, the only viable strategy to regain long-term financial stability is to pressure the commercial payors for higher reimbursements.

The McKesson Practice Consulting Solutions team specializes in negotiating with commercial payors, IPAs and PHOs on behalf of physician groups. Whether you're seeking a new contract with a national or regional carrier or improvements to existing agreements, the McKesson consultants can help you win the terms and rates you deserve.

## A Range of Expertise

As the nation's largest provider of outsourced business management services, McKesson has developed a wealth of operational knowledge across every major physician specialty. We understand what it takes for you to provide your services and we can help you position the value of what your services and skills are worth.

We also realize that payor reimbursement rates frequently

reflect neither the intrinsic value of the underlying service nor the reimbursement levels that similar specialties are being paid in your market or nationwide. That's why we've created a comprehensive database that allows us to easily compare offers against prevailing contract terms, conditions and market rates by specialty — locally, regionally and nationally.

As a result, you're no longer operating in a vacuum when it comes to payor negotiations. That means the odds of achieving an equitable agreement are much greater.

## Knowledge Is Power

When you work with McKesson Practice Consulting, our first step is to conduct a thorough review of your entire payor portfolio. This includes understanding your commercial payor mix and Medicare and Medicaid volumes. Next, we'll evaluate the range of services your group provides to determine each payor's volume. And we'll study what other payors are contractually obligated to reimburse for these services. Our objective is to clearly understand how different reimbursement scenarios will affect your cash flow.

We then focus on developing intelligence about the payor, including its product offerings, its volume for each product, and whether problems have been presented in the past with claims

## Fast Facts

- Hundreds of payor contracts negotiated for numerous specialties nationwide
- 20% to 30% revenue increases received from single contracts
- Entire markets pushed to higher reimbursement levels as a result of the McKesson Practice Consulting Solutions team
- 100+ clients served annually by our consulting team

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processing, inappropriate denials, or other areas. We'll look closely at the payor's history in the local market and the company's reputation locally, regionally and nationally.

## Rates and Terms

Next, we'll assess the payor's reimbursement methodology. Whether it's a percentage of Medicare allowables, the payor's own fee schedule, discount from billed charges, flat-fee carve-outs or some combination thereof, knowledge about the reimbursement method allows us to accurately project the financial impact of a variety of proposals.

## The Political Landscape

It is critically important to understand the various political factors often associated with a particular agreement or payor. If the contract is rejected by the group, will this trigger problems with the hospital, referring physicians or others in the medical community? Will patients be subject to group balance billing? Will the payor begin paying the patients

## For More Information

For more information about our practice consulting solutions, visit [www.per-senowmckesson.com](http://www.per-senowmckesson.com) or call 1-800-789-6409.

directly? Broadly speaking, we're aware of the need to balance relationships with key business partners against the necessity of securing the best possible deal.

## More than Money

Improved reimbursement rates are only one of the objectives that the McKesson Practice Consulting Solutions team will pursue. Others include requirements for providing services to future noncontracted patients, clarity about claims submission, payment terms, duration of the agreement and straightforward processes for amending or escaping the contract.

## The Lessons of Experience

Successful managed care negotiations typically aren't accomplished with a singular negotiation stance. That's why we utilize several different negotiation approaches. We also rely on our experience, the single most important ingredient behind our success. Understanding the process, the players and a variety of potential outcomes is critical to reaching a fair and equitable outcome for you.