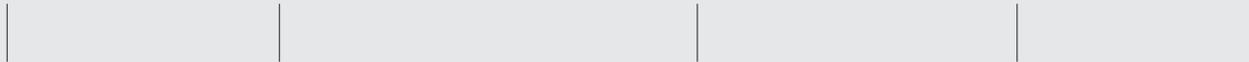
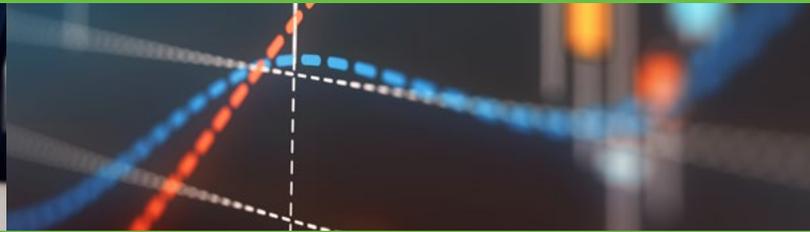




Reference-Based Pricing (RBP)

Significantly Lower
Your Health Plan Costs



The Challenge

Offering competitive benefits to your employees is essential to recruiting and retaining good talent. However, it's also one of your company's most expensive line items. The traditional PPO "carrier" model is plagued with challenges, such as:

- **Rising costs.** Employer-sponsored insurance that uses a PPO network is considered a high margin profit source for hospitals, typically paying between 250-300% of Medicare.
- **Inflated PPO markups.** PPO-insured employers are money makers for hospitals, who lose money or just break even on other sources of funding, like Medicaid and Medicare.
- **Arbitrary pricing.** Procedure charges vary widely, even within the same geographical region. For example, a CT scan at one hospital can be \$10,000, where at a neighboring hospital that same CT scan is \$17,000. This variation is the fundamental flaw with the PPO model and a hospital's chargemaster—the same discount percentage is applied to two widely different charge amounts.
- **Lack of transparency.** There are strict contracts between PPOs and providers making it nearly impossible for consumers to audit, review, or question the charge amount.

It's time for employers to think outside the box for new ways to provide affordable coverage.



The Strategy

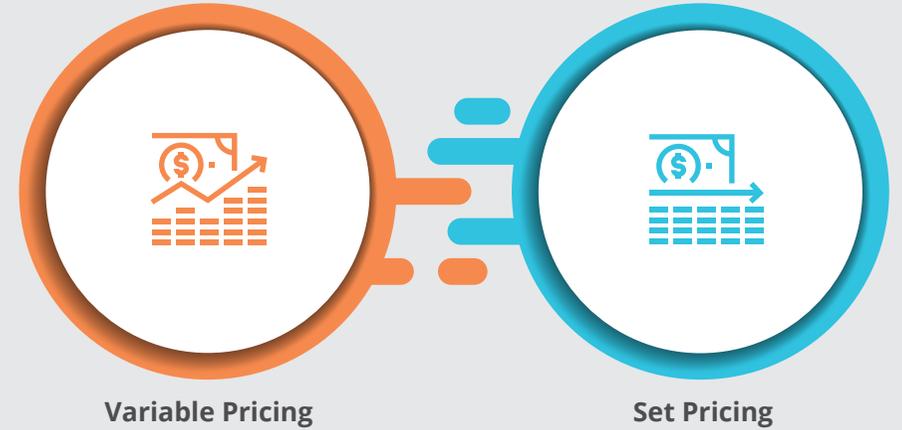
Reference-Based Pricing (RBP)

RBP is a revolution in healthcare. Unlike traditional plans which rely on hospitals and facilities to dictate the cost of care based on negotiated “discounts” with the major carriers, RBP plans pay based on set Medicare pricing, plus an additional margin. Because payment is made quickly and directly, hospitals are generally very willing to work with RBP plans.

The RBP solution:

- Decreases insurance claims spend
- Controls costs through fixed pricing models
- Facilitates quick and direct payments to providers

Pricing Model



Variable pricing. With traditional PPO plans, the costs of services are inflated, then billed charges are “discounted.”

VS.

Set pricing. RBP plans pay based on a fixed margin above the break even point, which is Medicare.

The Premier Approach

The Premier approach to RBP is unique. We align our clients with the right partners and plans to maximize the benefits for your company and your employees. Our consultative approach means we will ensure your transition to RBP is seamless.

The key is our partnership with the most reputable third-party administrators (TPAs) and claims re-pricers in the country. By working with trusted partners, our clients can be confident that their employees will remain satisfied with their healthcare offerings.

