

Hawthorn Solution

Support for Your Financial Goals

Hawthorn Physician Services

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Take Control of Your Fee Schedule

Protect your bottom line with fees that are fair, consistent and defensible

The start of a new year offers an opportunity to assess the state of your medical practice and to identify areas that need attention. It is appropriate, for example, to review your existing payer contracts and update your fee schedule.

Don Harris, Hawthorn's director of business development, says your practice should revise its fee schedule at least once a year. "The healthcare market is constantly changing," Harris says, "and your fee schedule has to keep up with the pace of change. Unfortunately, some practices are losing money with fee schedules that are out of date."

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Harris notes that maintaining an updated fee schedule is a fundamental business objective. "Maintaining a current fee schedule is simply good business," Harris says. "Other businesses do this every year, looking at costs and identifying the factors that drive revenue and profit. Also, a defensible, carefully assembled fee schedule is the starting point for negotiating contracts with insurance companies."

Shelly Bangert, Hawthorn's director of revenue cycle management, says your fee schedule should be tied to the prevailing fees in your local market. "All payers recognize regional differences," Bangert says. "When we conduct a fee schedule analysis for one of our clients, we compare their charges to examples from similar practices, in a range from low to high, and these ranges are

geographically adjusted for the local area and for current work relative value units (wRVUs). The low to high range is important, because you don't want your fee schedule to represent either extreme."

Bangert recommends increasing fees incrementally. "You want to avoid a sudden hike in fees. We're seeing a trend toward higher insurance deductibles, which means more patient responsibility for unpaid balances. Hospitals are sensitive to the community, and gradual increases are easier to defend. That's why we recommend updating your fee schedule at least once a year."

Bangert also recommends using a uniform fee schedule for all insurance carriers. "Payers reimburse different amounts for the same procedures," Bangert says. "You don't want to bill based on those differences, because that makes it nearly impossible to calculate and track. You need a consistent approach that makes it easier to keep up with your accounts receivable."

Visit www.hawthorngrp.com to learn more. Contact us directly to discuss support for your financial goals, including fee schedules that are fair, consistent and defensible.



HAWTHORN
PHYSICIAN SERVICES CORPORATION

Addressing Complexity with Certainty