

Zelis Reference Based Pricing

Go Beyond Cost Shifting with
An Effective, Comprehensive Solution

Zelis Healthcare

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Zelis offers a Reference Based Pricing (RBP) solution uniquely effective in the market as part of a comprehensive cost management solution.

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accepted industry
definition of
Reference Based Pricing*

DEFINING REFERENCE BASED PRICING

Currently, there is no standard accepted industry definition of Reference Based Pricing (RBP), occasionally referred to as Reference Based Reimbursement (RBR.) However, the health care industry generally agrees that RBP refers to a cost management technique in which a medical plan pays fixed amounts – ‘reference’ prices – for particular services and procedures. Medicare is an example of a common reference price due to its availability and general awareness nationally. A member using a provider who does not accept the fixed amount as payment in full may be responsible for charges above the reference price and incur additional out-of-pocket expenses up to the provider’s billed charges.

TOUGH CHOICES WITH TRADITIONAL RBP

Traditional RBP strategies will typically protect the plan and sometimes force plan sponsors to choose between savings or member satisfaction. Plans directed toward member satisfaction will set higher reference prices to ensure sufficient access to providers. Plans more focused on controlling costs will set lower reference prices, making it more likely that members will travel further or search harder for a physician, or incur balance billing. These plans may save money for the employer but are unlikely to satisfy members.

THE ZELIS DIFFERENCE: RBP THAT SATISFIES PAYERS, PLAN SPONSORS, MEMBERS, AND PROVIDERS

Zelis Reference Based Pricing helps plan sponsors find the balance between savings and member satisfaction.

Any decision on Reference Based Pricing will have an impact on costs, access, employee satisfaction, and provider abrasion. Zelis understands this, and defines RBP to include savings, fair and defensible reimbursements, expert support and member advocacy processes. **That’s the Zelis difference.**

Zelis offers solutions to support any iteration of Reference Based Pricing. Our RBP strategies are used as an adjunct to our full spectrum of solutions including Primary PPO network replacement or OON claims cost containment.



Zelis will use our experience-based analytics to make informed recommendations on which savings strategies best achieve specific plan goals. Zelis RBP plans start with one of two options: our Medicare pricing capabilities or our Established Reimbursement Schedule (ERS). Both offer cost saving solutions on out of network claims, while ERS offers additional options for savings and member protection.

ZELIS RBP OPTIONS

	Established Reimbursement Schedule	Medicare Pricing Solutions
OON Savings	✓	✓
Market-based Benchmarking	✓	
Primary PPO Replacement	✓	✓
Egregious OON Claims Savings	✓	
White Space OON Claims Savings	✓	✓
Claim Settlement Services	✓	✓
State Compliance Pricing	✓	

Data Points Used by ERS

- Cost-to-charge ratios
- Historically acceptable reimbursements
- Geographic adjustments
- Commercially available benchmarks
- PPO contractual reimbursements
- Medicare reimbursements
- CMS-provided statistics

Established Reimbursement Schedule

For those seeking to balance savings with member satisfaction, Zelis recommends Reference Based Pricing using our proprietary fee schedule, called Established Reimbursement Schedule or ERS. ERS delivers market-based reimbursement to providers on out of network claims with the goal of plan savings and provider acceptance. ERS allows payment at or slightly above the in-network market rate for a given service. Zelis collaborates with a nationally recognized consulting firm to ensure that we use unbiased rates which are refreshed annually to keep pace with current market rates. These rates are based on market payments, costs, and national benchmarks.



500K+
Claims annual



<10%
Appeal rate



\$1 billion+
in client generated savings



90%+
Retention Rate



*Insulating clients with
proactive services
and support*

Why ERS is Successful: Zelis works collaboratively with providers on the allowed rate and provides for reasonable payments to deliver savings to the plan and minimize member balance billing. Partnering with providers and offering provider support leads to more sustainable cost management programs and supports the provider/patient relationship.

ERS can be used on all out of network claims or certain claim types based on the plan's goals.

Medicare Pricing Solution

Zelis offers a Medicare pricing solution for those who wish to pursue a PPO replacement option. In addition, clients use our Medicare Pricing Solution, or MPS, in a variety of capacities:

- Medicare Plus repricing on OON claims
- Primary network replacement
- UCR substitute
- Analytics and benchmarks

Value Based Program Service

At Zelis, we don't simply shift costs to members. We provide a value based program designed to deliver savings while insulating clients with proactive services and support.

Apply Savings Solutions: Zelis applies a spectrum of savings solutions to find the most appropriate solution for a claim. But we don't stop there...

Claim Settlement Support: Our dedicated claim settlement team of professionals leverage compliance and regulatory data and specific models of conversation to encourage provider acceptance of fee schedule rates. This team supports provider inquiries, removing that administrative burden for clients. Zelis' claims settlement service is specifically designed to support fee schedule pricing and to protect members from surprise balance billing.

Member Advocacy Program: Working with providers, we explain benchmark data for reimbursement levels within their market, use state balance billing regulations, and demonstrate the reasonableness of charges. Our EOB messaging supports offer and settlement payment to protect the plan and the member, and encourages providers to call us with questions.

Unique in the industry: Zelis utilizes proactive, outbound provider contact to confirm that providers are accepting discounts and not simply shifting costs to the member. This ensures that shared savings are achieved for all stakeholders.



SUCCESS FACTORS

Our experience shows that a Reference Based Pricing strategy is most effective when used as part of a comprehensive cost management solution that delivers savings, reduces provider noise and protects the member from balance billing.

Zelis defines Reference Based Pricing to include savings, fair and defensible reimbursements, expert support and member advocacy processes. Following an integrated approach, thoughtfully designed to meet each client's unique requirements, Zelis ensures the most effect and sustainable results that balance the needs of all stakeholders: plan sponsors, employers, members, and providers.

Zelis delivers Reference Based Pricing as part of a balanced and comprehensive strategy, leveraging a combination of network design, OON contracted solutions and savings solutions to meet a firm's unique requirements and risk assessment. Elements of this approach include:



Extensive Network Offerings



Negotiations



Sophisticated Analytics



Client Driven Plan Design

Extensive Network Offerings: Over 850,000 providers (direct contracts and partnered) for network solutions that offer a broad range of providers while delivering savings.

Negotiations: Expert pre- and post-payment settlement services for claims of all types, driving successful negotiations with signed provider agreements.

Savings Driven by Analytics: Sophisticated, experience-based analytics inform our product design and performance.

Custom, Client Driven Plan Design: Zelis knows that one size doesn't fit all so we tailor plan designs to meet each client's unique requirements.

Optimize Savings

Manage Plan Risk

Achieve Member Satisfaction

Minimize Provider Noise

Our balanced approach means that Zelis delivers the right product, for the right claim, at the right time.