In collaboration with your broker, TPA, and claims re-pricer partners, we:

- Create plan designs that are right for you and your financial needs
- Provide a strong member advocacy team
- Administer claims fairly and promptly
- Monitor plan analytics to help you pivot as needed
- Assist clients with member communication campaigns
- Provide access to an exclusive network of other RBP customers for best practices and troubleshooting

Why We're Unique

- Our consultative process ensures our clients receive individualized support during the RBP development and/or implementation phase.
- You will have access to an exclusive network of other RBP customers for best practices and troubleshooting.
- Our tailored and collaborative strategy means the transition to RBP is customized to your needs.



The Opportunity

RBP relies on a set reimbursement rate to enable employers to pay fair and reasonable costs for healthcare plan expenses. This means they can put their money and focus back where it matters most – on their employees. What our clients see:

- **Cost savings.** Typical cost reductions are 15% to 30% of total health plan spend.
- **Unbundled plans.** The freedom to utilize Pharmacy Benefit Managers (PBMs) and other vendors without being tied to a carrier.
- **Competitive benefits.** RBP plans are affordable for your employees, aiding in both recruitment and retention efforts.
- **Minimal member disruption.** The Premier model for RBP drastically decreases the risk of member disruption both at point of service and balance billing.
- **Employee rewards.** More savings for your company means the opportunity to do more outside of your health plan.

What Employees Want to Know

- **Familiar plan features.** RBP plan members still have copays, coinsurance, deductibles, out-of-pocket maximums, and a health insurance card. They aren't likely to see any difference from a traditional health plan.
- **Wide access to doctors and hospitals.** There is no network and no restriction on provider access.
- **ACA-compliant.** RBP is fully compliant with all rules and regulations.
- **Billing advocacy.** As with traditional PPO plans, providers may occasionally "balance bill" a member. If this occurs, the re-pricer will facilitate the payment to the provider.



The Results

Case Study

A large, post-acute healthcare provider was struggling with increasing plan costs, a labor shortage, and high turnover. Its employees were being saddled with increasing premiums, high deductibles, and inferior benefits.

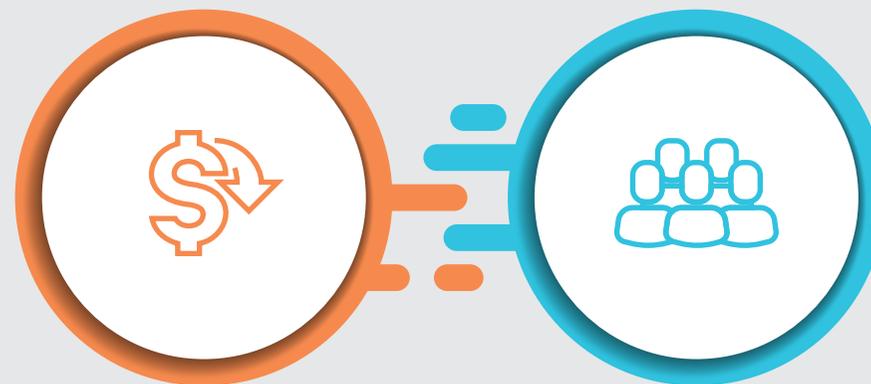
In 2018, the company rolled out RBP plans to a limited number of employees. **The results were staggering.** On average, the company was able to save more than 35% on the members in the RBP plans. More than that, the members themselves were pleased with the plans. Over the next several years, the company opened up more RBP opportunities for members, and in 2020, all members were covered by an RBP plan.

RBP not only provided significant savings for the company, but the employees also saw a **20% reduction** in premiums and deductibles.

What did the company do with all the money they saved?

It turned those dollars into new perks and rewards for its employees, such as: Uber rides to work, free daycare, tuition forgiveness, and more. Even better, since establishing RBP, employee turnover has decreased more than 10%.

RBP in Action



**20% REDUCTION IN
HEALTHCARE COSTS**

**10% DECREASE IN
EMPLOYEE TURNOVER**

Trended 2020 PEPEY (without RBP): \$8,698 | Actual 2020 PEPEY (with RBP): \$4,711
\$3,987 in savings. In one year. For every employee.

That's a 45% reduction in cost!



The Next Steps

Find out how Premier Workforce Solutions can save you significant dollars on your health plan costs:

☎ 855-550-5333

🌐 premierworkforcesolutionsllc.com

✉ info@premierworkforcesolutionsllc.com

