



Undercharge Report

Optimize Your Chargemaster

Medical groups undercharge contract limits by an average of 1.1%. A \$40 million group could raise revenues by \$440,000 or more simply by raising charges.

The MPV Phynance™ Undercharge Report shows where charges fall below contract maximums — giving you a roadmap for increasing revenues by adjusting your chargemaster.

It's well known that payor contracts cap reimbursement with allowable charge limits. These charge limits typically determine what you'll get paid for the services you provide.

What's not well known is that medical groups often don't get that much. Health plans usually allow the lesser of the allowable charge or what the practice actually bills. As a result, if your chargemasters aren't kept up-to-date, you're probably losing revenue.

A review of MPV's extensive claims and contract database shows that on average, medical groups undercharge the limits allowed by the contracts they sign by 1.1%. That means a group averaging \$40 million annually could potentially increase revenues by \$440,000 or more simply by raising charges to the limits they agreed to in their contracts.

But manually identifying and tracking those limits for dozens of constantly changing contracts and thousands of services is nearly impossible.

MPV Phynance Undercharge Report is the solution. Drawing claims information directly from your billing system and comparing it with our continuously updated contract database, the Undercharge Report identifies precisely where your opportunities to increase revenues lie, right down to the CPT® code and contract. You get the information you need to make informed and timely chargemaster updates.

UNDERCHARGE BY CONTRACT BY CPT®: SAMPLE MEDICAL GROUP

Contract	Code	Count	Total Expected	Total Charge	Total Undercharge
PPO	92250	33	\$16,962	\$3,432	\$13,530
PPO	92015	89	\$9,496	\$2,225	\$7,271
PPO	93545	9	\$3,699	\$1,080	\$2,619
PPO	31090	1	\$2,550	\$710	\$1,840
PPO	93543	7	\$1,918	\$525	\$1,393
PPO	67332	3	\$5,336	\$4,000	\$1,336
PPO	27450	1	\$1,875	\$556	\$1,319
PPO	22840	1	\$4,950	\$3,907	\$1,043
PPO	92235	22	\$7,644	\$6,760	\$884
PPO	67320	1	\$1,500	\$750	\$750
Key PPO Codes		167	\$55,930	\$23,945	\$31,985
All PPO Codes		342	\$87,080	\$51,525	\$35,555
All Contracts		4,499	\$797,714	\$544,120	\$253,594

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With the Undercharge Report you can:

- **Precisely identify opportunities for increasing revenues** — know how much you are undercharging by service and contract.

How much is an outdated chargemaster costing your group? Know when you can raise rates with the Undercharge Report.

Take control of your contracting process

Undercharge Report features:

- **Comprehensive financial analysis** — the financial impact of undercharges is available by CPT® code and contract, allowing you to evaluate, prioritize and target improvement opportunities.
- **Expert contract definition and up-to-date data** — MPV's approach to maintaining reimbursement and contract information helps you to make informed decisions based on accurate undercharge information.
- **Continuous allowable limit monitoring** — each report you run reflects the very latest limits for services that have been valued in Phynance, enabling you to raise charges when allowables are increased.
- **Seamless integration** — the Undercharge Report uses data directly from Phynance, requiring no extra staff time for additional data collection.
- **Spreadsheet and presentation report formats** — load undercharge data into spreadsheet or database programs for analysis, or graphic formats for educating staff.

Undercharge Report benefits:

- **Avoid revenue losses** — regularly updating charge policies keeps practice finances on track.
- **Support value of specialty services** — keeping charges up to allowable limits also supports the regional usual and customary charge, particularly for unusual specialty services. This can help keep smaller specialties economically viable and reimbursement in line with established relative values.
- **Lower costs of maintaining your chargemaster** — automation reduces the need to prepare manual reports.

About MPV

MPV helps medical groups maximize the value of their payor contracts and improve revenue cycle efficiency through a comprehensive set of financial tools and services designed to optimize contract performance, identify and recover underpayments, correct front and back-office errors, negotiate better contracts and reduce patient write-offs.