

Late Night With Chip & Paulie

Episode #9

Thursday August 18, 2022 @ 8:00PM(ET)

3



Krekamey Craig, MD

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Options To Protect Your Margin 5

1. Limit CoL / Merit Increases
 - o Effect Of Compounding
 - o Set Payscale Limits
 - o Combination of "Regular" increase & one-time payments?
2. Provider Production Incentives
 - o Correlated to salary & threshold
3. Review MCO Contracts
 - o Renegotiate rates



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Agenda

- This Week's Focus
- Data Nerd Report
- Provider Margin Review
- MCO Negotiations
- Employee Retention Credit (ERC)

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Focus For The Week...



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Latest Data From The Data NERDS

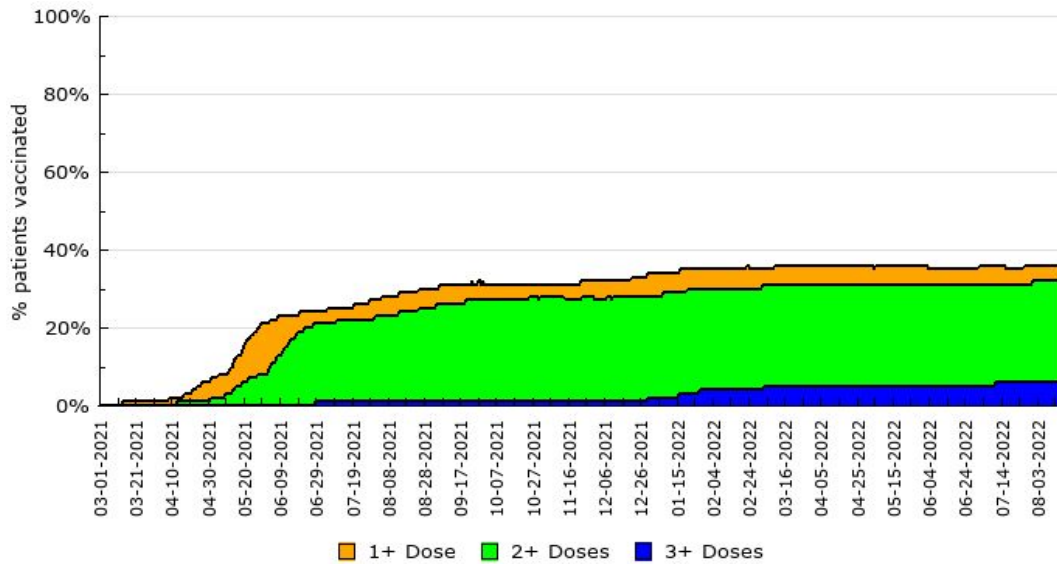
COVID Vaccine Administration Rates Among Pediatricians (Aug 2022)

Doses Administered	6m - 4y	5y - 11y	12y - 17y	18y - 20y
0	91%	76%	68%	70%
1+ / 1	9% / 4%	24% / 4%	32% / 3%	30% / 3%
2+ / 2	5% / 5%	20% / 16%	29% / 19%	27% / 16%
3+ / 3+	0% / 0%	4% / 4%	10% / 10%	11% / 11%

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Latest Data From The Data NERDS

8



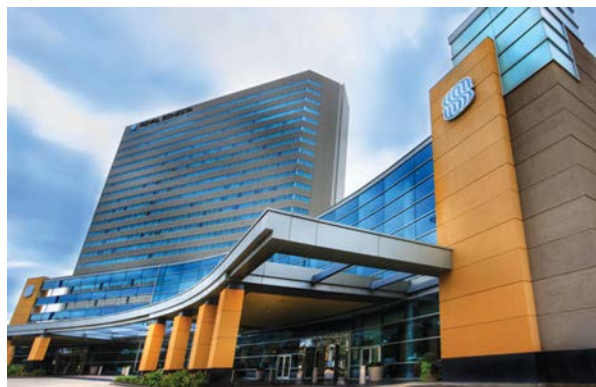
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PMI Conference 2023

9

- First weekend in February
- Houston @ Royal Sonesta Near Galleria
- Registration and details coming soon
- *Will be limited to 400 attendees...it's sure to sell out quickly.*
- *As of today less than 30 spots left...*



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Pre Conference Sessions for 2022

10

- **Practice Management**
 - Audit Your Own Charts For Billing Compliance (Lander)
 - Front Desk Best Practices (Lynne Gratton)
 - Do Your Own Financial Analysis (Tim Proctor)
- **Marketing**
 - Self-Promotion For Marketing Success (Ernest)
 - Responding To Social Media Attacks (Baldwin/Wolynn)
 - Effective Tools For Marketing Management (Feiten)
- **Supergroups**
 - The Role Of Supergroups In Pediatrics (Madden)
 - Lessons Learned From The Field (Sirota)
 - Legal Issues For Supergroups
 - Panel/Group Discussion
- **The Reach Institute**
 - Eugene Hershori & Peter Jensen



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www.TheREACHInstitute.org

What's On The Pediatric Practice Management Calendar?

11

August 18, 8pm

Paulie and Chip Late Show Webinar

Check Material Versions (Q)

WWW site management (M)

Confirm clinician/payor associations (Q)

Update Employee Lists (Q)

Review policy and procedure manuals (Y)

Waiting Room Analysis (Q)

Run reports your PM/EHR can't produce retrospectively (M)

Perform all desktop/device system upgrades (M)

2022 AAP NCE Practice Management Classes Added!

bit.ly/PediatricPracticeManagementCalendar

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Next Few Years...

Rising labor costs
 Rising supply costs
 Stagnant Payer Payments
 More productivity to maintain earnings?

