

Reference-Based Pricing (RBP) Frequently Asked Questions

1. How does HST set prices?

HST's reference-based pricing (RBP) establishes the prevailing prices for medical services. Our program uses objective data, including:

- Medicare rates
- Medicare Provider Reimbursement Manual
- Cost data
- Other public and private data sources
- Average reimbursements/payments

2. What components are required to secure RBP Health Plan stop loss quotes?

There are six main components:

1. RBP Plan Design - covers network accountability or replacement (partial or full, scope defined)
2. RBP pricing and cost databases
3. RBP outlier negotiations and payment analytics
4. A plan template with RBP language and pricing specifications
5. Communications programs, for both provider and member
6. Twelve (12) months of paid claims benchmarking, PPO paid claims versus MAP, and costs

3. How does RBP Health Plan work?

The flowchart below explains the process used by RBP Health Plan.



4. How do self-insured organizations and stop loss carriers benefit from RBP vs. PPO plans?

These groups benefit by securing the lowest claims cost, along with payment predictability from cost-up pricing. More than 98% of claims will be settled at the Medicare Allowable Price (MAP). Up to 2% will be negotiated using a cost-up approach for the lowest cost. This is preferable to clawing back from PPO-billed charges. There is no need for audit and recourse rights, which typically result in top-down negotiations from inflated starting points. Dual quotes are the emerging standard. Carriers/TPA's with RBP will be well-positioned to address market needs.

5. How are balance bill situations handled in RBP Plans?

Stop loss policies cover balance billing cases. Outlier claims (balance bills) will be extended beyond the plan year. If a balance billing arises, HST will initiate an appeal. The member, plan sponsor, and payer are updated on the status and notified in writing of the final resolution.

Example: If the Medicare Allowable Price (MAP) is set at 140%, 98% of the claims will be paid accordingly. Outliers are facilities that take hard stances, or require additional education and negotiation. HST's collaborative approach authorizes staff to negotiate the outliers above 140% of MAP. After negotiation, outliers may accept MAP at 175% or 200% to close out the claim liability. All parties agree to the revised MAP payment and claim is closed out for all parties, including the member. If a claim is balanced billed following negotiations with sign-off, HST will call the provider to resolve, referencing the signed Letter of Agreement.

6. What if a member receives a call from the facility or patient about a balance billing issue?

You should contact HST as soon as possible by email or using the toll-free number provided by your Service Representative. HST's appeals process is supported by our Patient Advocacy Center (PAC). HST will manage the appeals process and negotiate a final resolution. Claims reduced by negotiations with signoff should not be balance billed. However, if a claim is balance billed, HST will reachout to the provider for resolution.

7. What is the HST Patient Advocacy Center (PAC)?

PAC is a program that coordinates with payers, providers, and members. PAC helps all parties understand the plans reimbursement based on RBP. The program is staffed by representatives with a broad background in health care and insurance. They educate providers about the reimbursement process for RBP. Patient education goals are established at the time of implementation and vary depending on your requirements.

8. Does HST offer an option to purchase separate RBP negotiation services?

Yes. In these engagements, HST will price and review claims for negotiations with sign-off and no balance billing to the patient. If billed charges are within MAP, the claim will be returned to the client. Such charges are fair and reasonable and should be processed for payment as billed.

9. How do I communicate the reason for the adjusted amount to the provider on the EOB?

Payers have Explanation of Benefits (EOB) language for specific pricing adjustments, policy exclusions, and limitations. HST will review your EOB language and make corresponding RBP recommendations.

10. What are the associated cost for HST's services?

Fees vary depending on the services provided. For example:

- RBP Negotiation fees are based on a percentage of savings (fees will not exceed cost of the claim)
- RBP Data Services are priced per claim (RBP Claims Analysis reports provided)
- RBP Health Plan uses a PEPM fee and a percentage of savings for the 2% outlier claims requiring negotiation (fees will not exceed cost of the claim)
- Payment Analytics are quoted on a per project basis