

# ACTION REQUIRED: Rethinking Payer Relationships & Contracting During and After COVID-19

## CONTEXT

### Provider Perspective

Securing additional revenue is an urgent imperative for many health systems as a result of the financial impacts of COVID-19.

### Private Payer Perspective

Most private payers recognize the importance of maintaining the stability of provider networks and many are in a financial position to provide near-term financial assistance in a variety of ways.

### Implications

The implications of the COVID-19 pandemic will be far-reaching and require providers to restructure agreements with payers to optimize future revenue.

## IMMEDIATE ACTIONS

*Next 30-60 Days*



Submit documentation to participate in all available federal and state relief programs and initiatives



Develop a rapid recovery plan that prioritizes actions to pursue with private payers, as appropriate:

- ✓ Accelerate payments on outstanding accounts receivable
- ✓ Accelerate earned incentive payments
- ✓ Negotiate advanced payment against future claims
- ✓ Pursue no interest/low interest loans
- ✓ Relax administrative requirements impacting the timeliness of claims payments
- ✓ Address any immediate financial risk in value-based agreements resulting from COVID-19

## INTERMEDIATE ACTIONS

*Next 6-9 Months*



Re-open high priority contracts early to negotiate reimbursement rate increases, where possible



Conduct strategic pricing exercise to reallocate FFS revenue & margin in anticipation of a "new" normal



Refresh organization's payer strategy to achieve greater revenue predictability / stability and to address, at a minimum, anticipated changes in:

- Consumer preferences for accessing care
- Care delivery models
- Payer mix



Prioritize and renegotiate major private payer agreements based on refreshed payer strategy, including any adjustments to value-based contracting approach