

# 2017 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 A.B. Bayouth  
Trustee Robert Jennings  
Trustee Robyn Batson  
Trustee Jay Gober  
Trustee Paul Freeman



## AGENDA

Road Map to Success

- Premier Providers
- Reference Based Pricing
- New Plan Options

Legislative Update



**OUR GOALS**

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

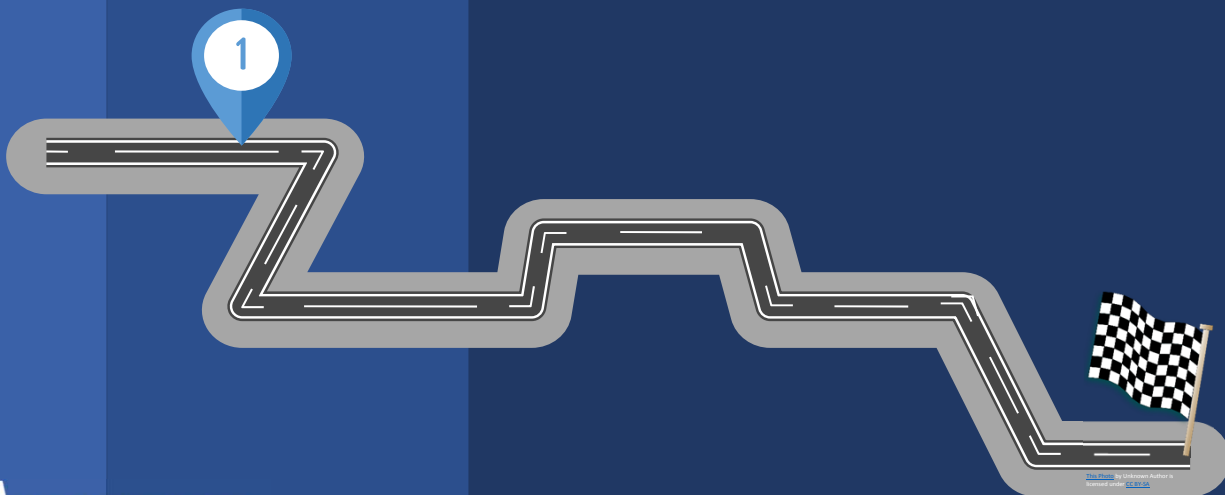
## HOW DO WE GET THERE?

- 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

### PREMIER PROVIDERS

\$11+ MILLION SAVED

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**ADVANTAGE**  
HEALTH PLANS TRUST

