

Overview

Now that you have provided us with your recent charge, contract, and payment information, we are providing you with your **FeeMaster™** package, sorted into three easy-to-use sections. Two of the sections, the **ChargeMaster Evaluation Tool** and **Payor Specific Analyzer** have interactive features so that you can test your charges and private payors' reimbursement rates for appropriateness. These are all provided in Microsoft® Excel software that nearly all practices use today, so there should be no need for a special software purchase.

Your **FeeMaster™** package includes the following:

■ **ChargeMaster Evaluation Tool**

Your **ChargeMaster Evaluation Tool**, provides a view of your current chargemaster and provides a simple way to develop new chargemaster rates that are in line with your specialty and geographic area.

■ **Payor Overview**

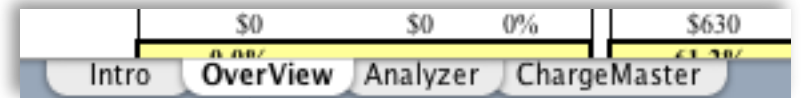
Your **Payor Overview** provides you with a summary of each payor's charge and reimbursement history in the aggregate and broken down by Surgical, Evaluation & Management (E&M), and Other service categories. You have the option to review it in by payor alphabetically or in the order of the payors with highest to lowest charges for your practice. This report provides you with your charges and with the dollar amount and percentage of payments to charges that you have collected from each payor and plan. With this report, your contracts needing the most attention will likely become obvious to you.

■ **Payor Specific Analyzer**

Your **Payor Specific Analyzer**, perhaps the most valuable of the three sections in terms of potential improvement of your bottom line, provides a historical summary by payor and plan and by CPT and allows you to test different fee schedules that a payor offers or that you may wish to counter-offer. These schedules are based on a percentage of Medicare RBRVS* for your choice of year from 2002 through the current year to determine what rates you want to negotiate for new or upcoming agreement renewals. These tools empower you to be one step ahead in the negotiation process. If, in the coming contract year, your practice provides similar services to a payor's members as it has in the past, this tool will tell you adjust what you will likely lose or gain if you accept "their" offer. This tool lets you test many possible options for counter-offers based on whatever percentage and Medicare year you would like. For procedures that you provide most often for each payor, you may decide that you want to carve the procedures with the highest frequency out of your standard contract. Or, you can live with the rates for non-frequent procedures, but not all procedures.

Getting started with your reports and tools...

As you open your **FeeMaster™** in Microsoft® Excel, if a macros-related pop-up window appears, click on “Enable Macros.” If you have trouble opening the tool because of security settings, refer to our “**Before you Begin**” notice that provides easy steps to set up your security at a level that allows the macros to run and formulas within the tool to work. You can find the “Before you Begin—Macros” instruction sheet on our Web site at www.healthbusinessnavigators.com



Payor Overview

Payor Specific Analyzer

ChargeMaster Evaluation Tool

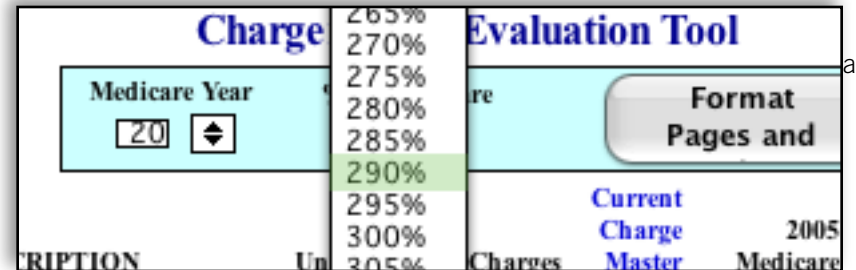
Click on the appropriate tab at the bottom for the report/tool you wish to open.

We recommend you start with the **Payor Overview** by clicking on the “**Overview**” tab, because it will give you a broad view of what is occurring with the various payors and contracts. You can click on the drop-down window to order the report alphabetically by payor name or in order of the payor with the most charges.

