


**2016 MEMBER GROUP MEETING**  
FOR MEMBERS OF ADVANTAGE HEALTH PLANS TRUST

**MODERATED BY:**

Jay Kempton, Administrator  
Maria Robles Meyers, Esq.

**BOARD OF TRUSTEES:**

Chairman Kirk Pittman  
Trustee Guy Sims  
Trustee Lynn Kinder  
Trustee AB Bayouth  
Trustee Robert Jennings  
Trustee Robyn Batson  
Trustee Curt Nelson  
Advisor Trustee Paul Freeman



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**AGENDA**

1. Introductions
2. AHP Roadmap
3. ACA Update by Maria Robles Meyers
4. Questions & Discussion



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**AHPT Roadmap**



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**OUR GOALS**

- » Providing the highest quality health care possible
- » Reducing claims spend to save member banks and their employees \$\$



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**HOW DO WE GET THERE?**

- » Educate employees & provide useful tools
- » Incentivize members to make value-based healthcare buying decisions
- » Empower members of AHP while instilling a sense of responsibility
- » Increase freedom of choice



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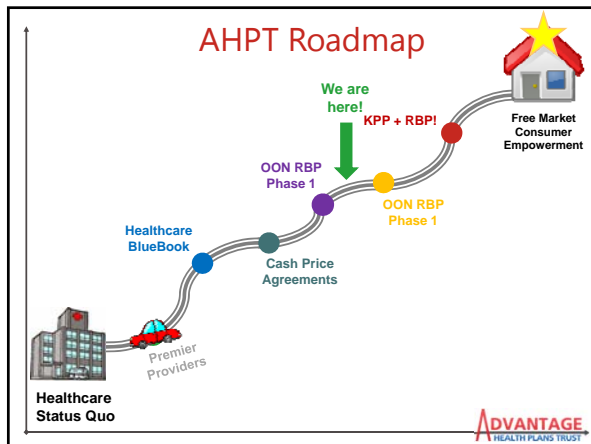
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**ACCOMPLISHMENTS** – ADVANTAGE PREMIER PROVIDERS 2011-CURRENT

APP Utilization **2,810** Procedures


APP Aggregate Savings **\$8,009,766.65**

Average Savings per Procedure **\$2,850**

Highest Amount Saved **\$92,787.24**

**All of this, with NO out-of-pocket cost to participants!**

\*\*Data as of 3/1/2012 through 7/1/2016




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**WE CAN DO MORE!** TOTAL MISSED

**Missed Opportunities**

**\$6,562,866.29**

\*\*Data as of 3/1/2012 through 7/1/2016




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**TOP MISSED OPPORTUNITIES**

Provider	Description	Billed Amount	Allowable	Premier Price	Possible Savings
Covenant Medical Center	Coronary bypass with cardiac cath w/o MCC	\$ 390,293.68	\$253,004.57	\$ 50,574.80	\$ 202,429.77
OU Medical Center	Spinal fusion except cervical w/MCC	\$ 330,481.90	\$143,632.34	\$ 59,000.00	\$ 84,632.34
Tulsa Cancer Institute	Chemotherapy and other cancer related treatments	\$ 115,227.00	\$ 85,250.89	\$ 27,323.66	\$ 57,627.23
OU Medical Center	Total abdominal hysterectomy, w/wo removal of tube(s), w/wo removal of ovary(s)	\$ 76,896.15	\$ 54,187.41	\$ 10,500.00	\$ 43,687.41
San Angelo Medical Center	Neuroplasty and/or tranposition; ulnar nerve at elbow AND median nerve at carpal	\$ 62,050.28	\$ 44,594.98	\$ 5,220.00	\$ 39,374.98
MHHS Sugar Land Hospital	Total abdominal hysterectomy, w/wo removal of tube(s), w/wo removal of ovary(s)	\$ 64,700.00	\$ 47,051.48	\$ 10,500.00	\$ 36,551.48
Southwestern Medical Center	Colonoscopy, flexible, with removal by snare AND Esophagogastroduodenoscopy	\$ 42,216.39	\$ 37,152.18	\$ 2,363.00	\$ 34,789.18
Southwestern Medical Center	Insertion of tunneled centrally inserted central venous access device	\$ 42,316.50	\$ 37,238.52	\$ 3,190.00	\$ 34,048.52
Titus Regional Medical Center	Radiation and other related treatments	\$ 54,387.10	\$ 43,832.50	\$ 14,481.42	\$ 29,351.08
Peterson Regional Medical Center	Total abdominal hysterectomy, w/wo removal of tube(s), w/wo removal of ovary(s)	\$ 42,135.21	\$ 38,898.08	\$ 10,500.00	\$ 28,398.08
Hill Country Memorial Hospital	Major joint replacement or reattachment of lower extremity w/o MCC	\$ 67,127.78	\$ 47,208.57	\$ 19,500.00	\$ 27,708.57