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	Scenario A	Scenario B	Variance (\$)	Variance (%)
Practice Revenue	\$ 1,000,000	\$ 800,000	\$ (200,000)	-20.00%
Fixed Costs	\$ 400,000	\$ 400,000	\$ -	
Variable Costs	\$ 250,000	\$ 200,000	\$ (50,000)	-20.00%
Total Costs	\$ 650,000	\$ 600,000	\$ (50,000)	-7.69%
Overhead Rate	65.00%	75.00%		
Available for Physician Compensation	\$ 350,000	\$ 200,000	\$ (150,000)	-42.86%

Really?!?

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Lessons From The Field

Monitoring Provider Margins

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The screenshot shows a detailed financial analysis spreadsheet. Key sections include:

- Margin Review Last 12 Months:** A table with columns for Actual, Budget, and three physician categories (Physician, Extender, Extender, Physician). Rows include Total Payments, Immunization Payments, Lab Payments, Personally Performed Payments, Assigned Overhead Rate, Assigned Overhead (\$), Remaining Margin For Comp & Margin, Total Gross Wages Paid, Employment Taxes, Benefits, CME, Practice Margin (\$), and Practice Margin (%).
- Proposed Salary/Bonus For 2023:** A table with columns for Days Worked For Weeks (1, 2, 4, 4, 4, 4) and rows for Proposed Base, Proposed Employer Taxes, Proposed Benefits, Proposed CME, Total Proposed Comp Cost, Revenue Needed To Cover Salary/Benefits, Practice Margin Desired, Threshold, Prior 12 Month Revenue, Bonus Dollars, Bonus Rate, Bonus Earned, Total Proposed Salary & Bonus, Base & Bonus Compare, and Practice Margin For Proposed 2023 Salary/Bonus.
- Comparison Between Last 12 Month Actual and Proposed Comp for 2023:** A table with columns for Base & Bonus Compare and rows for Expected Revenue Interrelated, Expected OH Rate, Expected Allocated OH Expense, Proposed Salary, Proposed Benefits & CME, Proposed Bonus, and Employer Taxes.

Steps:

1. Review last 12 Months
2. Plug In Expected Future Salary
3. Make adjustment(s) for change in:
 - o Days Worked
 - o Overhead Rate
 - o Base Salary
4. Compare & Tweak As Needed

AutoSave Off Sample_Margin_Analysis - Saved Search (Alt+Q)

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Clipboard Font Alignment Number Styles Cells

			D	E	F	G	H	I	J	
			Bashful	Doc	Dopey	Grumpy	Happy	Sleepy	Sneezy	
			Physician	Physician	Physician	Extender	Extender	Extender	Physician	
1										
2	Margin Review Last 12 Months									
3			Physician	Physician	Physician	Extender	Extender	Extender	Physician	
4	A	Total Payments	Actual From PM System	\$ 450,000	\$ 680,000	\$ 975,000	\$ 850,000	\$ 875,000	\$ 730,000	\$ 675,000
5	B	Immunization Payments	Actual From PM System	\$ (125,000)	\$ (185,000)	\$ (280,000)	\$ (225,000)	\$ (240,000)	\$ (220,000)	\$ (215,000)
6	C	Lab Payments	Actual From PM System	\$ (33,500)	\$ (40,000)	\$ (79,000)	\$ (55,000)	\$ (65,000)	\$ (40,000)	\$ (37,500)
7	D	Personally Performed Payments	Sum A:C	\$ 291,500	\$ 455,000	\$ 616,000	\$ 570,000	\$ 570,000	\$ 470,000	\$ 422,500
8										
9	E	Assigned Overhead Rate	Calculated	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
10	F	Assigned Overhead (\$)	D * E	\$ (174,900)	\$ (273,000)	\$ (369,600)	\$ (342,000)	\$ (342,000)	\$ (282,000)	\$ (253,500)
11										
12	G	Remaining Margin For Comp & Margin	D + F	\$ 116,600	\$ 182,000	\$ 246,400	\$ 228,000	\$ 228,000	\$ 188,000	\$ 169,000
13										
14	H	Total Gross Wages Paid	Actual from Payroll System	\$ (82,500)	\$ (125,000)	\$ (170,000)	\$ (105,250)	\$ (100,000)	\$ (96,500)	\$ (125,000)
15	I	Employ(ER) Taxes	H * 8.65%	\$ (7,136)	\$ (10,813)	\$ (14,705)	\$ (9,104)	\$ (8,650)	\$ (8,347)	\$ (10,813)
16	J	Benefits	TBD	\$ -	\$ (6,000)	\$ (6,000)	\$ -	\$ (6,000)	\$ (4,800)	\$ (2,400)
17	K	CME	TBD	\$ (800)	\$ (1,200)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,250)
18										
19	L	Practice Margin (\$)	Sum G:K	\$ 26,164	\$ 38,988	\$ 54,195	\$ 112,146	\$ 111,850	\$ 76,853	\$ 29,538
20	M	Practice Margin (%)	L/D	9.0%	8.6%	8.8%	19.7%	19.6%	16.4%	7.0%

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	A	B
1	Overhead Calculation	
2	Total Revenue	\$ 6,200,000
3	Immunization Drug Rev	\$ (1,500,000)
4	Non-Vaccine Revenue	\$ 4,700,000
5		
6	Operating Expenses	\$ 4,500,000
7	Vaccine Expenses	\$ (1,250,000)
8	Employed Physician Wages	\$ (300,000)
9	Extender Wages	\$ (130,000)
10	Non-Vaccine Operating (\$)	\$ 2,820,000
11	Non-Vaccine Operating (%)	60.00%
12		

