

AVOIDING OVERPAYMENT

IMPLEMENTING BEST PRACTICES FOR PROVIDER CONTRACTING MAY PROTECT AGAINST POTENTIAL OVERPAYMENTS.

EMPHASIS AND CONSISTENCY, CENTRALIZATION AND FORMALIZATION

Create emphasis on and consistency with the employment contracting process. Consider centralizing physician contracting oversight and formalizing the contracting process. Formal and methodical contract reviews may include FMV and commercial reasonableness evaluation policies. To identify high-risk arrangements, organizations may need the expertise of an independent, third-party valuator as well as consultation with in-house and outside counsel.

UNDERSTAND THE DATA

Consistently seek to understand provider contract components and related data. Are requirements of all contract components feasible (e.g., total work hours)? Have compensation limits been set for each component and for total contractual compensation? Does total compensation fall within FMV? When using market data to support compensation, it is important to understand how the market compensation is calculated (calculation may vary from source to source). Consider performing a time sheet analysis and comparing this analysis to CMS time studies.

DOCUMENT PROPERLY AND AUDIT REGULARLY

Commit to maintaining proper documentation and pay physicians based upon the supporting documentation. Require physicians to document work for each role (e.g., time logs for administrative and call coverage services and, for clinical roles, documentation of wRVUs or patient volumes). Audit the documentation regularly and reconcile to services required and described in the contract.

OBLIGATIONS AND LIABILITIES

Ensure that provider contracts include force majeure clauses are included to further indemnify the Company against any unforeseen events that may require compensation reductions at the provider level.

SUMMARY

As physician compensation arrangements are under increasing regulatory scrutiny, organizations must make systematic efforts to understand individual components of physician contracts, determine whether overlapping services or duties exist, and review the stacked compensation to avoid overpayment and ensure regulatory compliance. Getting buy-in from physicians is key to this process. Ensure the providers understand the regulatory necessity of these administrative requirements, which may result in negative compensation adjustments if not properly followed.

For more more information, please contact us [here](#).



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