\*\*Data as of 3/1/2012 through 7/1/2016




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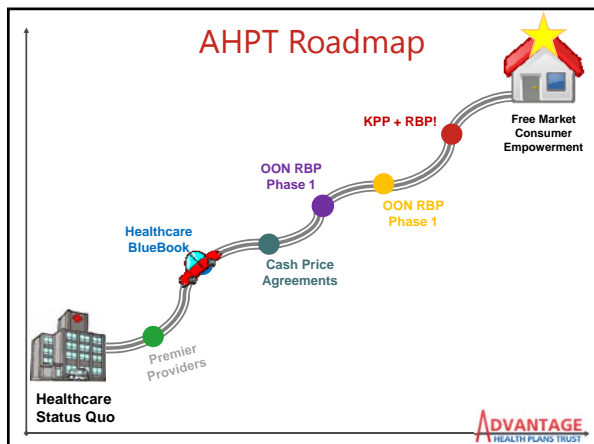
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### HEALTHCARE BLUEBOOK

- 1 "What do I need?"
- 2 "What should it cost?"
- 3 "Where should I go?"

Price?  
Quality?

#### Total Hip Replacement

Fair Price **\$28,597**

\$16,986  \$95,948+

Facilities	Distance	Quality Rating	Cost Rating
Oklahoma Surgical Hospital (~ 90 miles)		✓	●
Multisite Orthopedic Hospital (~ 10 miles)		✓	●
Premier Surgical Institute (~ 109 miles)		✓	●
Pine Creek Medical Center (~ 182 miles)		✓	●
Integrus Baptist Medical Center (~ 11 miles)		✓	●
Community Hospital (~ 11 miles)		✓	●
Saint Anthony Hospital (~ 7 miles)		✓	●
Integrus Canadian Valley Hospital (~ 21 miles)		✓	●
Norman Regional Hospital (~ 14 miles)		✓	●
OUI Medical Center (~ 6 miles)		✓	●
Mercy Hospital El Reno (~ 33 miles)		✓	●

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### HEALTHCARE BLUEBOOK

**Go Green to get Green!**

- » Cash rewards for utilizing "green" or "fair priced" providers for specific procedures
- » Just follow a simple rule: Go Green to Get Green!
- » No forms for employee to submit

**\$200**

Diagnostic Colonoscopy

Upper GI Endoscopy

**\$100**

Sleep Study

Cataract Surgery

Heart Perfusion Imaging

**\$50**

Doppler Exam of the Heart

Heart Echo

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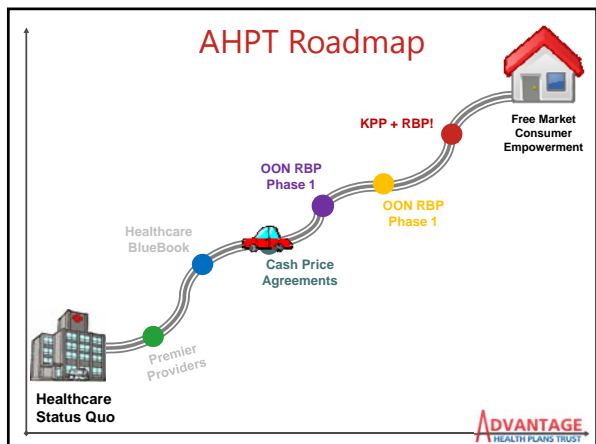
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### CASH PRICE AGREEMENTS