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L29

			D	E	F	G	H	I	J
			Bashful	Doc	Dopey	Grumpy	Happy	Sleepy	Sneezy
22	Proposed Salary/Bonus For 2023								
23	Days Worked Per Week		1.75	3	4	4	4	4	3
24	N Proposed Base		\$ 85,000	\$ 120,000	\$ 160,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 120,000
25	O Proposed Employer Taxes	$N * 8.65\%$	\$ 7,353	\$ 10,380	\$ 13,840	\$ 6,920	\$ 6,920	\$ 6,920	\$ 10,380
26	P Proposed Benefits		\$ -	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ 4,800	\$ 2,400
27	Q Proposed CME	$\$400 \text{ per schedule days}$	\$ 700	\$ 1,200	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,200
28	R Total Proposed Comp Cost	Sum N:Q	\$ 93,053	\$ 137,580	\$ 181,440	\$ 88,520	\$ 94,520	\$ 93,320	\$ 133,980
29									
30	S Revenue Needed To Cover Salary/Benefits	$R / (1-E)$	\$ 232,631	\$ 343,950	\$ 453,600	\$ 221,300	\$ 236,300	\$ 233,300	\$ 334,950
31	T Practice Margin Desired	$S * X 10\%$	\$ 23,263	\$ 34,395	\$ 45,360	\$ 22,130	\$ 23,630	\$ 23,330	\$ 33,495
32	U Threshold	$S + T$	\$ 255,894	\$ 378,345	\$ 498,960	\$ 243,430	\$ 259,930	\$ 256,630	\$ 368,445
33	V Prior 12 Month Revenue	D	\$ 291,500	\$ 455,000	\$ 616,000	\$ 570,000	\$ 570,000	\$ 470,000	\$ 422,500
34	W Bonus Dollars	$V - U$	\$ 35,606	\$ 76,655	\$ 117,040	\$ 326,570	\$ 310,070	\$ 213,370	\$ 54,055
35	X Bonus Rate	<i>Discretionary/Contracted</i>	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
36	Y Bonus Earned	$W * X$	\$ 3,561	\$ 7,666	\$ 11,704	\$ 32,657	\$ 31,007	\$ 21,337	\$ 5,406
37	Z Total Proposed Salary & Bonus	$N + Y$	\$ 88,561	\$ 127,666	\$ 171,704	\$ 112,657	\$ 111,007	\$ 101,337	\$ 125,406
38									
39	Comparison Between Last 12 Month Actual and Proposed Comp for 2023								
40	AA Base & Bonus Compare	$H + Z$	\$ 6,061	\$ 2,666	\$ 1,704	\$ 7,407	\$ 11,007	\$ 4,837	\$ 406
41									

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Conditional Formatting Format as Table Cell Styles Insert Delete Format AutoSum Filter Sort & Find Filter Select Clear

L53

			D	E	F	G	H	I	J
			Bashful	Doc	Dopey	Grumpy	Happy	Sleepy	Sneezy
42	Practice Margin For Proposed 2023 Salary/Bonus								
43	BB Expected Revenue Generated	D	\$ 291,500	\$ 455,000	\$ 616,000	\$ 570,000	\$ 570,000	\$ 470,000	\$ 422,500
44	CC Expected OH Rate	E	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
45	DD Expected Allocated OH Expense	$BB * CC * -1$	\$ (174,900)	\$ (273,000)	\$ (369,600)	\$ (342,000)	\$ (342,000)	\$ (282,000)	\$ (253,500)
46	EE Proposed Salary	N	\$ (85,000)	\$ (120,000)	\$ (160,000)	\$ (80,000)	\$ (80,000)	\$ (80,000)	\$ (120,000)
47	FF Proposed Benefits & CME	$(P + Q) * -1$	\$ (700)	\$ (7,200)	\$ (7,600)	\$ (1,600)	\$ (7,600)	\$ (6,400)	\$ (3,600)
48	GG Proposed Bonus	Y	\$ (3,561)	\$ (7,666)	\$ (11,704)	\$ (32,657)	\$ (31,007)	\$ (21,337)	\$ (5,406)
49	HH Employer Taxes	$(EE + GG) * 8.65\%$	\$ (7,660)	\$ (11,043)	\$ (14,852)	\$ (9,745)	\$ (9,602)	\$ (8,766)	\$ (10,848)
50	II Expected Margin (\$)	$BB + DD + EE + FF + GG + HH$	\$ 19,679	\$ 36,091	\$ 52,244	\$ 103,998	\$ 99,791	\$ 71,497	\$ 29,147
51	Expected Margin (%)	II / BB	6.75%	7.93%	8.48%	18.25%	17.51%	15.21%	6.90%

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Sliding Scale Base Salary By Scheduled Days Worked

Days per week	4	3	2	1
Physician Base	\$ 160,000	\$ 120,000	\$ 80,000	\$ 40,000
Extender Base	\$ 80,000	\$ 60,000	\$ 40,000	\$ 20,000
Physician CME	\$ 1,600	\$ 1,200	\$ 800	\$ 400
Extender CME	\$ 1,600	\$ 1,200	\$ 800	\$ 400

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Merck Pricing Update

Merck has announced pricing changes, which will take effect November 10, 2022. There is a 90-day price discount available (starting on August 12, 2022 through and including November 9, 2022) to purchase the following products at the old (pre-increase) price:

- GARDASIL®9 (Human Papillomavirus 9-valent Vaccine, Recombinant)
- M-M-R®II (Measles, Mumps, and Rubella Virus Vaccine Live)
- ProQuad® (Measles, Mumps, Rubella and Varicella Virus Vaccine Live)
- RotaTeq® (Rotavirus Vaccine, Live, Oral, Pentavalent)
- VARIVAX® (Varicella Virus Vaccine Live)
- PedvaxHIB® [Haemophilus b Conjugate Vaccine (Meningococcal Protein Conjugate)]
- RECOMBIVAX HB® [Hepatitis B Vaccine (Recombinant)] (5 mcg/0.5 mL)
- RECOMBIVAX HB® [Hepatitis B Vaccine (Recombinant)] (10 mcg/mL)
- RECOMBIVAX HB® [Hepatitis B Vaccine (Recombinant)] (40 mcg/mL)
- VAQTA® [Hepatitis A Vaccine, Inactivated] (25U/0.5 mL)
- VAQTA® (50 U/1 mL)

This discount offer is available to Eligible Clinics purchasing through the Agreement.