Payor Overview									
Sort			Mar-03 1:30:03						
By Payor			Format Pages and Print						
Payor	SURGICAL		EVAL & MGMT			ALL OTHER			
	CHARGES	PAYMENTS	CHARGES	PAYMENTS	Pymts/Chgs	CHARGES	PAYMENTS		
American HealthWays	\$26,200	\$12,305	47%	\$8,650	\$5,531	64%	\$2,840	\$1,606	57%
	69.5%		23.0%			8%			
Bill Life and Health	\$1,600	\$468	29%	\$390	\$258	66%	\$0	\$0	0%
	80.4%		19.6%			0%			

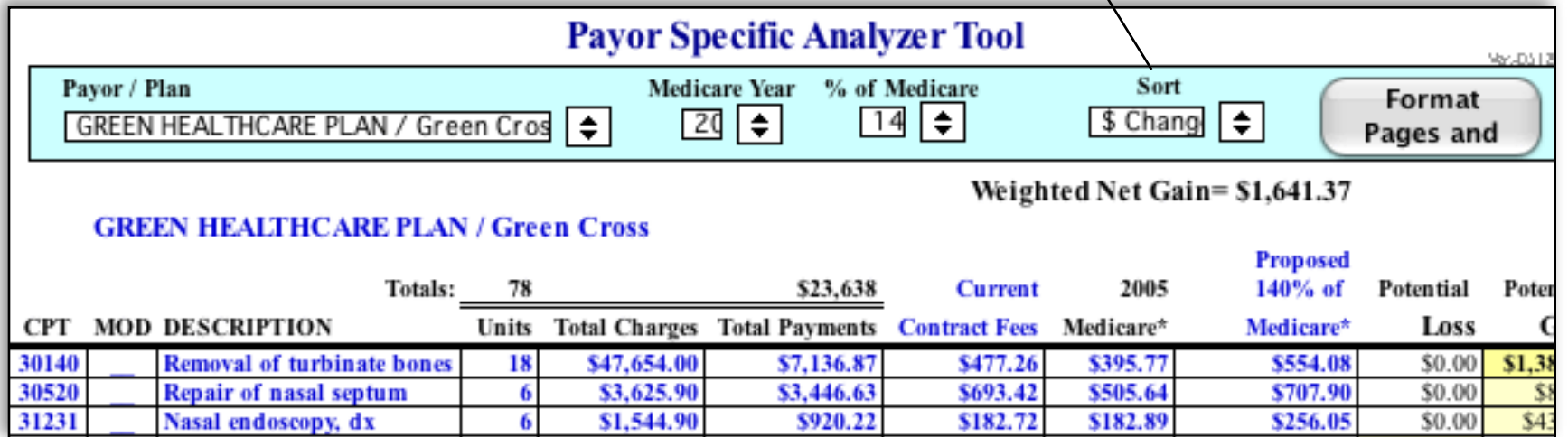
When you click on the “**ChargeMaster**” tab to open the **ChargeMaster Evaluation Tool**, it will display your charges for each procedure type and the number of times you provided that service for members of the plans for which you provided HBN data. It is our experience that most practices set their charges at somewhere between 150% and 400% of Medicare RBRVS. In the “Current ChargeMaster” column, the charges that are greater than 400% or less than 150% of the current year’s Medicare rates are highlighted in a special color so that you can determine whether they should be reviewed for appropriateness.

At the top of the Chargemaster Evaluation Tool screen, you can select the year and percentage of Medicare RBRVS rates so that you can compare your current charges. The report even shows you how much you would need to increase or decrease your current rates to be at a selected percentage of Medicare RBRVS.



If some of your charges are too low, or too high, you can adjust your chargemaster accordingly. For charges that are too high, it might explain a low reimbursement percentage for those procedures. For charges that are too low, you should most likely raise them, because most payors pay the lessor of charges or contractual or UCR rates. You don't want to be charging less than you could be reimbursed.

