



Contracting Best Practices

Applying Old Lessons To New Situations

What you should be doing in contract negotiation and why

- **Simplify**
- Complex arrangements lead to confusion, delays and disputes.
- Use sound financial modeling to reduce risk, not convoluted contract provisions.
- Health plan negotiators may be unaware of claims processing system limitations.

What to avoid in contract language

- **Clarify**
 - Use short sentences—subject verb—object.
 - If you say the same thing twice, say it the same way.
 - Use examples for complex provisions.
- **Clarify**
 - Spell out definitions.
 - Clean up exhibits—Don't cut and paste.
 - Avoid vague references to manuals.

Monitor your contracts to ensure you receive expected payments

Adds revenue.

Improves bargaining position in contract negotiations.

Improves contract terms.

Improves financial modeling.

Monitor your contracts to ensure you receive expected payments

- Develop a routine expected payment audit protocol.
- Encourage billers to report trends and variances.
- Review expected payment audits, trends and variances quarterly.
- Track/report audit results, variances and trends by payer.

Don't Let Payers off the Hook

- Pursue appeals and provider remedies vigorously.
- Write formal demand letters to provider network management.
- Write to DMHC.
- Consider formal dispute resolution when amounts or trends warrant.