



Medical  
Business  
Service, Inc.

[www.mbs-net.com](http://www.mbs-net.com)

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Medical Business Service, Inc. is owned and operated by the Herald family – the founders.

- The "Partner of Choice" for large practices
- Experts in achieving the highest managed care allowances
- Will provide a list of radiologists we serve with contact information
- Will provide a guarantee against cash lag in a transition

## LEARN FROM EXPERIENCE

### Demanding Fair Payment from Managed Care Companies

Consider it a "given" that Medicare and Medicaid will pay you less every year and that the demographics are changing so as to result in more patients being covered by Medicare. If you permit the managed care companies to not make up the difference or at least maintain their rates, should be anticipating the squeeze of higher expenses and lower remuneration. Couple that with the shortage of radiology talent and you may be facing serious trouble. Now is the time to control the remuneration of the only payer over which you have some leverage.

Here's what you do:

1. Create a spreadsheet showing your remuneration (I hate the term "reimbursement"-it conjures up being paid back for an expense) for any payer which makes up more than 1 % of your revenue. You will be surprised how few there are.
2. Assure you have copies of the contracts including a fee schedule. Don't be surprised or start ranting if you don't have these, but don't let it happen again.
3. Audit to assure you are paid per the terms of the agreement. Once you go through the gyrations to figure out what the pay rate should be (150% of the Humana fee schedule which is based on 2002 RBRVS global allowance times 35%), make sure you are paid properly.
4. Establish the market rate or floor rate you will accept from payers. You will need your spreadsheet as a guide. Your best leverage is if your largest payer remits at a higher rate than the rest. They set the market rate and likely your floor rate.
5. Presuming you are hospital based, communicate with the CFO. Tell them you are only seeking to be paid the market rate for your services and, while you intend to be serious about this, you will not harm the hospital. You need them because the managed care company will go straight to the hospital for their leverage.
6. Consider getting outside help. It is against the terms of every contract to share remit rates. But consultants and billing agencies know what other radiology groups are paid. Without violating the agreements, they can advise and/or represent you in negotiations. Your consultant or billing agency can use information garnered from other engagements to refute the mistruths that an offer is "the best in the region" or "as high as we can go".
7. Nothing will get the attention of the managed care company faster or more clearly than your sending a termination letter. Some would say sending the letter should be your first step. If your calls are not being returned, it is taking too long for the real decision makers to approve your requests, and you have a sense that you are not being treated professionally, don't believe for a second it is inefficiency. You are seeing a business strategy. Send the termination letter and that nonsense will stop right away.
8. Repeat these steps every 6 months,

The rest is up to you. Expect to be paid more. Remember that you are providing the best medical care in the world. And you are providing that care during a shortage of like specialists. All you are seeking is to be paid the market rate. Be loud and be proud.

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