Sort by \$ Change, CPT, Units, or Payments



GREEN HEALTHCARE PLAN / Green Cross										
			Totals:	78	\$23,638	Current	2005	Proposed	Potential	Poten
CPT	MOD	DESCRIPTION	Units	Total Charges	Total Payments	Contract Fees	Medicare*	140% of Medicare*	Loss	C
30140		Removal of turbinate bones	18	\$47,654.00	\$7,136.87	\$477.26	\$395.77	\$554.08	\$0.00	\$1,38
30520		Repair of nasal septum	6	\$3,625.90	\$3,446.63	\$693.42	\$505.64	\$707.90	\$0.00	\$8
31231		Nasal endoscopy, dx	6	\$1,544.90	\$920.22	\$182.72	\$182.89	\$256.05	\$0.00	\$43

When you open the **Payor Specific Analyzer** by clicking on the “Analyzer” tab, you will be able to test a wide variety of Medicare-based schedules to determine the best rates for your practice. We have taken the 12 months of data that you provided, weighting each procedure by frequency, and projecting it forward. For each Medicare year and percentage, you can predict how much revenue would be lost or gained if frequency remains constant going forward. You not only get the aggregate amount lost or gained with each year and percentage of RBRVS, you also can determine your gain/loss by CPT code. So, to get started, decide which payor/plan you want to look at by dropping down the Payor/Plan listing at the top right section of the report and clicking on your choice. Now select the Medicare year and percentage that you wish to test. And lastly, decide whether

you want the data sorted in order of greatest dollar “\$change,” greatest number of “units,” “CPT” code numeric order, or procedures with the highest aggregate “payments.” Just under the blue banner at the top you will see the projected net effective change (“Weighted net gain” or “loss”) when you change your contractual rates to the selected year and percentage of Medicare. In the two right-hand columns you will see the change by CPT code.

		Your Specific Analyzer Tool	
		Medicare Year	% of Medicare
FASTFOOD INDUSTRY / COMMERCIAL		20	14
FRANKS PLAN / COMMERCIAL			
GENERAL PAUL / Pauls Health			
GHP / MEDICAID			
GREEN HEALTHCARE / Green Cross			
GREEN HEALTHCARE PLAN / Green Cross			
GREEN HEALTHCARE PPO / Green Cross			Weight

We hope you find that the **FeeMaster™** empowers you to evaluate and take charge of your contracting and charge development processes. We know that most physicians and office administrators have been frustrated knowing that the data is in the “black box” but being unable to pull it out and format it in an easy-to-use tool that will enable good business decisions regarding charges and contractual reimbursement rates. If you have questions as you use the tool, feel free to contact us at questions@healthbusinessnavigators.com. You can ask a question in your email or let us know some days and times that a phone call might work better. It is important to us that you are able to make the most of the **FeeMaster™**. Most simple questions will not entail any extra charge; for more complex matters, we will let you know upfront if there will be an additional charge.

Feedback....

We welcome your feedback, positive or negative, as we strive to empower you with the tools to guide you in your business decisions.

Contact us at feedback@healthbusinessnavigators.com

- * Most payors and managed care organizations (MCOs) now negotiate on the basis of a specific year of Medicare RBRVS, usually based on one of the last few years of Medicare RBRVS schedules. If you have a payor that is basing its reimbursement rates on a Medicare year prior to 2002 or on a proprietary schedule, please let us know. We'll do our best to empower you with the information you need to determine whether their offer is fair. We aim to keep our cost to you reasonable and your return on investment (ROI) as high as possible.

Note: The data used in your **FeeMaster™** package is based on data you provided to us. HBN and other parties involved in the development of this package cannot be held accountable for information errors provided by your practice. The accuracy of your practice management information is your responsibility and is affected by data input in your day-to-day operations of documenting, billing, collecting, and posting. We strongly advise that you review the quality and accuracy of these processes in your office so that your output can best guide you in your business decisions. If we do discover errors or that the data is less than perfect while in the process of developing your tool, we will do our best to help make the appropriate adjustments, however, there may be charges associated depending on the complexity of the problems. We always tell you in advance if there will be any extra charge.