

Negotiating a RCM Outsourcing Contract

What are the key considerations when negotiating an outsourcing contract?

A good working relationship with your outsourcing partner begins with a fair contract that is a win-win for both companies and protects all parties involved.

A Good Contract Should:

- Spell out the services to be provided by the outsourcer
- Tie pricing to the scope of services
- Document any additional fees, charges or expenses
- State both the outsourcer's and the practice's obligations
- Include a method for resolving disputes
- Require mutual compliance and protection
- Outline the situations in which the agreement can be terminated
- Define the rights and responsibilities of each party

The Key Negotiation Points

Every contract will vary in terms of detail and level of specificity. At a minimum, a good contract should address the following:

Scope: Which tasks are performed by the outsourcer, which are retained by the practice?

Financial Policies: What are the guidelines details of the process such as write-offs and patient collection efforts?

'Pay To' Address: Where will payments and EOB's be sent?

Access: What access will the practice have to real time data, EOB's and other documentation?

Reporting: What reports will be provided to the practice? What is the process and cost associated with special reports?

Pricing: What is the fee rate percentage? How is it determined? What other fees or expenses are included? What revenue cycle related costs are paid directly by the practice?

Duration: What is the term of the contract?

Termination: How can the contract be terminated by either party? What are the obligations of the practice and the outsourcer when the contract is terminated? What are the rights and obligation associated with collection of the accounts receivable at the time of termination?

Jurisdiction: What laws will be used to interpret and enforce the contract? Where will legal disputes be addressed?

Dispute Resolution: Is there a required dispute resolution process? Is it binding?

Rights and Responsibilities

Part of a contract is specifying the rights and responsibilities of each party.

Obligations of the outsourcer should include:

- Compliance with applicable laws
- Necessary training of practice staff
- Timely completion of services
- Retention of necessary documentation
- Notification of audit, investigation or legal action
- Protection of the privacy of personal health information
- Submission of transactions in a HIPAA compliant manner
- Provision of reasonable data security
- Provision of access to data by the practice
- Limitations on sharing data with third parties
- Access by the practice to the outsourcer's compliance plan

Obligations of the practice should include:

- Assurance that all providers are properly licensed and credentialed
- Full compliance with applicable laws
- Accurate representations of services provided
- Cooperative performance of practice responsibilities and participation in solving problems
- Minimum capabilities of practice staff
- Compliance with applicable coding regulations
- Access by the outsourcer to supporting information and the practice compliance plan
- Provision of accurate and timely supporting documentation
- Retention of necessary documentation
- Prompt correction of demographic and charge data problems
- Notification to the outsourcer of receipt of all payments
- Timely processing of refunds
- Control of unauthorized access to the outsourcer's information technology
- Notification of audit, investigation, legal action
- Commitment that the outsourcer is the exclusive provider of services
- Maintenance of the minimum IT infrastructure

