



PPO Re-Negotiations Steps

If you chose to be an in-network (PPO) provider, it is critical to negotiate reasonable fees for your participation from the start! Negotiate initial contract fees and follow contract dates for renegotiation opportunities. Most contracts have 18 to 24-month terms. At the end of the contract period, you may have an opportunity to renegotiate your fees. There are some key strategies when renegotiating fees with insurance companies:

1. Your current fees – The first step in successful negotiating is to review your current office fee schedule. If you set your UCR fee schedule too low for your area, you will have a difficult time negotiating. It is important to maintain your bargaining power. Order the NDAS fee disc from Burkhart (ask your Account Manager). In order to set your UCR fees as a new general practitioner, select fees in the 80th percentile for your geographical area.
2. Research other plans offered by major employers within your targeted patient area. Consider schools, hospitals, federal and state offices, as well as large employers who may have a national footprint. Call the Human Resources Department to inquire who holds the contract for their dental benefits. By researching additional plans, you will have a better understanding of other PPO fees of which you will have the ability to contract. This includes umbrella plans that may incorporate the company you wish to renegotiate. Compare these fees to the PPO contracted plan you are planning to renegotiate.
3. Determine your top 30 codes based on production to the practice. For most dental practices, 30 codes will account for 90% of your billable production. Determine the top 30 codes by running a “Report by Procedure” code report (if possible from the practice you are currently in) or get a general listing of these from Burkhart’s Practice Support Team.
4. Compare the contract fees sent by each provider, as well as the company you are renegotiating with your UCR fees. Which come closest to your UCR fees AND affords you the best marketing opportunity for new patients? If possible, prepare a weighted average write-off by multiplying each code and fee by the frequency of use for the code in your office for the last 12 months.
5. Determine your negotiating leverage
 - a. Geographical location
 - b. Specialty offered, unique target market
 - c. Availability in hours offered



- d. Speak with a retention specialist with the insurance company and ask if they have a “co-lease agreement” or “network share arrangement/agreement” with any other carriers. This happens when a plan, such as Aetna, shares fee schedules with another well-known carrier such as Principal.
 - e. Plan to negotiate with each network share opportunity individually. Keep in mind, you can always opt-out of a network share arrangement. You must submit a letter with your signed contract stating your opt-out preference.
6. Initiate negotiations through e-mail with the network retention specialist
 - a. Summarize any phone conversation in an email to create a written verification of your discussion.
 - b. Ask for a custom fee schedule. Let them know you would like a custom fee schedule based on 30 codes. (The 30 codes you identified previously.)
 - c. Request a response to your proposal within 72 hours.
 - d. Be prepared; a few insurance carriers simply do not renegotiate. Everyone in the same geographical area operates under the same fee schedule. Other plans will offer “tiered” schedules. If you do not accept the first one, they send the second schedule that is slightly higher. You will benefit the most from a custom schedule based on your 30 codes.
 7. Review fees offered and do not hesitate to send in a counter proposal (if you never ask, the answer is always no!)
 8. Once fees are accepted, keep a list of the accepted contract terms and copies of all final fee schedules. Audit claims to make sure your agreed-on fee schedule is honored. Create a healthy protocol to audit a dozen claims on a semi-annual basis.

A few notes:

- The dentist should initiate the negotiation process. Statistically, the dentist has a much greater chance of negotiating favorable fees.
- Be persistent but polite during your process and stay organized so you can compare fees offered against your top 30 codes.