## PREMIER PROVIDERS

**PROCEDURES**

5,047

**SAVINGS**

\$11,303,139

**AVG. SAVINGS  
PER PROC**

\$2,239.58

**HIGHEST SAVED**

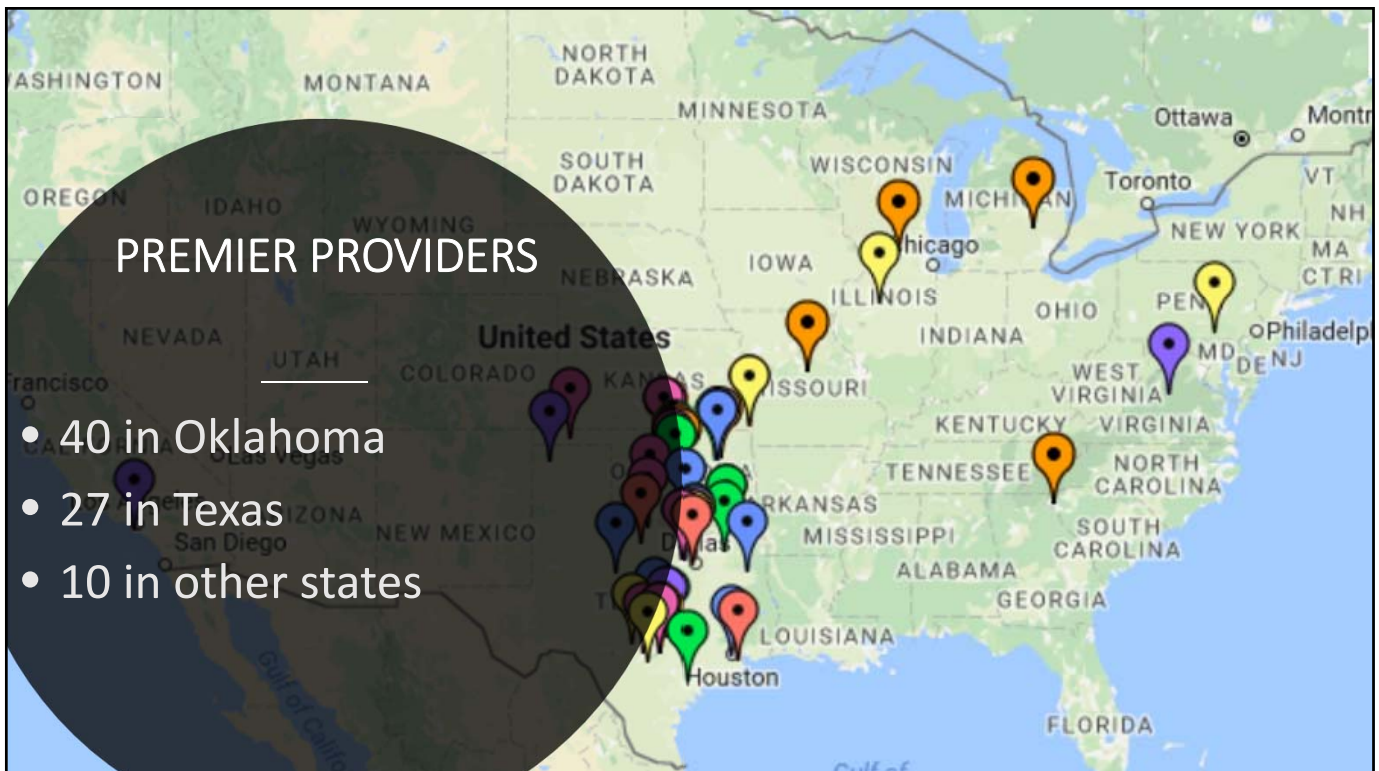
\$202,429

*\*\* Data as of 3/1/2012 through 6/30/2017*

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## PREMIER PROVIDERS

- 40 in Oklahoma
- 27 in Texas
- 10 in other states





## CASH PRICE AGREEMENTS



PRICE MATCHES

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*\*\*Includes only agreements with non-KPP providers. One time agreements with a KPP for a procedure not on list not included. Data as of 3/1/2012 through 6/30/2017*



