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Dear Providers,

There have been many changes in managed care over the past few years. The Affordable Care Act has driven some of the changes and market factors are driving others. Fee schedules are declining. The economy is not what it once was and there is some uncertainty about the future. We frequently hear from providers who are dealing with the challenges of the times.

Activ has been working hard to help you. This newsletter contains three positive articles that we hope will help you deal with some of the challenges:

1. Better fee schedule opportunities with Admin fee calculations that are 11% below contract amount.
2. Improved fee schedule on MultiPlan/PHCS contract; and
3. Capitation Adjustments issued to Premium Providers and GCA network members.

Please read the articles and let me know if you have any questions.

Mark Brickhouse
Executive Director

Do You Still Have a Direct Contract With MultiPlan & PHCS? If So, Why?

Last Fall, Activ announced a new contract with MultiPlan and PHCS. Also, we announced that Beech Street, which is owned by MultiPlan, was included in our new contract. It took several months for MultiPlan to fully implement (and approve) the contract, but by now you should have noticed a difference in fee schedules. There was some confusion when MultiPlan tried to reduce the fee schedule they initially offered, but we were able to obtain the original higher schedule. Of course, you will only notice the difference if you are using ActivHealthCare as your only source for MultiPlan and PHCS.

Here are the two major differences between the contract Activ has and the typical contract a provider would have, either directly with MultiPlan/PHCS or through another source:

1. The Activ contract DOES NOT include Auto. If you are getting discounts on auto from MultiPlan it is because of some other contract you acquired outside of Activ.
2. The Activ fee schedule is higher than those offered through direct contracts. According to information provided by MultiPlan, the Activ fee schedule is 15% or 25% (depending on the CPT code) higher than a provider would receive on a direct contract or through old group contracts. If you still have a direct contract, your claims are being discounted more than necessary.

Based on these two differences, the smart provider who wants a higher fee schedule will re-evaluate his/her direct relationship with MultiPlan/PHCS and start submitting those claims through Activ.

Memorial Health Partners Fee Schedule Changes June 1, 2013

MHP has recently announced a change to their fee schedule to be implemented on June 1, 2013. The new schedule is posted on our website under Network Resources. You must log in to see Fee Schedules and Term Summary Sheets. The change will affect providers in the Savannah area and surrounding counties serviced by the MHP network.

2012 Capitation Adjustments - \$188,000 Back to Providers

We are a little late announcing this, and quite surprised that more providers did not notice, but ActivHealthCare has issued two rounds of capitation adjustments to our Premium Providers and GCA member providers. The first was issued on 12/27/12. The second was issued at the end of March. The total amount issued was approximately \$188,000. The average adjustment payment to a provider was about \$800, but the amount varied based on the claims volume received from the provider's office.

8.5% < 10%

Most of our Term Summary Sheets state our admin fees will be 10% of the allowed amount. The admin fee is the amount we keep to cover our cost. (The Term Summary Sheets are part of your Provider Agreement. They are available on our website if you need to view them. First login, then look at Network Resources.)

In 2012, the admin fees averaged 8.495% of the allowed amount. Activ has not been deducting admin fees or carrying them forward on claims where there is no payment from the carrier or on claims where the payment is coming from a secondary payer. For these reasons, our admin fees collected throughout the year do not total 10% of allowed charges. Activ shows the amount of admin fee deducted per line on a claim on our remittance advice to providers.

By the way, if you want to see what other networks are keeping, ask a patient to bring you a copy of the EOB they receive from their carrier. We have heard of fees ranging from 20% - 48%, depending on the group.

Timely Filing of Claims

There are many ways to reduce costs on health insurance. One way that has been gaining popularity is to reduce the timely filing requirements. Activ has noticed that more insurance plans/policies are requiring claims to be submitted within 90 days, some even 60 days or less. If the claim is not received in a timely manner it is not covered.

We strongly suggest you do the following to decrease the possibility of your claims being denied.

1. Document the timely filing rules when you verify coverage.
2. Make sure your claim (CMS1500 form) is completed properly.
3. Submit claims electronically and review your clearinghouse reports to make sure the claims were received. Office Ally offers free clearinghouse services and the tools necessary to assist you in fighting inappropriate denials due to timely filing issues.
4. Follow-up on claims that are not processed by the carrier in a timely fashion. Be sure to document the calls.

TLC Benefit Solutions

TLC Benefit Solutions has requested that we tell our providers in South Georgia and Valdosta the following:

1. TLC Benefit Solutions does not accept electronic claims. Any claims that are submitted electronically, will be denied.
2. TLC has 120 timely filing.