**CASH PRICE AGREEMENT**

Participant Name: \_\_\_\_\_ Participant ID Number: \_\_\_\_\_  
 Facility Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**Free Market Price Matching**

- » Any provider can *match* the KPP price
- » Members are negotiating with their current provider to get a better deal, and 100% coverage, while staying with their current provider
- » 19 Cash Price Agreements in 2016!
- » If you want a Cash Price Agreement, just call Kempton!

Participating Office			
Provider Name	Provider	Code	Annual Cash Offer
Regional Center of Ophthalmology	_____	_____	\$1,000.00
Regional Center of Ophthalmology	_____	_____	\$1,000.00

PREFERRED Service Unit			
Provider Name	Provider	Code	Year Offer
ABC Medical Practice	_____	11111	\$800.00

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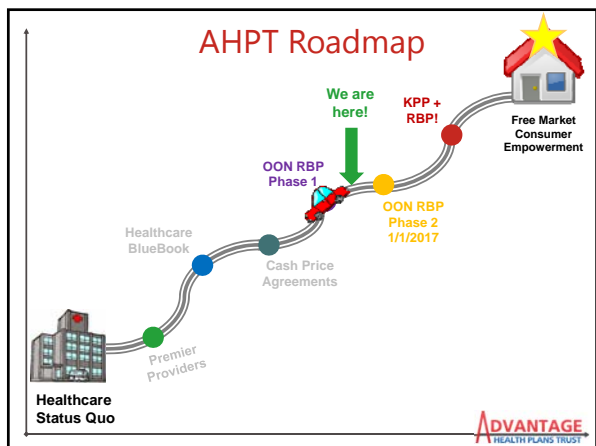
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**↑ WHY REFERENCE BASED PRICING?**

**Egregious Network/PPO Abuse**

- » Big hospitals and big insurance both win when charges are high
- » Discounts = Percent off "billed" charges
  - Does not decrease the actual cost of care




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**↑ FAILURE OF NETWORKS**

**Networks are the #1 reason for the broken system**

- » Networks/PPOs are heavily biased in favor of the seller
- » Carrier networks are the "black hat" hospital's best friend
  - Networks are like an ATM machine
  - Discounts mask healthcare inflation




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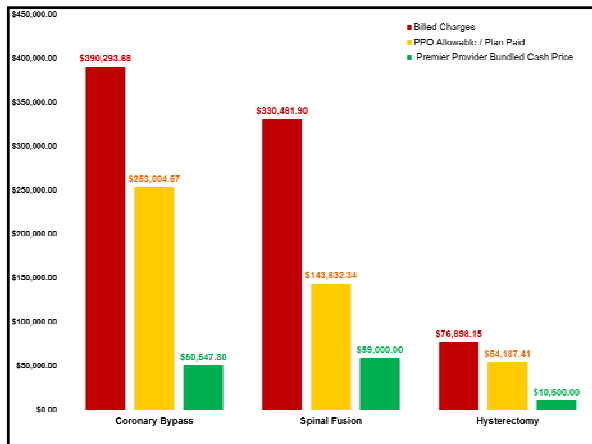
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**FAILURE OF NETWORKS**

**Contracts without Review**

- » Network contracts with providers are **confidential**
- » Employers are agreeing to something they have no access to review
- » Networks promise guaranteed volumes
- » Network contracts tie the hands of the buyer/employer