The updated pricing will be on our website in the near future.

Please contact us at (888)-482-6246 or your Merck vaccine representative for any specific questions you may have.

Home / Influenza vaccines / Reservation

Reservation

2022-2023 Formula | Confirmed ✔

My shipments



Download shipping info:



Status ▾	Ship date	Units/Doses	Tracking
TBD	TBD	200/2000	
Scheduled	08/31/2022	50/500	
Scheduled	09/14/2022	50/500	

Showing 3 of 3

Cash Flow Planning

Goto Forum and search "Cash Flow"

Forum.PediatricSupport.com

Plan Year End Distributions

COVID 19 Business Impact Webinar #7 - April 30th Register Here. / Is This Forum Helpful? Want To Say Thanks? / PMI's Recent White Paper / Watch Recent Webinar Now

Cash Flow Projection Spreadsheet

Finance



Mar 26

Many of us know how to plan out cash flow. I thought I'd help everyone get started with this basic spreadsheet... more details during our webinar this evening [👉](#).

[📎 PMI_Cash_Flow_Planning.xlsx \(43.8 KB\)](#)

Week Of	Estimated Weekly Deposits	Estimated Payroll Expenses	Vaccine Invoices Due	Rent Payments	All Other Office Expenses	Running Balance
3/28/2020	\$ 20,000	\$ 15,000	\$ 5,500	\$ 5,000	\$ 1,500	\$ -5,500
4/5/2020	\$ 20,000	\$ -	\$ 3,500	\$ -	\$ 1,500	\$ 24,500
4/12/2020	\$ 10,000	\$ 15,000	\$ 1,750	\$ -	\$ 1,500	\$ 24,750
4/19/2020	\$ 7,500	\$ -	\$ 1,750	\$ -	\$ 1,500	\$ 28,000
4/26/2020	\$ 7,500	\$ 15,000	\$ 1,500	\$ 3,000	\$ 1,500	\$ 12,500
5/3/2020	\$ 7,500	\$ -	\$ 2,000	\$ -	\$ 1,500	\$ 16,500
5/10/2020	\$ 5,000	\$ 15,000	\$ 2,000	\$ -	\$ 1,500	\$ 2,000
5/17/2020	\$ 5,000	\$ -	\$ 1,750	\$ -	\$ 1,500	\$ 4,250
5/24/2020	\$ 5,000	\$ 15,000	\$ 3,200	\$ -	\$ 1,500	\$ (8,750)
5/31/2020	\$ 5,000	\$ -	\$ 1,200	\$ 5,000	\$ 1,500	\$ (13,450)
6/7/2020	\$ 5,000	\$ 15,000	\$ 900	\$ -	\$ 1,500	\$ (23,850)

Managed Care Contract Negotiations

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Steps in MCO Negotiation



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Self Evaluation

Competition

What separates you from your competition?

Competitors

What do you do clinically better than your competitors?

Benefits

What benefits do you bring to the hospitals you cover?



Patients

What are benefits to the patients you treat?

Satisfaction

In your opinion what is the level of patient satisfaction?

Healthcare

What do you do clinically that reduces healthcare costs for the payer?

Special

What about your group makes you "special" within the payer's provider network?

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MCO Objective

Balancing Act:

- Income & Premiums
- Expenses & Claims
- Viable Panel



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Review The Data

Identify The Problem

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Tracking Your Rates

Sample Tracking Sheet

CPT Code	MCR	Fee	Payor 1 Rate	Payor 1 %age	Payor 2 Rate	Payor 2 %age
99211	\$ 20.41	\$ 26.00	\$ 21.03	103%	\$ 25.52	125%
99212	\$ 43.89	\$ 55.00	\$ 45.21	103%	\$ 54.86	125%
99213	\$ 72.81	\$ 91.00	\$ 74.99	103%	\$ 91.01	125%
99214	\$ 106.83	\$ 134.00	\$110.04	103%	\$133.54	125%
99215	\$ 142.90	\$ 179.00	\$147.18	103%	\$178.62	125%

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Tracking Your Payors

Health Plan	Gross Charges	Actual Payments	Collection Rate	Total A/R	Days in A/R	Eligibility info	Prior Auth's	Referral Approval	Down Coding	Timely Payment	Hassle Scale
Payor 1	\$ 236,000	\$ 115,000	48.73%	\$ 57,000	88.16	5	3	4	4	6	4.4
Payor 2	\$ 149,000	\$ 76,000	51.01%	\$ 41,000	100.44	3	6	6	8	2	5
Payor 3	\$ 91,000	\$ 50,000	54.95%	\$ 30,000	120.33	8	8	6	8	4	6.8
Payor 4	\$ 58,000	\$ 31,000	53.45%	\$ 21,000	132.16	4	6	6	6	2	4.8
Payor 5	\$ 41,000	\$ 23,000	56.10%	\$ 10,000	89.02	8	5	4	6	8	6.2
Payor 6	\$ 32,000	\$ 15,000	46.88%	\$ 9,000	102.66	4	5	4	2	5	4

