McKesson Specialty Health Helps The Center for Rheumatology Effectively Negotiate With Payers and Move Toward Alternative Payment Models

While The Center for Rheumatology continues to grow, the number of team members dedicated to revenue cycle management remains lean and focused on day-to-day operations. The practice sought support from McKesson Specialty Health’s team of business consultants, who provide customized solutions designed to drive practice profitability and success. With hands-on experience working with other rheumatology practices around the country and a deep understanding of payer complexities, McKesson Specialty Health helped The Center for Rheumatology dissect their managed care contracts and identify areas of improvement.

“With their analysis, we were able to get an understanding of what’s good, what’s bad and what’s ugly with our contracts. More importantly, they spent time helping us understand the language, how these contracts are laid out, what the payers are actually saying, and taught us how to make business decisions based on our strategy,” said Marc Miranda, Revenue Cycle Manager at The Center for Rheumatology.
In one situation, The Center for Rheumatology did not participate in a payer’s insurance plan, which left patients to seek treatment elsewhere or pay for out-of-network care. The McKesson Specialty Health team negotiated a two-year agreement including protective and best efforts language. The contract also included improved timely filing and medical record request timelines, as well as mutual assignment and physician protection related to the ability to access all remedies under the law. The agreement yielded a projected $1 million in new revenue for The Center for Rheumatology as they could see new patients whose insurance the practice now accepted.

Another payer sent the practice a contract amendment containing a unilateral reduction in their fee schedule, a change that would create a $325,000 decrease in annual reimbursement. McKesson Specialty Health’s payer contract negotiation specialists minimized the overall loss with a successful counter offer and helped the practice formulate strategies to counter future fee schedule reductions.

With the confidence to effectively engage with payers, The Center for Rheumatology is now turning its attention to the future of reimbursement by implementing quality improvement programs that benefit the payer and the health system, but more importantly, the patient.

“We’re all in this together—it’s a partnership. What was great about working with McKesson Specialty Health was that they were able to teach us how to navigate the conversation with payers about alternative payment models and how to reduce downside risks to our practice. We have to work together with our commercial insurance payers to improve quality and reduce costs to the system; we cannot work against one another,” said Marc Miranda.

McKesson Specialty Health’s expertise in working with payers has made The Center for Rheumatology more financially sound and, set up for success, the physicians and staff can remain focused on caring for patients.