

10 Considerations to Negotiate Better Contracts: Tips for Healthcare Teams

The core business for healthcare providers is to keep patients healthy. However, healthcare contracts differ by payer and can include complicated provisions that get in the way of patient care. For example, if medication is restricted to procurement or administration at specific sites, delays in treatment and adverse events could occur. Contracts include stipulations on rates for reimbursement, allowable provider networks and credentialing, as well as medical necessity.

Understanding what is included in each contract is important to avoid claims denials and to ensure provision of reimbursable healthcare services to patients. Below are considerations for healthcare teams to consider when negotiating contracts with payers.

1. Review for site of care policies.

The purpose of “site of care” policies is to direct patients to receive their care at the most cost-effective location.

2. Does the health insurer allow for continuation of care?

When a patient receives an authorization for a treatment and starts the treatment, the health insurer should allow the patient to continue their current treatment if a policy changes while the patient is already undergoing treatment.

3. How will the health insurer provide policy change updates?

Ensuring that timely policy changes are received by the appropriate organizational stakeholder is necessary to ensure the risk to patient care is minimized.

4. Review step therapy policies.

Step therapy is a managed care approach that some health insurers use to cut costs. Often referred to as “fail first,” step therapy requires that patients try lower-cost medications before health insurers will allow or authorize more expensive treatments. Establish workflows delineating timelines for decisions for emergent and non-emergent situations and establish when it is appropriate to exempt patients from step therapy.

5. Does the health insurer allow for retrospective authorization requests?

Errors happen and authorization requests can be missed; it is important that the health insurer has an option to request a retrospective authorization to receive reimbursement.

6. Review for biosimilar preferred agents.

Many health insurers have chosen a biosimilar preferred agent to save cost. Verify if the hospital has also chosen cost saving biosimilar preferred agents. The patient’s treatment should not be held up due to discrepancies in preferred agents.

7. Does the health insurer have an automated authorization portal?

Electronic automation ensures that authorization submissions and communication with health insurers is timely to prevent paper backlog. Ask during the negotiation process about electronic submission for prior authorizations. If the health insurer does not offer it, you may decide not to contract with them in the future.

8. Review for copay accumulator policies.

Patients with cancer often have high copay costs for medication treatments, drug manufacturers offer copay assistance to commercially insured beneficiaries to cover the copay which can be applied toward the patient’s out-of-pocket/deductible. Many payers are moving away from giving the patient this benefit. A patient’s ability to afford their medication is linked to drug adherence.

9. Review market trends.

Pull data from other payers that your organization works with, compare, and negotiate accordingly.

10. Inquire about preferred provider status.

Oncology is a specialty practice that may require patients with cancer to be seen by providers who are not within the health insurer’s network. Ensure you have proper workflows in place to handle situations like this.

Delays in care are detrimental to patients with cancer, who often find themselves stuck in the fine print of health insurer policies. Leadership should proactively monitor how health insurer changes are impacting their organization and have continual conversations with the contracting department to find solutions.

By asking the right questions when contracting with health insurers, providers can ensure equitable access to cancer care.



Association of Community Cancer Centers

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