

# What is Fair Market Reimbursement?

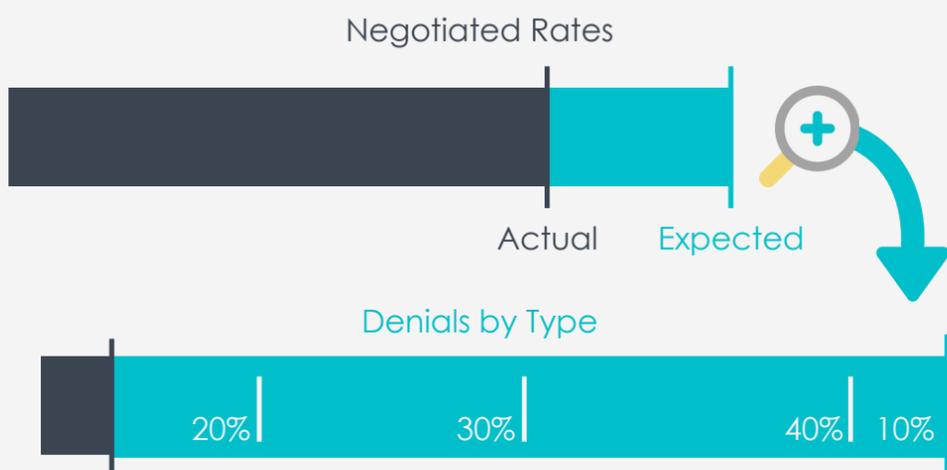
Fair market reimbursement establishes a reasonable range of reimbursement rates that all providers within a local market receive from a commercial insurer or another payer. With the right data, providers can better understand the rates that have been negotiated with other groups and take this information along with their own cost and quality performance data into payer negotiations to hold the payers accountable. We've collected a list of some common questions asked of us in meetings with health systems, medical groups, and other providers and shared our answers below.

How can my practice compare negotiated rates to current collections by location or payer?



**Focus:**

Ensure current payments align with negotiated rates.



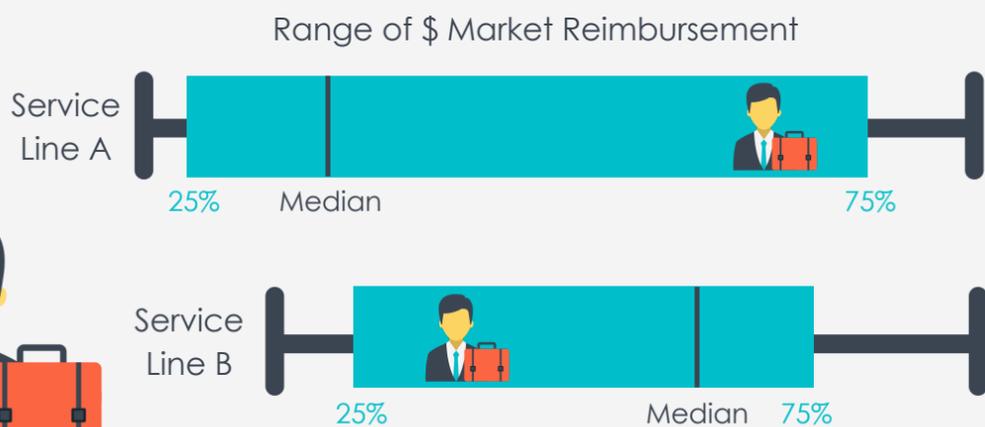
Analyzing the gap between negotiated rates and actual payments, as pictured above, equips practices with the tools necessary to negotiate for fair reimbursement.

What is the market getting in comparison to my group by service line or payer?



**Focus:**

Determine current reimbursement compared to competitors before negotiations.



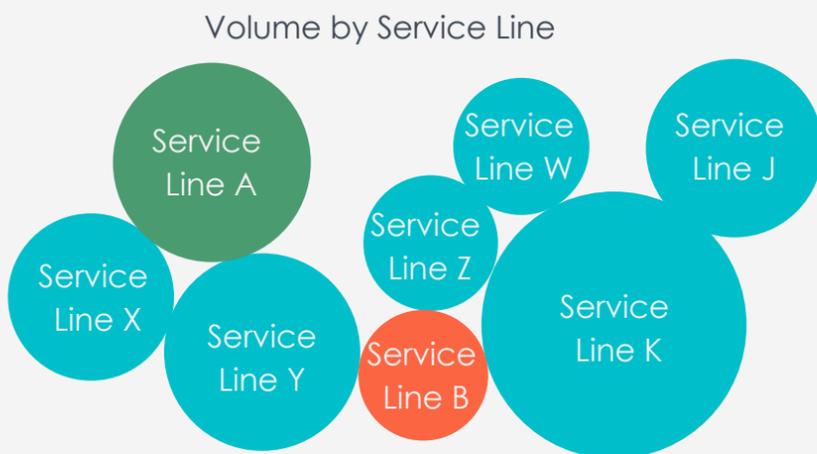
Identifying inequities across service lines and systems provides a clear picture of the areas to target during contract negotiations. In this example, the group should target Service Line B, since their current reimbursement is near the 25th percentile.

What services lines have volume and rate growth?



**Focus:**

Discover opportunities for growth based on market trends and current contracts.



Understanding variances within the market empowers groups to make more informed decisions. As shown above, a small increase in reimbursement for Service Line A will offset a similar or slightly larger cut to Service Line B.

What area or market should my group be expanding into and getting out of?



**Focus:**

Identify where to expand and what markets to avoid based on payers, rates, and volume trends.



Evaluating the current rates, payers, and services in a market enables groups to have a more accurate understanding of short-term and long-term viability.