Please see disclaimer on slide 2 of this presentation as related to prices listed and/or use of CPT codes above

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M96 A C D E F G

1 MCO1 MCO2 MCO3 MCO4 MCO5

79 Labs

80 36416-Capillary blood draw

81 81002-Urinalysis nonauto w/o scope

82 82270-Occult blood feces

83 82465-Assay bid/serum cholesterol

84 83655-Assay of lead

85 85018-Hemoglobin

86 87420-Resp syncytial ag ia

87 87430-Strep a ag ia

88 87804-influenza assay w/optic

89 87880-Strep a assay w/optic

90 89000-Specimen handling office-lab

91 Vaccine Admins

92 90460-im admin 1st/only component

93 90461-im admin each addl component

94 90471-immunization admin

95 90472-immunization admin each add

96 90473-immune admin oral/nasal

97 90474-immune admin oral/nasal addl

98 Behavioral / Health Assessments

99 96110-Developmental screen w/score

100 96111-Developmental test extend

101 96127-Brief emotional/behav assmt

102 96150-Assess hth/behav init

103 96151-Assess hth/behav subseq

104 96160-Pt-focused hth risk assmt

105 96161-Caregiver health risk assmt

106 Office Visits

107 99203-Office/outpatient visit new

108 99204-Office/outpatient visit new

109 99213-Office/outpatient visit est

110 99214-Office/outpatient visit est

111 99391-Per pm reeval est pat infant

112 99392-Prev visit est age 1-4

113 99393-Prev visit est age 5-11

114 99394-Prev visit est age 12-17

115 99395-Prev visit est age 18-39

116 99401-Preventive counseling indiv

37

Groupings:

1. Labs
2. Vaccine Admins
3. Behavioral / Health Assessments
4. Office Visits
5. Vaccine Drugs
6. Hospital (If Applicable)

Data Should Be Based On Actuals

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- Announcements
- Data Validation
- Overview
- Benchmarks
- Trends ▾
- Financial
- Location Analysis ▾
- Provider ▾
- Vax Labs CPTs ▾
- Denials ▾
- Coding ▾
- Insurance ▾
 - Insurance Carrier Median Payment Table
 - Insurance Carrier Collection Table
- Patient ▾

Insurance Carrier Median Payment Table

CPT Classification:

Carrier	99391		99392		99393	
	Per pm reeval est pat infant	Units Analyzed	Prev visit est age 1-4	Units Analyzed	Prev visit est age 5-11	Units Analyzed
UMR		132		101		44
1199 NATIONAL BENEFIT FUND		11		7		3
1199 SEIU		26		20		23
1199 SEIU BENEFIT FUNDS		38		30		61
1ST HEALTH NETWORK				1		
90 DEGREE BENEFIT						1
90 DEGREE BENEFITS/VALENZ						1
ABS AUTOMATED BENEFIT SERVICES 38259		60		64		28
UMER HEALTH INC						
ACS MEDICAID		10		567		263
ADMINISTRATIVE CONCEPTS						1



Understanding the New Contracts

Understand what is being offered and how the contracts work

1 Risks

Is it all upside or are there risks associated? (e.g. withheld payments)

Requirements 3

Do you have the ability to meet the requirements of these programs (through IT capability, provider buy-in, etc.)

2 Bonus?

Are you able to effectively calculate your potential 'bonus'?

Improvements 4

Can you effectively measure where you stand today and if targets for improvement are likely to be met within the measurement period?



What To Do To Prepare



Assess whether the quality programs being offered by your largest plans are likely to create revenue opportunities commensurate with the effort required

- Evaluate which offerings can benefit you today
- Start preparations for mandatory changes coming tomorrow



New contracting initiatives will require physician behavior modification

- Determine how willing your physicians are to embrace change and begin planning for it now

Best Bets

Start developing

Start developing clinical quality, patient education and preventive / counseling programs now

Join a larger group or organization

Join an IPA, ACO, Super-group or other organized entity that may offer enhanced rates in return for compliance in producing quality care

Become a Medical Home

Recognition will be key to taking advantage of incentive bonuses / preserving payment rates

Contract Questions to Ask

1. Are third party administrator, network brokers or repricers defined as a "Payer" in this contract?
2. Does this contract subject the "Provider" to a 'rental network PPO?
3. Is this contract subject to an "All Products" provision?
4. What is the methodology used for "General Offsets and Adjustments"?
5. Is there a "Comparable Provider Rate" or "Most-favored nations" provision?
6. What year of Medicare fee schedule is being used?
7. What is the precise methodology used in payment?
8. Is "rate averaging or weighting" used in your formula of payment?
9. Are Medicare's Coding Edits used or does the plan have its own coding edits, or a coding companion guide?
10. How do I access information and how often are the edits revised?
11. What are the steps to be taken for litigation?
12. Will the Provider and Non-Physician Providers be allowed to give advice or counsel to the enrollee concerning his or her current
13. Is there a "hold harmless" clause?
14. Does the plan carry re-insurance?
15. Are your stop-loss provisions per enrollee based on total dollars or on a case by case basis?
16. What is the definition of catastrophic illness and the protocol for reporting?
17. Will "consideration privileges" be granted in the event the credentialing process is longer than 90 days?
18. How long must we see enrollee's after termination of this contract?
19. Is there a cap on damages in the event liability?
20. Does this contract differ in statute of limitations from the state in which the "Provider" is practicing?
21. Who is the Medical Director and the Director on the Panel of my specialty? What is their location, phone number and email address?