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**FAILURE OF NETWORKS**

**One example:**

- » "High Performance Network" contract example:
  - NO auditing of bills
  - NO direct negotiation/conversation/contact with ANY provider other than via the network (KPP not allowed)
  - NO cost containment arrangements of any kind other than the network discount
    - NO controls on implantables, dialysis, or any other strategy to protect the Plan from bad actors
- » **Pay what we say to pay - be happy you got a discount**




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**FAILURE OF NETWORKS**

**Contract Example**

a. Clean Claim. Unless otherwise required by law or the applicable Network Provider Agreement, Clean Claim means a completed UB92 or CMS (HCFA) 1500 or successor form, as appropriate, or other standard billing format, containing all information reasonably required by the Administrator for adjudication, e.g. Network Provider's name, tax identification number, date of service, procedure code with Billed Charges, the Administrator's name and policy number, and the Participant's name, address, identification number and patient's date of birth. **Clean Claim does not require medical records, itemized statements or invoices.**

b. Non-solicitation of Network Providers. **Administrator shall not solicit, nor allow any third party on its behalf to solicit, any Network Provider to create a direct relationship with a provider for the purpose of providing health care services to Participants during the term of this Agreement and for a period of two (2) years thereafter.**

c. In the Markets in which Administrators purchases access to Networks, Administrator, or User shall compensate Network Providers for Covered Services rendered to Participants **using only Contract Rates, and shall not use any other savings or cost-containment arrangement** that otherwise might be available to Administrator, including but not limited to, Administrator's own usual, and/or reasonable, and customary criteria.




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↑ REFERENCE BASED PRICING (RBP)

**What is RBP?**

- » "Reference Based Pricing"
  - The price a plan uses to determine the benefit
    - Historically, it has been whatever the provider 'bills'
- » Most expansive and accepted **RBP is Medicare Pricing**
  - The government is the largest purchaser of healthcare products
  - Medicare pricing takes into account:
    - Geo Data / Locale / City / Rural
    - Debt load / Uninsured population
    - Demographics



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↑ MEDICARE PLUS RBP

**Self-Funding & RBP**

Because of these facts, many self-funded plans are moving towards utilizing Medicare pricing as a reference (starting point) for ALL participants.



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↑ MEDICARE PLUS RBP

» Savings from reference pricing materializes through a combination of:

- a) Patients choosing providers at, or below, the reference price
- b) Patients paying the difference between the reference price and the billed charge; aka 'balance billing'
- c) Providers accepting the reference price as payment in full.



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**MEDICARE PLUS RBP – AHPT**

**Out-of-Network Benefits**

» Effective 8/1/2016

- Out-of-network claims held to Medicare PLUS+
  - Physicians will be limited to 100% of their current Medicare payment, PLUS an additional 20%.
  - Facilities and hospitals will be limited to 100% of their current Medicare payment, PLUS an additional 50%.




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**MEDICARE PLUS RBP – AHPT**

**Out-of-Network Benefits**

» Effective 8/1/2016

- Co-insurance & co-pays are the same \$ amount as in-network benefits
- Out-of-network chiropractor now covered!
- Out-of-network preventive care now covered!




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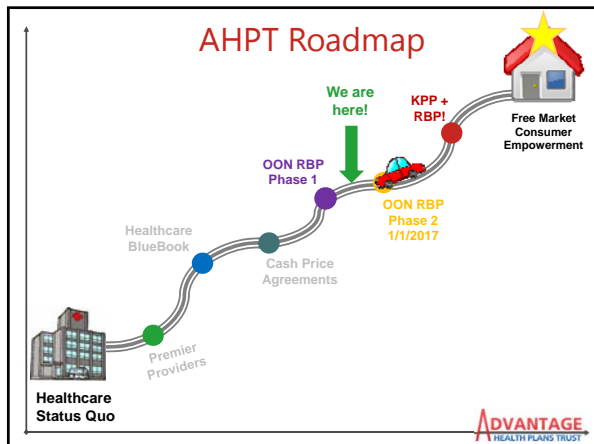
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↑ MEDICARE PLUS RBP – AHPT

Expansion of utilizing Medicare Plus RBP

- » Next step – 1/1/2017:
  - ALL benefits for OON will match in-network
    - Matching copays, coinsurance, deductibles, out of pocket limits
  - No more 'wrap networks'
- » Eventually – eliminate PPO networks
  - More in a minute...



