



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. Collect current fee schedules from carriers you are in-network with and dates of your last re-negotiation. Each plan will note their allowed time frames to renegotiate within your contract terms. Contact each carrier and ask to speak with a professional relations representative or retention specialist. Request a list of network share arrangements if applicable.
3. Be aware of the different types of PPO structures that are available and the potential for network share arrangements. Avoid overlapping arrangements as the carrier has the right to the lowest fee schedule available to them. Negotiating a higher fee schedule will be wasted if those same patients simply access you through a network share arrangement or third-party administrator with a lower fee schedule.
 - a. Direct Contracts – a fee schedule is negotiated directly with a carrier and that carrier does not participate in network leasing arrangements.
 - b. Network Leasing – a fee schedule is negotiated directly with a carrier and that carrier leases the schedule to other carriers. This increases your exposure to more patients that have access to the negotiated fee schedule.
 - c. Third Party Administrator (TPA) – a fee schedule is negotiated through a third party (such as Dentemax or Connections) and they lease the schedule to a large number of individual insurance companies.
4. 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. Compare these fees to the PPO contracted plan you are planning to renegotiate.

5. 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.
6. Determine your negotiating leverage.
 - a. Ability to negotiate through a network share arrangement or TPA rather than a direct contract.
 - b. Geographical location
 - c. Specialty offered, unique target market
 - d. Availability in hours offered
 - e. 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.
 - f. Plan to negotiate with each network share opportunity individually. Keep in mind, you may be able to opt-out of network share arrangements. You will need to contact the carrier or TPA to know which arrangements are optional.
7. 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.
8. Review fees offered and do not hesitate to send in a counter proposal (if you never ask, the answer is always no!)



9. 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.