Elements of a Good Contract

A checklist

The following are guidelines to use when contracting with payors for services. This is not an exhaustive list and should not replace the scrutiny of legal counsel, but rather, should be used as a tool for negotiating contracts to provide care to patients.

* Fees or rates within satisfactory range
* Outliers included in fee schedule
* Exclusivity or preferred provider status
* Verification of member’s benefits/coverage is available within reasonable timeframe
* Pre-certification process defined
* Turnaround time for claims payment is reasonable i.e. state’s prompt payment statute
* Termination process acceptable – “for cause” or “not for cause”
* Services to be provided are outlined
* Plan of care language is reasonable
* Definitions for any ambiguous terms
* Service area is defined
* Referral process explained and acceptable
* Admission criteria delineated
* Need definitions of rate terminology
* Billing requirements and methods language
* Penalty clause if claims payment is delinquent
* Reasonable paperwork requirements (i.e. quality assurance and utilization review)
* Discharge process outlined
* Continuation of Care – provider’s responsibility to continue to provide services after termination is identified
* All program manuals and provider manuals referenced are reviewed by the provider and incorporated as part of the contract
* Utilization review expectations outlined
* Quality assurance expectations outlined
* Insurance and indemnification of all parties
* Term of agreement defined
* Dispute resolution mechanism satisfactory
* Mutual right to review marketing/public relations materials (where the other entity’s names is used)
* Inspection of records should be fairly timed and limited to patients for that particular payer only
* Applicable state and federal law provisions (i.e., entire understanding, notices, amendments, assignment, waiver of breach, etc.)
* Non-discrimination statement Included

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