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↑ THE RBP ELEPHANT IN THE ROOM

- » Balance Billing could happen
- » In-Network is a mutually agreed upon price
  - The two parties who 'mutually agreed' are the hospital and the network, not AHP, and not you
- » RBP is not a mutually agreed upon price
  - RBP seeks to provide a reasonable and rational reimbursement based on nationally accepted criteria



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↑ OTHER 2017 PLAN CHANGES DISCUSSION

- » Out-of-pocket costs
  - Federal ACA out-of-pocket maximum increasing
    - \$7,150
    - \$14,300
- » Possible - Increase in co-pays
  - Increase by \$10 on office visit and RX
  - Specialty RX to \$150
  - Increase ER out-of-pocket for non-emergency
- » Possible - New plan designs?
  - Possible plan option with no network; only reference based pricing
  - Full network replacement



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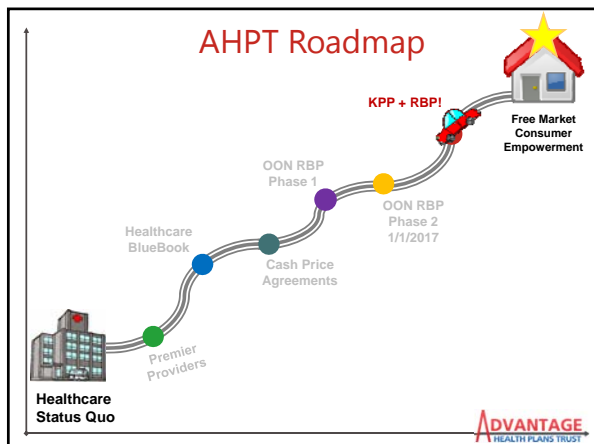
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### THE FUTURE OF RBP

**Goal:**

- » Eventually – eliminate PPO networks
- » Proactive employee education and consumer empowerment are the KEY to reducing balance billing risk
- » Develop search tool to proactively determine medical providers that accept the reference reimbursement without balance billing



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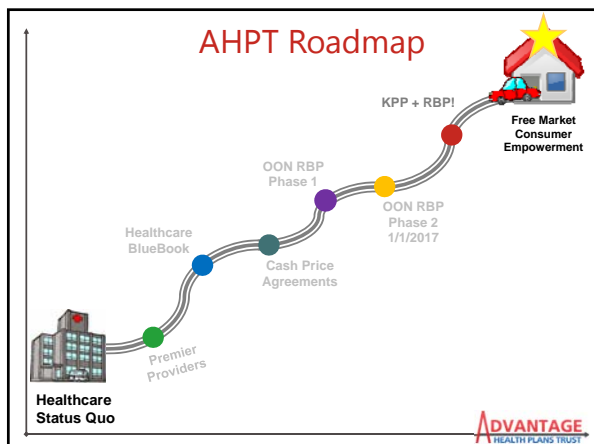
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**FREE MARKET MEDICAL ASSOCIATION**

- » Focuses on the pillars of the free market to affect necessary change
- » Finding a road to recovery through freedom of choice by the consumer/buyer and the physician/seller:
- » 2016 Annual Conference
  - Nearly 300 attendees from all over the U.S.
  - Physicians, surgery centers, self-funded employers, and facilitators attended

» [www.FMMA.ORG](http://www.FMMA.ORG)  **FREE MARKET MEDICAL ASSOCIATION**

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ACA Update  
by  
Maria Robles Meyers



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**QUESTIONS & COMMENTS**



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