



AMERICAN OPTOMETRIC ASSOCIATION

Updated 10/2022

These practice success resources were developed by AOA to help doctors of optometry evaluate contracts with third party payors. It is critical to understand what to look for and what questions to ask when considering a payer contract. The information below should be considered educational information and should not be considered legal advice.

A Note on Antitrust Compliance: in accordance with AOA policy, the AOA does not recommend to its members that they either should or should not participate in any particular third party payer plan. In addition, AOA member doctors are prohibited from discussing their third party contracting decisions with other members. Do not discuss your contracting decisions with other practitioners, except those with whom you practice and have a bona fide business relationship.

We encourage doctors to take the following steps,

1. Read your contract
2. Obtain the provider manual and any other documents incorporated into the contract
3. When new provider manuals are sent to you, replace your manual with the most up-to-date version. You will likely need it when you make future decisions about staying in the plan.
4. Review the checklist below to identify key considerations for making payer contract decisions
5. In consultation with your business partners, based on your review of the contract and taking into account these and other key considerations, make the best business decision for you and your practice
6. Use care when signing a contract. Don't sign until you understand the agreement. Consult financial, practice management or legal assistance to understand your rights and obligations under the contract.

After your first reading of the contract, list the sentences below that immediately raise concerns because they are ambiguous or don't align with your business plan.

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

Evaluate the Issues Below and Record any Concerns

Issue – Reimbursement	Comments
Does this contract provide enough information to determine what you will be paid for the services you provide?	
Does it include a comprehensive fee schedule for "routine" eye exams as well as medical procedures?	
What CPT codes does the plan require you to submit for "routine" eye exams that include a comprehensive exam and refraction?	
Are fees equal for all provider types?	
What are your costs to provide the services required under this contract?	

What are your chair costs, including fixed and variable costs, and your margins?	
If optical services are required, what are the requirements and fees for optical supplies and materials?	
Does the contract provide a specific payment time period?	
Does the plan agree to pay interest if there are delays in payments?	
Does your state have a prompt pay law or fair business practice act?	
Does the contract require the plan to provide notice of or agreement to any reimbursement changes?	
Can you terminate or renegotiate the contract if you object the changed reimbursement terms?	
If you agree to the contract, when or how can you terminate your agreement?	
Are specific procedures provided to appeal a reimbursement decision? Are there internal and external (independent) review levels?	
Is the appeals process fair or is it weighted heavily in favor of the plan? Are appeals reviewed by a peer (optometrist)?	
What does it take to get independent review in the appeals process?	

Issue – Economic impact	Comments
After analyzing the fee schedule that goes with the contract, consider how the payments compare to your usual charges and your costs?	
What does this contract mean to your practice in terms of revenue and expenses?	
Will this contract displace other patients that are better (or worse) for your bottom line?	
What are your alternatives to this contract?	

Issue – Products	Comments
Does this contract allow you to select which products you participate in?	
Are you required to participate in “all products”?	
Are you required to use a specified frame selection or optical laboratory or materials?	
Are contact lens benefits tied to a specific supplier or mail order plan?	
Does your state have a law allowing you to use any lab for materials?	

Issue – Patients	Comments
Does the plan have an efficient mechanism to obtain patient eligibility in advance of care?	
What barriers might patients face in getting services?	
Are you obligated to provide discounts for non-covered services? Is there a state law? Does the contract ask you to waive your rights under the state law? Does the plan steer patients away unless you agree to let the plan fix price discounts?	
Does this contract clearly define covered routine vision and medical eye services?	
How are patients made aware of the covered services or benefits available to them?	
How are you listed as a provider? Search the plan’s provider directory to see how other doctors in the network are listed and found.	
Will this plan sufficiently market your practice to patients?	
How many covered lives does this plan have?	
Can the insurer rent the network to another payer, increasing the number of covered lives under the terms of the plan?	

Issue – Scope of practice	Comments
How does this contract define an optometrist vs. other provider types?	
Is this a contract for vision, medical, or integrated services?	
If this plan is a medical contract, are you allowed to participate to the full scope of licensure in your state?	
Are you as a provider under this contract given the flexibility to determine and provide what is “medically necessary” care?	

Issue – Prior Authorization	Comments
Does the contract clearly designate any and all services and procedures subject to prior authorization?	
Does the plan provide for a method for obtaining prior authorization?	
Is this method by phone, fax, or web based? What is the turnaround time for authorization?	