



Reference Based Pricing

How to Select the Best Reference-Based Pricing Medical Insurance Provider

Dear Reader,

Selecting the right health insurance provider is a critical decision that can significantly impact your healthcare costs and access to quality care. As we've discussed in previous articles, reference-based pricing (RBP) is gaining popularity because of its unique approach to healthcare cost management allowing employers to contain costs, analyze their data and better predict their future spend. However, choosing the best RBP medical insurance provider requires careful consideration. Since its birth in 2007, the RBP model has attracted many Program Administrators throughout the United States. As with any product/service we purchase, there are "bad actors" to look out for. The RBP space is unfortunately no different. In this article, we will provide insight into the key factors to consider when selecting a *Best-in-Class* RBP medical insurance provider.

Understand the Basics of RBP

Before diving into the selection process, it's crucial to understand the fundamentals of reference-based pricing. In an RBP plan, the insurer determines the allowable amount for a medical service or procedure based on a reference point, such as Medicare rates. Patients may be responsible for the difference between the reference price and the actual charge. A

good RBP provider will provide a contractual obligation to resolve any balance billing issues on behalf of the plan's members. This is a crucial and (in my opinion) necessary requirement of the agreement. Without this protection, your team members and potentially your organization can be held responsible for the payment of balance bills.

Provider Network

In an RBP program, the focus on savings is at the facility level, Hospitals and Surgery Centers. When it comes to employees visiting a PCP or Specialist Office, the focus turns to access and ease of use. Unlike traditional insurance plans, RBP plans often do not have a fixed network of healthcare providers. Instead, they rely on the principle of "any willing provider." This means that you can seek care from any healthcare provider who is willing to accept the RBP plan's payment terms. With this in mind, it is important that your RBP provider has access to a national "Provider-only" network and has a structured and well run process for negotiating one-off agreements with Providers that are not in the network. The warning here is that if your RBP program does not offer a Provider-only network and the administrators are not diligent in their efforts to contract with your desired Doctors then you can potentially have a heard of angry employees charging at your door!

Cost Transparency/Audit Process

RBP plans are designed to promote cost transparency. Look for an RBP provider that provides clear and accessible information about the reference prices for various medical services and procedures. This includes the audit process that they agree to adhere to. Sadly, the majority of hospital bills are riddled with errors and egregious charges. The success of your RBP program will rely heavily on your providers ability to obtain, analyze and adjust itemized hospital bills at an accurate and fair cost.

Negotiation Expertise

Since RBP plans often involve negotiating prices with healthcare providers, it's crucial to choose a partner with expertise in this area. An experienced RBP provider will have a track record of successfully negotiating fair prices for medical services, ensuring that you receive quality care at reasonable costs.

Appeals and Dispute Resolution Process

Despite the best efforts of RBP providers to negotiate fair prices, disputes can sometimes arise between facilities and insurers after emergency care is administered. Ensure that the RBP plan you choose has a robust appeals and dispute resolution process in place. It is also important that your Reinsurance Contract coincides with your desired dispute process. An employer does not want their reinsurance contract to restrict them from a desired settlement or even worse, release the reinsurer from an obligation to pay claim. This process should provide a fair mechanism for resolving billing disputes and ensuring that you are not unfairly burdened with excessive costs.

Customer Support

Excellent customer support is essential when dealing with any type of insurance. Look for an RBP medical insurance provider that offers responsive customer support to address your questions and concerns promptly. A dedicated support team can make the difference in your overall experience with the plan. Require at 3 client references in your local area!

Financial Stability

Evaluate the financial stability of the RBP insurance provider. Ensure that the company has a strong financial track record and the ability to cover your healthcare expenses. You can check their financial ratings with reputable agencies to gauge their stability.

Cost-Sharing and Coverage

Examine the cost-sharing structure of the RBP plan, including deductibles, copayments, and coinsurance. Be sure to determine the actuarial value of each plan you install. Understand what services are covered and any exclusions. It's essential to choose a plan that aligns with your healthcare needs and budget.

Selecting the best reference-based pricing medical insurance provider involves careful consideration of various factors. Understanding the fundamentals of RBP, assessing the provider network, evaluating cost transparency, and understanding your organizations financial and contractual obligations are all crucial steps in making an informed decision. By taking the time to research and compare options, you can find an RBP plan that offers THE MOST cost-effective healthcare coverage while ensuring access to the highest quality of care. Unfortunately the traditional health insurance model has proven year after year to be unsustainable. Employers must take action and consider an RBP model in order to provide their employees with a REAL medical benefit.

Reach out to us if you have question or would like to schedule a consultation.

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Best Wishes,

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