

# The Future of Transparency: Strategies for Payer and Provider Success



## **Introductions**



Denny Roberge

Principal | Berry, Dunn, McNeil
& Parker, LLC



Susan Prior

Principal | Berry, Dunn, McNeil
& Parker, LLC



Sandra Bonola

Senior Contracting Manager |
Berry, Dunn, McNeil & Parker, LLC



Roger Hau
Co-Founder & CEO |
PayerPrice



# **Navigating healthcare transparency**

1

Evolving landscape of healthcare transparency

2

The power of payer transparency data

3

Innovative use of data

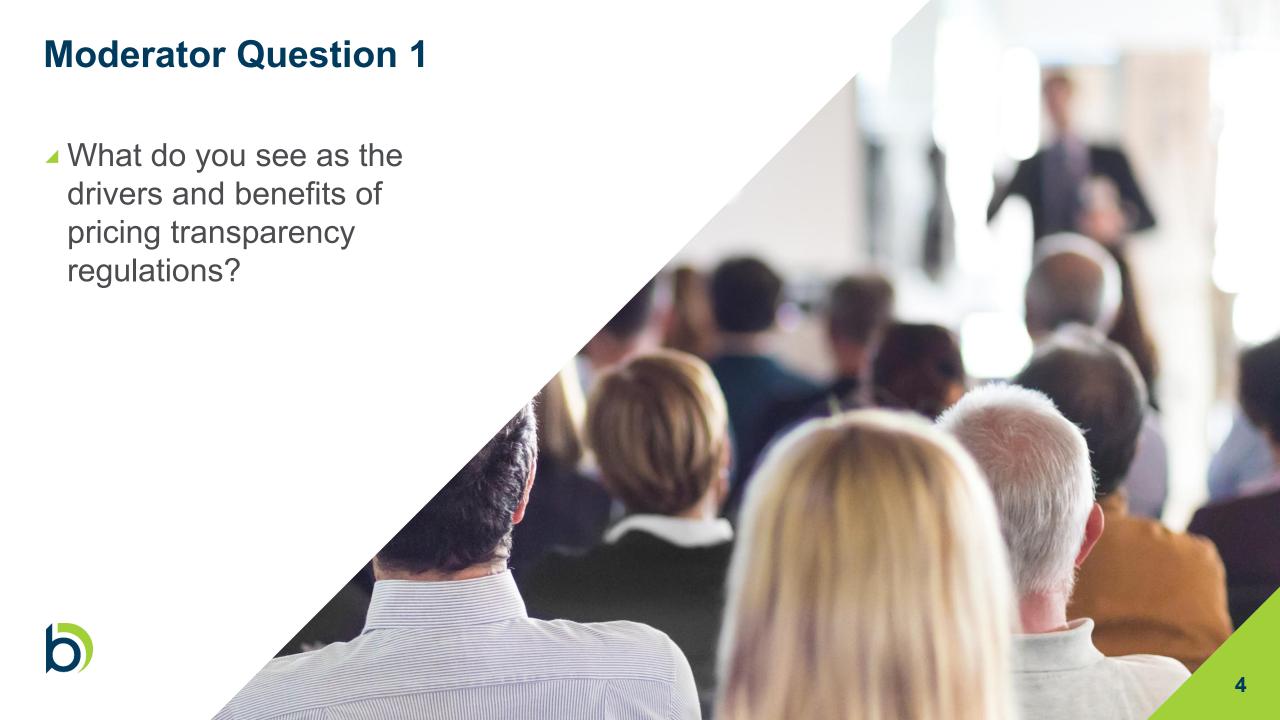
4

Strategic pathways for success with payor contracts

5

The importance of rational pricing in healthcare







# **Competitive rate analysis**

## Informed market-level pricing example

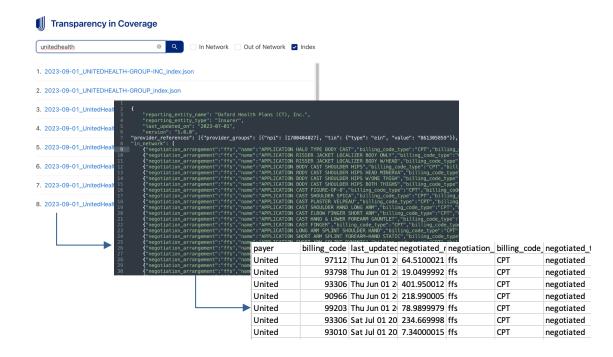
Payor-XXXX	Code description	Client	Competitor A	Competitor B	Competitor C	Avg rate	Client compared to avg
90785	Interactive Complexity (add-on code)	\$11.03	\$14.90	\$11.18	\$7.04	\$11.04	-\$0.01
90791	Psychiatric Diagnostic Eval	\$131.16	\$174.86	\$131.14	\$141.91	\$144.77	-\$13.61
90792	Psychiatric Diagnostic Eval w/medical services	\$150.03	\$196.55	\$147.41	\$159.38	\$163.34	-\$13.31
90832	Psychotherapy - 30 minutes	\$56.54	\$75.56	\$56.68	\$61.13	\$62.48	-\$5.94
90834	Psychotherapy - 45 minutes	\$76.03	\$99.97	\$74.98	\$88.41	\$84.85	-\$8.82
90837	Psychotherapy - 60 minutes	\$110.36	\$147.07	\$110.30	\$101.52	\$117.31	-\$6.95
90846	Family Psychotherapy with or w/o Patient 50 min	\$88.81	\$99.97	\$88.20	\$89.64	\$91.65	-\$2.85
90847	Family Psychotherapy with or w/o Patient 50 min	\$92.25	\$104.01	\$91.76	\$106.95	\$98.74	-\$6.50
90853	Group Therapy	\$40.00	\$40.00	\$40.00	\$33.00	\$38.25	\$1.75





