Managed health care

Business

Managed Health Care A contract is an important document that defines the relationship between the health care provider and a managed care organization (MCO). However, there are contract issues that may cause problems from the provider's perspective. They include:

1. A silent PPO (preferred provider organization)

A silent PPO occurs when the contracting party negotiates a discount with the provider, and then trades access to discounts to a nonrelated entity after the provider offers services to an individual covered by insurance policies of the nonrelated entity (Roberts, 2000).

2. Medical record issues

Under the South Carolina law, an individual (the patient) possesses the right to privacy for the information contained in the medical record. The patient's confidentiality must be protected by the provider. A provider is liable for breach of patient's confidentiality if they disclose confidential information related to the patient without their consent as required by the law (Roberts, 2000). When a managed care organization asks for the client's personal information to make payment decisions, it may undermine the confidentiality of the patient (Wellspring Counseling, 2005).

3. Amendment language

Providers should be careful in limiting the ability of the managed care organization to modify or amend the contract on its own. If it is possible, the provider is supposed to negotiate the amendment provision, which necessitates the consent of the concerned parties before any amendment is done (Roberts, 2000).

4. Dispute resolution process

Majority of the managed care contracts possess dispute resolution clauses.

These clauses deal with the manner in which disputes associated with the agreement will be resolved by the entities. The dispute resolution process includes mediation, arbitration, and litigation in court (Roberts, 2000).

5. Provider obligations

The contract must indicate that the provider is not mandated to offer, “ any services under the contract that it does not ordinarily and customarily provide to its patients who are not members of the contracting MCO and its affiliate plans” (Ziel, 1997). The concerned entities may consider adding a clause that particularly lists all the services provided by the MCO and the plans (Ziel, 1997).

6. Compliance and quality assurance programs and utilization management

One of the key issues in quality assurance and utilization management is that providers can be subjected by the managed care organizations to utilization management procedures and policies, which are administered inconsistently and unjustly. There are cases where the providers are not even offered the copies of the policies (Roberts, 2000).

7. Obligations after ending the managed care agreement

A provider is supposed to think about its mandates under the agreement before the contract is terminated. In most cases, the payors will try to obligate the provider to continue seeing the patients for a particular period at a discounted rate (Roberts, 2000).

8. Mechanisms for payment

The most important element of a managed care contract for the provider is the method in which the payment will be done. The contract must state when, what, and how the provider will be paid (DeBlasio, 2004).

9. Deductable and co-pay collections

Providers can bill HMO (health maintenance organization) and enrollees only for earlier specified payments such as deductibles, co-payments or for services not covered. In such a situation, the provider cannot bill the patient if the HMO is unable to pay its part of the bill (Roberts, 2000).

10. Claims and billing issues

Providers should try to negotiate uncontested or a clean claim language into the contract to protect its right to reimbursement. However, in most cases the payors use vague definitions of claims as a way of not paying the claims (Roberts, 2000). A contract that is poorly written misleads and confuses the parties (Kongstvedt, 2007).

References

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