Dr. Marc F. Stern says he feels safer as an intern working in correctional settings than he did in his previous career working for the Veterans Affairs health system. In that setting, he said, one patient pulled a machete on him in the emergency department. Another tried to open the emergency department door with a chain saw. “I’ve never had any of those experiences in prison,” said Dr. Stern, an internist who is health services director of the Washington State Department of Corrections. “Health care professionals in prison are very safe…possibly because patients view the health care folks as there to help them.”

Working in correctional settings is the best-kept secret for physicians with an interest in public health, he said, because the pathology of inmates is wide ranging and the ability to impact their health and well-being is significant.

“We have an opportunity to affect their health, their health care behaviors, and…their social behaviors. This is a population that has a high prevalence of diseases like HIV and hepatitis C. So we have an opportunity to control the disease and teach them low-risk behavior, so when they come back into our communities, they are less likely to spread disease.”

He acknowledged challenges to practicing in correctional settings, including reliance on tight government budgets and a certain level of animosity from the general public for providing health care to prisoners when so many civilians in the United States lack adequate access to health care. “What they don’t understand is that prisoners have a constitutional right to access to basic health care. That’s something the citizens of the United States have said they want through the constitution,” he said.

Dr. John May, pictured at Haiti’s National Penitentiary in Port-au-Prince, founded a not-for-profit group that provides health care to prisoners in underserved countries.

“Being conscientious in correctional medicine is one of the most important components of delivering good care,” said Dr. May, whose program assists inmates in Haiti, the Dominican Republic, Jamaica, Tanzania, and other counties. “Following through and trying to understand what a patient presents with are more important than the medicine you prescribe or the work-up you order.”

Dr. May started working in correctional medicine during his internal medicine residency at Cook County Hospital in Chicago, where he accepted an opportunity to moonlight at the Cook County Jail. “I saw [dedicated] people who had the same values and satisfaction out of medicine that I was seeking.”

“Those values include the chance to practice effective preventive medicine such as violence prevention counseling and viewing the provision of health care in correctional settings as a community responsibility. “If we can provide good quality care while they’re incarcerated, it can have a positive impact on the whole community health system,” said Dr. May, an internist who is chief medical officer of Miami-based Armor Correctional Health Services Inc., a physician-owned company that provides health care in jails and prisons in the United States.

“With the demand for medical services at an all-time high and a diminishing supply of physicians to meet that demand, providers have a strong negotiable position. It is not your responsibility to ensure the profitability of private insurers by selling your services for less than their value. At the very least, you should ensure that your overhead and allows you to take money home to feed and shelter your family: pay off your educational debt; educate your children; and save for your retirement. Before undertaking a contract negotiation, a careful practice analysis should determine if you are being underpaid. It should help you to answer four fundamental questions:

1. Is the time you spend with patients who are covered by a given payer proportionate to the revenue you receive from that payer? If 25% of your visits come from a specific commercial payer, determine if that payer is providing a similar proportion of your income.
2. What is the effect on your revenue of ancillary care-outs? If you normally provide laboratory services for your patients, but your contract with the payer prohibits you from doing them, determine the lost revenue from those care-outs.
3. What are the hassle factors? Does the payer often downgrade your level 4 visits to level 3? Do they require a prepayment audit before paying higher levels of evaluation and management (E&M) services?
4. How long is your wait list? If you have a long wait list, consider this to be capital in the negotiation process.

A thorough business analysis also requires such considerations as the effect your practice’s withdrawal would have on your competition, how dependent your practice is on a given payer, and how dependent your practice is on your practice. When a business analysis reveals that a given managed care contract is more trouble than it’s worth, be prepared to take action. A few years ago, an analysis of our practice revealed that our largest HMO was responsible for more than 1% of our patients’ visits but only 4% of our revenues. We realized that we had to see three of these HMO patients to earn what we received from one patient with an insurance company that carried our weight. We discontinued participation with that plan and saw a 20% increase in physician income the following year.

If a company is unwilling to negotiate, be prepared to pull out from that plan. Withdrawal—or a credible threat to withdraw—is the single most effective tool in improving reimbursement. But the primary purpose of withdrawal is to get out of a bad contract. If a company shows interest in negotiating once you have advised them of your withdrawal, they must offer you something that is substantially better.

The prospect of negotiating a managed care contract can seem daunting, but don’t let it frighten you. You may be a stranger to managed care negotiations, but you negotiate all the time. You negotiate with your spouse, your children, your patients, vendors, and your staff. You can apply these same negotiating skills to this arena.

Remember that complex negotiations need to be paced, and they do take time. But don’t lose momentum. One of the games negotiators play in the managed care business is to delay their responses. Time is money. The longer it takes them to get back to you to approve an increase, the more money they save.

The value of successful contract negotiations between physicians and managed care organizations extends beyond individuals to the profession as a whole. Medicine is at a crossroads right now. Our success can be measured by our ability to attract new physicians. Financial solvency and profitability are critical to this goal.

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