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Traps



Vaccine Carve Outs



Vaccine Rates



Blended vs. Line Item



Evergreen Contracts



Favored Nations Clauses



Hide Issues in Policies & Procedures



Using Various Medicare Rates (Varies by Year)



They Will Lie!



Responding to the enemy...



When you hear this...
"I'm not authorized to make that decision"
Say this...
"Who should I be talking to?"

When you hear this...
"I'll get back to you on that"
Say this...
"When can I expect a response?"

When you hear this...
"We can't afford that"
Say this...
"You Earned X amount last year"

When you hear this...
"We can't send you rates for thousands of codes"
Say this...
"Send me the rates for my top 25 codes"

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Abstracting The Contracts

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	A	B	C	D
1		BBMCO	MCO1	MCO2
2	Phase I- Inquiry			
3	Contract Effective Date(s):	January 1, 2020		
4	Renewal Date	January 1, 2021		
5	Days Notice To Cancel	90 Days		
6	Network Name(s):	Little Apples, Orange Grove		
7	Product Type(s):	PPO, HMO, EPO		
8	Products/Networks/Plans Not Contracted for:	Medicare Advantage		
9	Network Contracted Through	Direct / IPA / CIN, etc.		
10	Largest Employer In Area	Wal Mart		
11	# 2 Employer In Area	Coca Cola Bottler		
12	# 3 Employer In Area	ABC Community Hospital		
13	Current Number of Patients Covered (GWP Actives)	2500		
14	Factor of Medicare RBRVS	125%		
15	Factor of Medicare RBRVS Year			
16	Factor of Medicare GPCI Applied			
17	Medicare RBRVS Method	(Blended or Line by line)		
18	Medicare RBRVS Year	Current Year (2020)		
19	Nurse Practitioner Rates	No Differential		
20	Nurse Practitioner Rates Source	www.BBMCO.com/np_rate_rules		
21	Physician Assistant Rates	No Differential		
22	Physician Assistant Rates Source	www.BBMCO.com/pa_rate_rules		
23	Medicare Fee Schedule Information	https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/index.html		
24	Escalator(s) Available	.09% Increase each year to initial contracted rates.		
25	Immunizations Rate	100% of AWP		
26	Immunization Pricing Source	Not specified		
27	Immunization Rate Update	Quarterly		
28	Laboratory Pricing Program			
29	Preferred Reference Lab	Quest, LabCorp, etc.		

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	A	B	C	D
1		BBMCO	MCO1	MCO2
59	Termination Without Cause:	Thirty (30) days prior written notice by either party, or upon the effective date of a fully executed Provider Participation Agreement		
60	Refunds/Recoupments:	Providers have 60 days to dispute or reimburse BBMCO for the amount of the overpayment. If the provider does not reimburse or dispute the overpayment within this time period, BBMCO will reconcile overpayments through electronic adjustments in future payment cycles, using industry standard procedures identifying the claim overpayment for which the adjustment will be made, and subject to any applicable regulatory limitations or any restrictions in the provider's network agreement		
61	Services Requiring a Referral:	For PPO products), referrals to providers should not be required Online Portal: www.avality.com Provider Manual: Appendix 1: Level 1 Prior Authorization Review List Appendix 2: Level 2 Prior Authorization (Clinical) Review List		
62	Services Requiring Authorization:	Appendix 2-A: Specialty Drugs Requiring Clinical (Level 2) Review Appendix 2-B: Potentially Unproven, Investigational or Experimental Services Requiring Clinical (Level 2) Review		
63	Lesser of Billed Charges Application:	Unless prohibited by the network agreement, BBMCO has the right to pay the lesser of the contract rate or billed charges		
64	Medical Record Copy Charge:	N/A		
65	New Technology:	N/A		
66	Reimbursement Policy:	www.BBMCO.com/reimbursement_policy		
67	Credentialing Information:	The credentialing process is initiated through the ACO group. Contact Provider Relations at pia@bbmco.com or call 800-555-1212 for follow up.		
68	MCO Credentialing Form(s)	www.BBMCO.com/Credentialing_Forms		

	A	B	C	D	E
1		BBMCO	MCO1	MCO2	MCO3
33	Phase II- Contract Details				
34	Lessor of Billed Charges or Medicare RBRVS	Unless prohibited by the network agreement, BBMCO has the right to pay the lesser of the contract rate or billed charges			
35	Site of Service Differentials	N/A			
36	Non-immunization with CMS ASP	100% ASP + 6% (Current Medicare)			
37	Non-immunization with no CMS ASP	140% of RBRVS for non-immunizations with no CMS ASP, 80% of billed charges for codes not included in the current CMS RBRVS fee schedule			
38	ASP Information	www.BBMCO.com/asp_info			
39	Vaccine Carve-Out Rate Notes	N/A			
40	Lab Carve-Out Rate Note	N/A			
41	DME Carve-Out Rate Note	100% of current year Medicare RBRVS			
42	All Other Carve-Out Notes	N/A			
43	Default Rate	80% of billed charges (all services with no payment rate assigned)			
44	Locum Tenens Rates	No Differential			
45	Locum Tenens Rates Source	www.BBMCO.com/locum_rate_rules			
46	Provider Profiling				
47	Consumer Lookup Site	www.BBMCO.com/provider_ratings			
48	Current MCO Rating	3 of 5 stars with "Above Average Costs"			
49	Rating adjustment frequency	Annually- March			
50	Rating notification	Direct to provider			
51	Rating appeal timeline	30 days			
52	Consumer review rating	5 of 5 stars			
53	Incident-To Billing Guidelines	www.BBMCO.com/incident_to_rules			
54	Operational Summary				
55	Coding Updates:	BBMCO follows coding standards as established by CMS			
56	Timely Filing Requirement:	90 days from the date of service			
57	Timely Payment Requirement/Penalty:	Clean claims shall be paid, denied, or settled within thirty (30) calendar days after receipt if submitted electronically, within forty-five (45) days after receipt if submitted by paper			
58	Termination Without Cause:	Thirty (30) days prior written notice by either party, or upon the effective date of a fully executed Provider Participation Agreement			

