

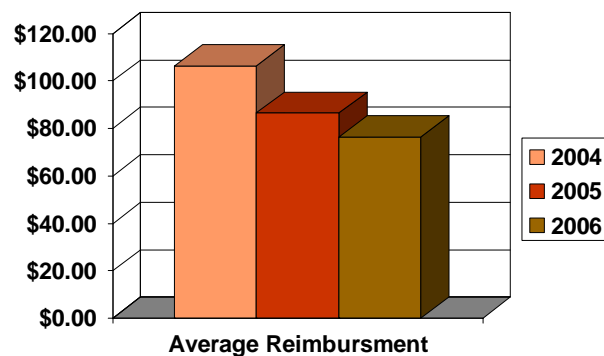
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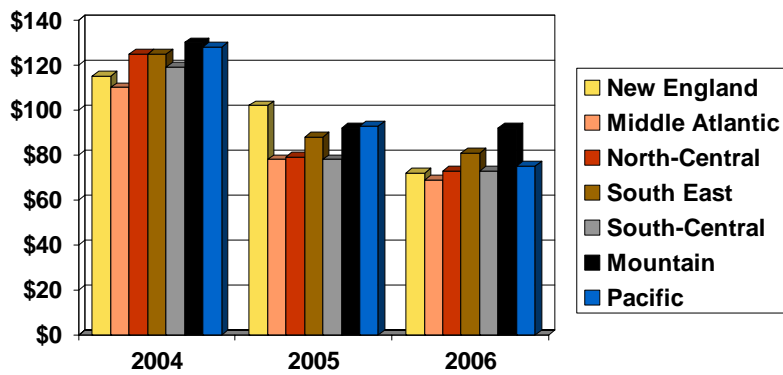
The Incredible Shrinking Payment

Physicians Practice 2006 Fee Schedule
Survey: Highlights

Average Reimbursement, All Codes, National



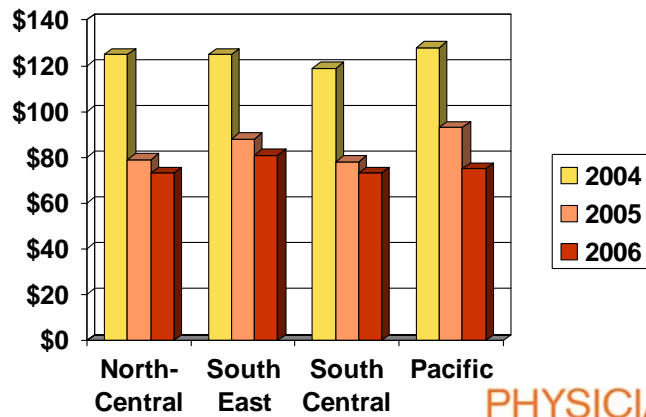
Average Reimbursement, All E&M Codes 2004-2006, by Region



3

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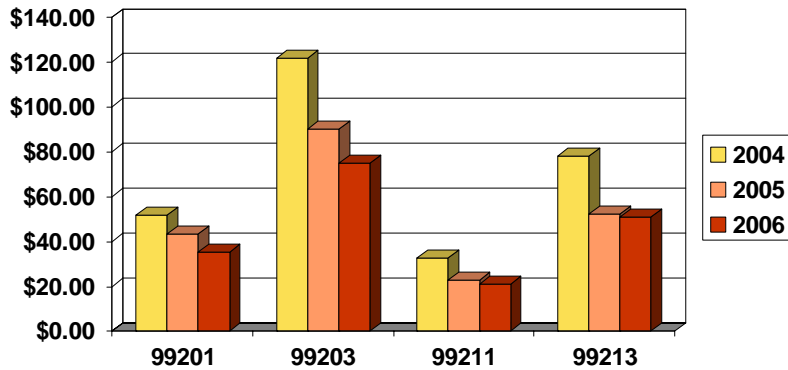
Average Reimbursement, All Codes, Selected Regions



4

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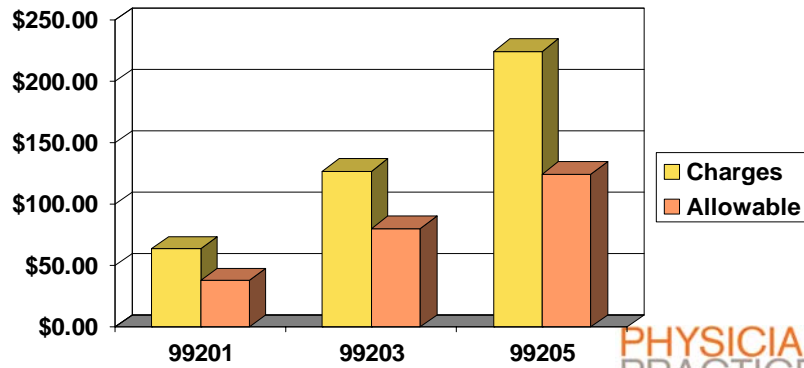
Reimbursement, National, Selected Codes, 2004-2006



5

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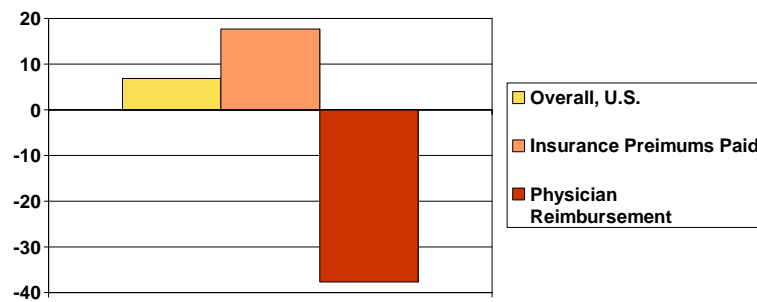
Charges Vs. Allowables, Selected Codes, North-Central States



6

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Rates of Inflation, 2004-2006



7

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The Trend Continues ...

According to Physicians Practice's 2007 survey (to be published in January 2008):

- Allowables (what payers pay) down 8.5% from 2006, nationally for all E&M codes.
- In the North-Central region (including Missouri), allowables are down 9.7% from 2006.
- Average payment for all E&M codes in this region: \$69.47.

8

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Why is this Happening?

- **Consolidation**: Large health plans are consuming smaller health plans, leaving fewer total plans, and less competition for physician services.
- **IPA Collapse**: Physician organizations such as IPAs are breaking apart.
- **Lack of awareness**: Most practices don't know that they do have some negotiating leverage.

9

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What can you do?

- **Negotiate**: Don't just sign the first contract you receive.
- **Be informed**: Understand the dynamics of your market; the market-share of individual payers; and know how much you are receiving for your services.
- **Use your leverage**: Do you have connections in the employer community? What makes your practice special?
- **Read Physicians Practice!**

10

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11

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