

# *How Commercial Payers Rate on Rate Increases, Proper Payment, and Other Issues*

Which private payer has the lowest rate increases? Which scores lowest for proper payment of hospital claims? A recent survey provides some insights.

A 2011 survey of 258 contracting leaders in U.S. hospitals reveals specifics about the current state of contract negotiations with commercial payers—including which payers are the most and least cooperative with hospitals. The data were collected in December 2010 and January 2011.

**Access related exhibits:** [Exhibits from 2011 National Payor Survey](#)

**Rate increases.** Sixty-two percent of hospital respondents reported annual rate increases between 3 percent and 7 percent. About 21 percent indicated obtaining contracted rates of 8 percent or higher, and 33 percent reported increases below 5 percent.

**Payers with the highest/lowest rates.** Aetna garnered the highest marks for the highest hospital contracting rates, and Independent BCBS and United scored lowest. However, Independent BCBS and Aetna got the highest marks for the highest physician group contracting rates.

**Proper payment of hospital claims.** United received the worst marks for proper payment of hospital claims. Independent BCBS was cited as the best at paying claims promptly.

**Payer image, reputation, and hospital/physician relations.** All payers garnered more negative opinions and ratings in all categories compared to last year's survey. In particular, Independent Blue Cross plans saw a 10 percent rise in negative opinions since last year's survey, and Aetna saw an 8 percent rise.

United Healthcare and Wellpoint received the lowest marks in their treatment of both hospitals and physicians.

**Near-term priorities.** The majority of respondents cited increasing rates as the most important goal of managed care contract negotiations. Improved contract language and the ability to track performance rated second and third most important.

The top three near-term goals cited were:

- Increase rate with largest payer
- Increase rates with 2nd and 3rd largest payers
- Better protection against denials

**Access exhibits:** [Exhibits from 2011 National Payor Survey](#)

---

The data and exhibits cited are reprinted with permission from the [2011 National Payor Survey](#) from Revive Public Relations and The Godbey Group.

## **Discussion Starters**

Forum members: Please add your insights, questions, and comments about this article via the [Payment and Reimbursement Forum's LinkedIn discussion board](#).

- How would you rate various commercial payers in terms of rate increases?
- Of the payers you work with, which is best at prompt payment of hospital claims?
- What are your near-term managed care contract goals (e.g., increase rates, denial protection, improve contract language)?

Or perhaps you have another discussion starter?