

# REFERENCE-BASED PRICING: WEBINAR Q&A

**Q. What kind of savings do you see an organization realize by implementing a cost plus model over the PPO for their hospital networks?**

A. This will depend heavily on both your amount of institutional charges *and* the effectiveness of your current PPO. With benchmark institutional usage and a best in class PPO, you should expect an *overall* plan savings of 10 to 15%.

**Q. Do you have any recommendations of an online website(s) that shows provider cost comparisons for certain in-patient or out-patient procedure costs? This would allow an employee to know the price and to price compare before a procedure.**

A. Key is to check with your current medical carrier and see if they have a partnership or tool available. The outside vendors pose a danger of using “average charge” data, which may contradict the pricing your current PPO has available.

**Q. On slide 16, who/what is “BVA”?**

A. BVA is “Benefit Value Advisor.” It is a program offered to BCBS clients in: IL, TX, OK, NM, and MT. Many other carriers have similar programs available.

**Q. How can we as employers find the “true” cost of services at our local hospital?**

A. Have your broker/consultant obtain a sample basket of common procedure charges from a Cost Plus vendor. All the data is available through the American Hospital Association but requires special subscription rights. This is the data the hospital has provided to HHS to determine their Medicare reimbursement levels.

**Q. How often you have seen a balance bill situation with an employee come up? Several RBP TPA's have been saying about 2% of total claims. Would you say that is a fair percentage?**

A. It varies by locale however, 4% would be a safer estimate.

**Q. How do we know which TPA's are using RBP?**

A. Your broker/consultant can tell you which TPA's have varying levels of RBP capabilities. Some are paying on a full Cost Plus platform while others have programs in place for services such as imaging, lab and scheduled surgical procedures.