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BBMCO	
Payor Information	
Appeal (First Level) Time Limit:	The provider payment dispute must be submitted within 180 days of the original explanation of payment (EOP).
Appeal Policies and Procedures:	See Provider Payment Dispute Process in the Provider Manual (Section 5: Claims and Provider Reimbursement)
Medical/Reimbursement Policies Located:	Contact Provider Services at 800-555-1212
Provider Directory Located:	www.BBMCO.com/provider_directory
Provider Manual Located:	www.BBMCO.com/provider_manual
How to Obtain Authorizations:	Submit via fax: Download the appropriate form through the BBMCO Provider Resources Page, under Other Tools and Resources:
Coordination of Benefits:	If BBMCO is the "secondary payer", BBMCO is only legally obligated to pay claims subject to the primary payer's payment responsibilities. Coordination of benefits occurs during claims adjudication to ensure payment is made for only that portion of the claim for which BBMCO is responsible. If BBMCO is primary, they will pay claims according to the terms of the Agreement.



		BBMCO	MCO1	MCO2	MCO3
4	Phase III- Operational				
5	Appeal Submissions Address:	Appeals & Grievances: BBMCO Plan P.O. Box 123 Anywhere, TX 77584			
6	Appeal Submissions Fax Number:	N/A – call Provider Services at 800-555-1212			
7	Sample ID Cards Located:	Access BBMCO's Provider Self Service Portal: Through Availity: (www.availity.com) or contact Provider Services at 800-555-1212			
8	Claims Address:	BBMCO Plan P.O. Box 987654 Anywhere, TX 77584			
9	Claims Follow up:	Contact Provider Services			
0	Claims Follow Phone	800-555-1212			
1	Claims Follow Up Website:	www.BBMCO.com/claims			
2	EDI Payer ID #:	ABC123			
3	-Individual & Family Plans Fax	866-555-1212			
4	-Inpatient Admission/Services Fax	855-555-1212			
5	-Outpatient Procedures Fax	844-555-1212			
6	-Behavioral Health Fax	833-555-1212			
7	How to Obtain Eligibility Verifications:	Verify eligibility and benefits for your BBMCO patients by accessing their online portal			
8	-Eligibility Phone Number	866-555-1212			
9	-Eligibility Website	www.BBMCO.com/eligibility			
0	Website Address:	www.BBMCO.com			
1	Website Functionality:	Contact Provider Services at 888-867-5309			

Tracking Spreadsheet Will Be Posted In the PMI Forum

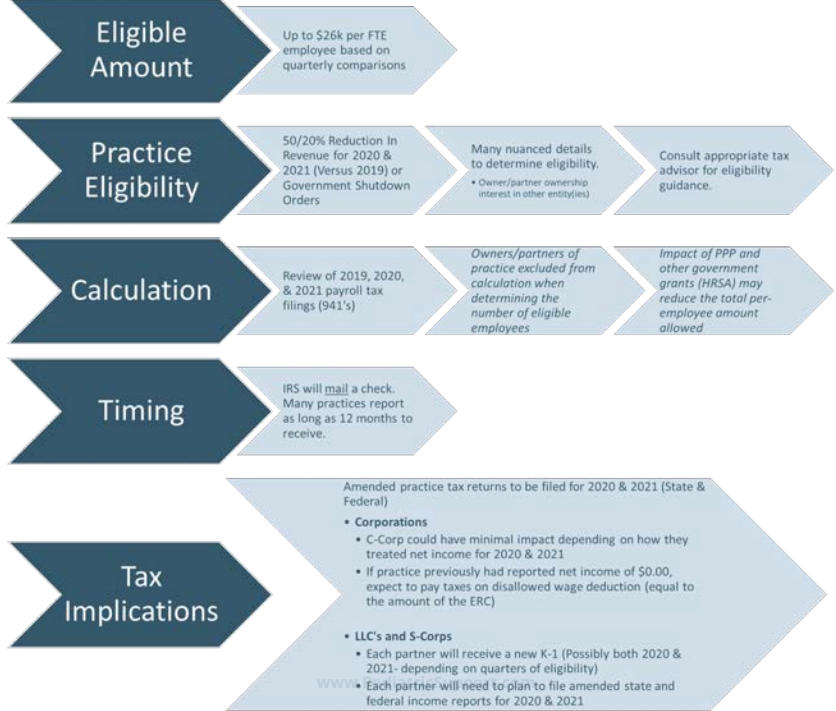
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Employee Retention Credit

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Estimated Net Proceeds For Corporation Filing for Employee Retention Credit

Receiving ERC will trigger a tax liability for the practice due to the IRS disallowing the payroll expense deduction equal to the amount of the ERC credit. For practices set up as C-Corporation, all tax liabilities will be incurred at the practice level. Some practices with reported loss or profit in 2020 and/or 2021 may see an impact on each owner's personal tax liability depending on how such loss/profit was treated for those years. Please consult your tax advisor for advice.

Determination of ERC amount is a byzantine process that takes into consideration specific quarters in 2020 and 2021 to examine the amount paid for payroll. Adjustments include PPP loan forgiveness, HRSA funds, disaster credits, work opportunity tax credits, and many other sources of government grants. Only after a comprehensive review of all related information specific to the practice can one anticipate the amount of the ERC credit the practice is eligible for.

