



EMPLOYEE BENEFITS SERVICES

# REFERENCE BASED PRICING

## DATA-DRIVEN PRICING

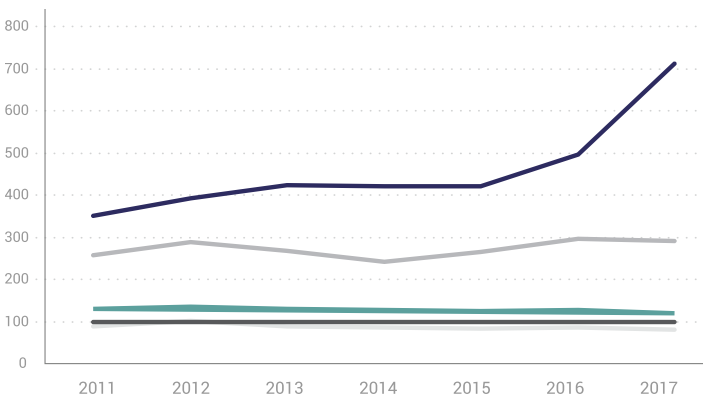
Reference Based Pricing (RBP), also known as Referenced Based Reimbursement (RBR), offers self-insured plans a defined benefit structure based on more economical reimbursement levels. RBP is designed to be fair and reasonable to providers based on various pricing data sets, including Medicare.

Employers are driving a trend toward alternative medical cost management, seeking reprieve from inflated medical pricing and PPO overpayment. RBP is an increasingly popular solution that addresses this problem by providing patients with more choices, saving employers money, ensuring quality care and eliminating the need for a PPO.

## THE HEALTH PLAN YOU DESERVE

RBP solutions provide a Health Plan reimbursement methodology based on the fair market value of services rendered, optimizing every health care dollar spent. The result is a fair, transparent, defensible and sustainable solution. (The chart below shows spread in actual hospital costs as reported to the U.S. Government vs. hospital billed charges vs. what PPOs are paying.)

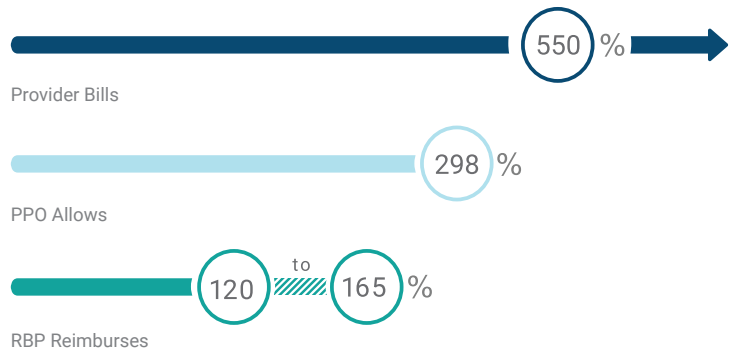
### HOSPITAL COSTS FLAT, CHARGES BILLED INCREASE



### HOSPITAL INVOICES AS % COST

— Billed — PPO Allowed — 150% Medicare (RBP) — Cost — Medicare

### RBP - U.S. AVERAGE



Provider Billed vs. RBP Reimbursement as % of Medicare

## MEMBER ADVOCACY / OUTREACH

IPMG's RBP providers an extension of the Group's Benefits Team, providing proactive outreach, ongoing advocacy, advocate authorization, and credit protection.



**PRESERVES AND/OR IMPROVES BENEFITS FOR MEMBERS**



**REDUCES COSTS OF BENEFITS & INCLUDES OPERATING MARGINS**



**INCLUSIVE APPROACH LEADS TO SUSTAINABLE, LONG-TERM SOLUTION**

Over the last 3 years, RBP reimbursement level on hospital claims has averaged 156% of Medicare - which is

**37% LESS THAN  
BUCA PPO LEVELS**

## IPMG & RBP

IPMG helps clients capitalize on the opportunity for savings an RBP program presents. An experienced TPA, we work closely with clients, their employees, and the RBP partner, to maximize the potential of the program.

## THE RBP PROCESS

|    |  |
|----|--|
| 01 | Plan language adjusted to support RBP services. Client and employee/member are educated on plan changes. |
| 02 | Hospital or facility claims reviewed for clinical and compliance mistakes, as well as billing errors.    |
| 03 | Repricing analysis completed to the client specified benefit levels.                                     |
| 04 | Responsibility of claim payment determination is shifted to the RBP partner.                             |
| 05 | Claims reviewed for clinical mistakes and billing errors.  |
| 06 | Claim returned to payer for final execution.   |
| 07 | Proactive consumer advocate outreach program.  |
| 08 | Final appeal responsibility given to delegate.   |