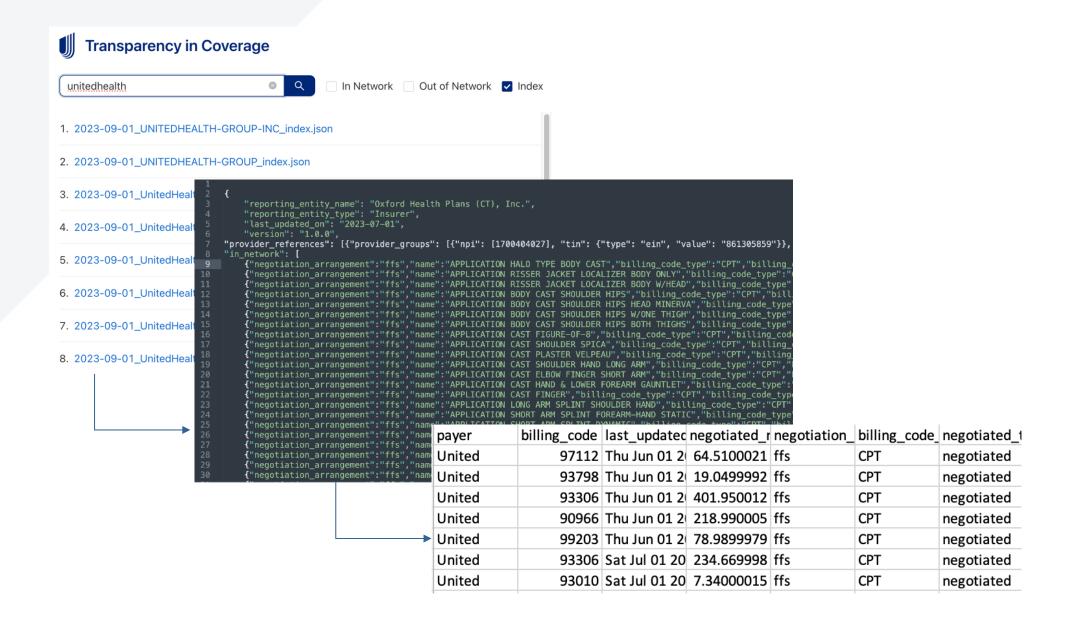
# **How PayerPrice Works**





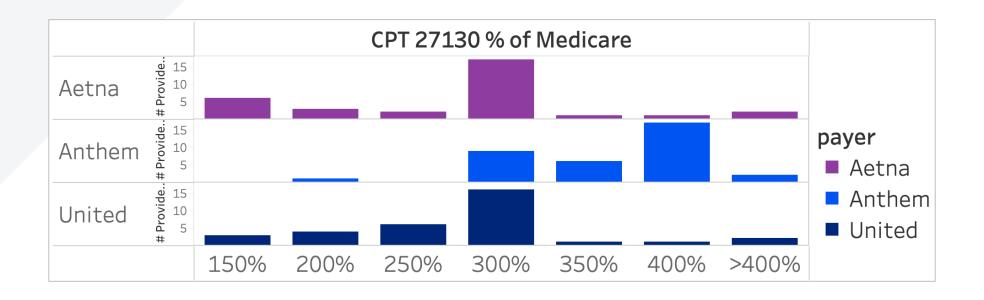
- Legislation requires that all commercial health insurers publish data online
- PayerPrice connects directly to insurer portals to ingest transparency data
- Over 1,000+ terabytes of data are added to PayerPrice database per month







# **Commercial rates vary widely**



- ✓ In CT, majority Orthopedic Surgeons clustered at 300% of Medicare
- Many providers are receiving half of the payers' most common rates





# Leveraging data in payor contracting

How competitive analysis informs strategy

Knowing what your competitors are paid or how they access higher rates can inform strategy. As a case study, we utilized the data to inform a dermatology provider of how their competitors were being paid. With deeper expertise and insight, we found the top rates were commanded by IPAs (Independent Physician Organizations).

## Result

We were able to guide and assist our client in aligning to an IPA with these higher rates and increased their rates by 38%.



# **Provider strategic pricing**

### Alignment to market

Hospital	Gross Charges	Competitor Median	Variance at Median	Competitor 75 <sup>th</sup> Percentile	Variance at 75 <sup>th</sup>	Competitor 90 <sup>th</sup> Percentile	Variance at Nat 90 <sup>th</sup>
Α	\$1,196,425,604	\$1,247,523,821	4.27%	\$1,278,638,944	6.87%	\$1,333,097,782	11.42%
В	\$892,359,072	\$957,291,691	7.28%	\$992,873,435	11.26%	\$1,056,128,927	18.35%
С	\$3,266,110,614	\$3,494,114,672	6.98%	\$3,632,988,039	11.23%	\$3,854,870,582	18.03%