A Estimated Maximum ERC Amount

\$ 420,000



2020 Credit Review

B	2020 Reduced Employee Payroll Expense Deduction	\$	75,000	Estimate based on rough calculation (\$5k per employee for single quarter)
C	Federal Corporate Tax Rate		21.00%	Reported On IRS Website
D	2020 Estimated Federal Tax Liability Incurred	\$	(15,750)	I X J
E	State Tax Rate (Varies According To Your State)		6.25%	Estimate based on range of 4-7% depending on net income amount and state
F	2020 Estimated State Tax Liability Incurred	\$	(4,688)	I X L
G	Total Estimated 2020 Tax Liability	\$	(20,438)	K + M

2021 Credit Review

H	2021 Reduced Employee Payroll Expense Deduction	\$	345,000	Estimate based on rough calculation (\$7k per employee for single quarter)
I	Federal Corporate Tax Rate		21.00%	Reported On IRS Website
J	2021 Estimated Federal Tax Liability Incurred	\$	(72,450)	O X P
K	State Tax Rate (Varies According To Your State)		6.25%	Estimate based on range of 4-7% depending on net income amount and state
L	2021 Estimated State Tax Liability Incurred	\$	(21,563)	O X R
M	Total Estimated 2021 Tax Liability	\$	(94,013)	Q + S

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**Summary**

N	Maximum ERC Credit	\$	420,000	H from above
O	Estimated Tax Liability for 2020 & 2021	\$	(114,450)	N + T
P	Estimated Fee Charged By Firm Filing ERC (10%)	\$	(42,000)	H X 10%
Q	Estimated Fee To File 2020 Amended Practice Return	\$	(3,500)	Varies depending on practice's accounting firm fee structure
R	Estimated Fee To File 2021 Amended Practice Return	\$	(3,500)	Varies depending on practice's accounting firm fee structure
S	Estimated Fee To File 2020 Amended Personal Tax Returns	\$	-	May not be applicable depending on distribution(s) paid, etc.
T	Estimated Fee To File 2021 Amended Personal Tax Returns	\$	-	May not be applicable depending on distribution(s) paid, etc.
U	Estimated Free Cash For Practice	\$	256,550	Sum U:BB
V	Percentage Netted To Practice		61.08%	BB / H

Executive Summary

While the practice may be eligible for an attention-grabbing amount, after considering the related filing fees tax implications for filing and amended tax returns for 2020 & 2021, the amount the practice benefits is potentially less than advertised

Tax Advisory Note

1. Every practice and partner/owner's tax situation is unique
2. The estimate above assumes that the increase in net income is applied to "last dollars taxed" as the individual partner/owner may have already been pushed into the higher tax bracket based on income already reported. As such, the calculation above is merely an estimate for illustration purposes to get a general sense of the tax liability derived from the ERC.
3. **Please consult with your practice/personal tax preparation firm to better quantify the impact of the practice filing for ERC.**

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LLC/Partnership Considerations

- Amended 2020 & 2021 Tax Returns
- Triggers reissued K1's
- Triggers the tax liability to be paid by the individual partner
- Pro-rated according to percentage of interest in LLC
- Slightly higher aggregate tax liability incurred

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Form **941-X: Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund**
 (Rev. April 2022) Department of the Treasury — Internal Revenue Service OMB No. 1545-0029

Return You're Correcting...
 Check the type of return you're correcting.
 941
 941-SS

Check the ONE quarter you're correcting.
 1: January, February, March
 2: April, May, June
 3: July, August, September
 4: October, November, December

Enter the calendar year of the quarter you're correcting.
 (YYYY)

Enter the date you discovered errors.
 (MM / DD / YYYY)

Part 1: Select ONLY one process. See page 6 for additional guidance, including information on how to treat employment tax credits and social security tax deferrals.

1. Adjusted employment tax return. Check this box if you underreported tax amounts. Also check this box if you overreported tax amounts and you would like to use the adjustment process to correct the errors. You must check this box if you're correcting both underreported and overreported tax amounts on this form. The amount shown on line 27, if less than zero, may only be applied as a credit to your Form 941, Form 941-SS, or Form 944 for the tax period in which you're filing this form.

	Column 2 Amount originally reported or as previously corrected for ALL employees	Column 3 Difference (If this amount is a negative number, use a minus sign.)	Column 4 Tax correction
1. Amount of wages paid after March 31, 2020, for leave taken before April 1, 2021.		$\times 0.124^*$	
2. Leave wages paid after March 31, 2020, for leave taken before April 1, 2021.		$\times 0.062$	
3. Leave wages paid after March 31, 2020, for leave taken before April 1, 2021.		$\times 0.062$	
4. Taxable Medicare wages & tips (Form 941 or 941-SS, line 5c, Column 1)		$\times 0.124^*$	
5. Taxable wages & tips subject to Additional Medicare Tax withholding (Form 941 or 941-SS, line 5d)		$\times 0.029^*$	
6. Section 3121(a) Notice and Demand—Tax due on unreported tips (Form 941 or 941-SS, line 5f)		$\times 0.009^*$	
7. Tax adjustments (Form 941 or 941-SS, lines 7 through 9)			

* If you're correcting your employer share only, use 0.062. See instructions.
 * If you're correcting your employer share only, use 0.0145. See instructions.
 * Certain wages and tips reported in Column 3 shouldn't be multiplied by 0.009. See instructions.

ERC Advisory Services

1. Coordinate With Your Accountant
2. Be careful with new firms “specializing” in filing ERC’s
3. Prefer for a CPA firm to complete the filing

Rates

- 8-35% depending on amount of ERC
- Prefer flat-rate pricing based on number of quarters the practice is eligible for