D	\$5,503,194,191	\$5,785,501,005	5.13%	\$6,120,087,515	11.21%	\$6,818,403,503	23.90%
System	\$10,858,089,482	\$11,484,431,189	5.77%	\$12,024,587,933	10.74%	\$13,062,500,794	20.30%

### Improved net

Hospital	Total Base Charges	Total New Charges	Dollar Variance	Percent Variance	Base Net Dollars	Proposed Net Dollars	Variance	Percent Variance
Α	\$933,491,311	\$994,249,372	\$60,758,061	6.51%	\$20,931,227	\$22,107,218	\$1,175,992	5.62%
В	\$518,838,729	\$556,582,728	\$37,743,999	7.27%	\$19,630,719	\$20,936,386	\$1,305,667	6.65%
С	\$407,733,660	\$414,755,843	\$7,022,183	1.72%	\$14,728,013	\$14,849,477	\$121,464	0.82%
D	\$7,607,325,143	\$7,943,356,486	\$336,031,343	4.42%	\$64,587,015	\$66,935,941	\$2,348,926	3.64%
System	\$9,467,388,843	\$9,908,944,428	\$441,555,586	4.66%	\$119,876,974	\$124,829,022	\$4,952,048	4.13%











#### **Denny Roberge**

Principal | Berry, Dunn, McNeil & Parker, LLC

603.518.2623 droberge@berrydunn.com

#### **Susan Prior**

Principal | Berry, Dunn, McNeil & Parker, LLC

203.288.6860 sprior@berrydunn.com

#### Sandra Bonola

Senior Contracting Manager | Berry, Dunn, McNeil & Parker, LLC

207.352.7501 Sandra.Bonola@berrydunn.com

#### **Roger Hau**

Co-Founder & CEO | PayerPrice

650.810.6601 roger@payerprice.com



BerryDunn is the brand name under which Berry, Dunn, McNeil & Parker, LLC and BDMP Assurance, LLP, independently owned entities, provide services. Berry, Dunn, McNeil & Parker, LLC provides tax, advisory, and consulting services. BDMP Assurance, LLP, a licensed CPA firm, provides attest services.

berrydunn.com