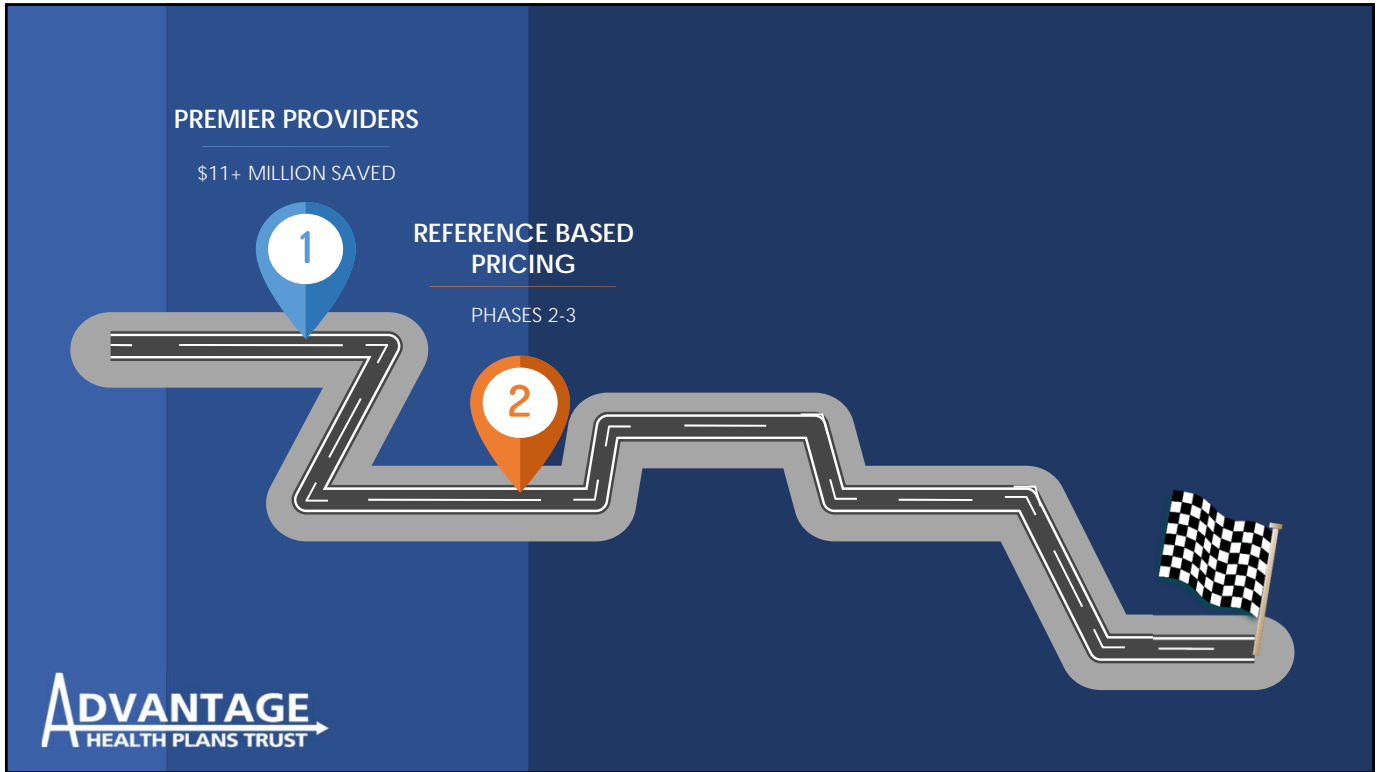
## PREMIER PROVIDERS

### MISSED OPPORTUNITIES

\$8,371.269.83

*\*\* Data as of 3/1/2012 through 6/30/2017*

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THE DISCONNECT

PEOPLE NO LONGER UNDERSTAND THAT:

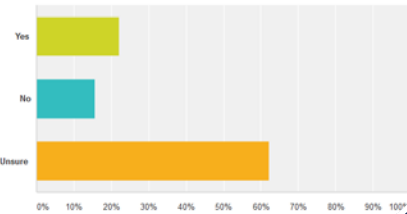
COST OF CARE  
=  
COST OF INSURANCE

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## RBP SURVEY RESULTS

Would you be interested in a Plan that has no PPO Network and processed all claims based on Medicare Plus?

Answered: 45 Skipped: 0



- Many AHP members said they understood RBP
- Most were unaware of any balance billing issues
- #1 reason why members said they would not like a full RBP replacement, was due to the potential for balance billing

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## REFERENCE BASED PRICING REFRESHER

WHAT IS RBP?

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## REFERENCE BASED PRICING FOR AHP

- The price a plan uses to determine the benefit
- It's like using Kelly Blue Book to find the 'fair price' of a car or Zillow for a house
- The reference price can be based on things like:

Kempton Premier Providers  
 Amazon, online retail price  
 Healthcare BlueBook  
 Medicare Reimbursement

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## REFERENCE BASED PRICING FOR AHP

- Most expansive and accepted RBP is Medicare Pricing
- This has nothing to do with Medicare-enrollment
- RBP using Medicare is a PRICING STRUCTURE ONLY

- 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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## AHP ALREADY HAS RBP

- All current out-of-network benefits are held to RBP
- Benefits levels are THE SAME as in-network
- Based on Medicare Plus

Current out-of-network charges are held to:

- Physicians Medicare + 20%
- Facilities Medicare + 50%
- Emergency Medicare + 100%

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## RBP STATISTICS

**# OF OUT OF NETWORK CLAIMS**

5,969

**TOTAL BILLED CHARGES**

\$6,005,223

**TOTAL ALLOWED**

\$4,004,720

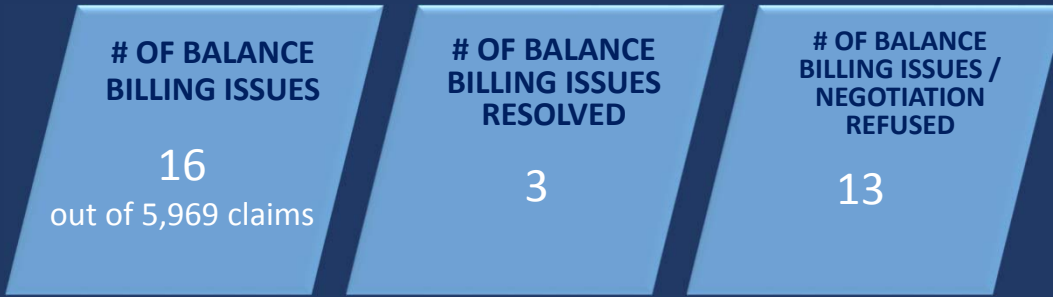
**PLAN PAID**

\$793,524

\*\* Data 8/1/2016 – 7/31/2017

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## RBP STATISTICS – BALANCE BILLING

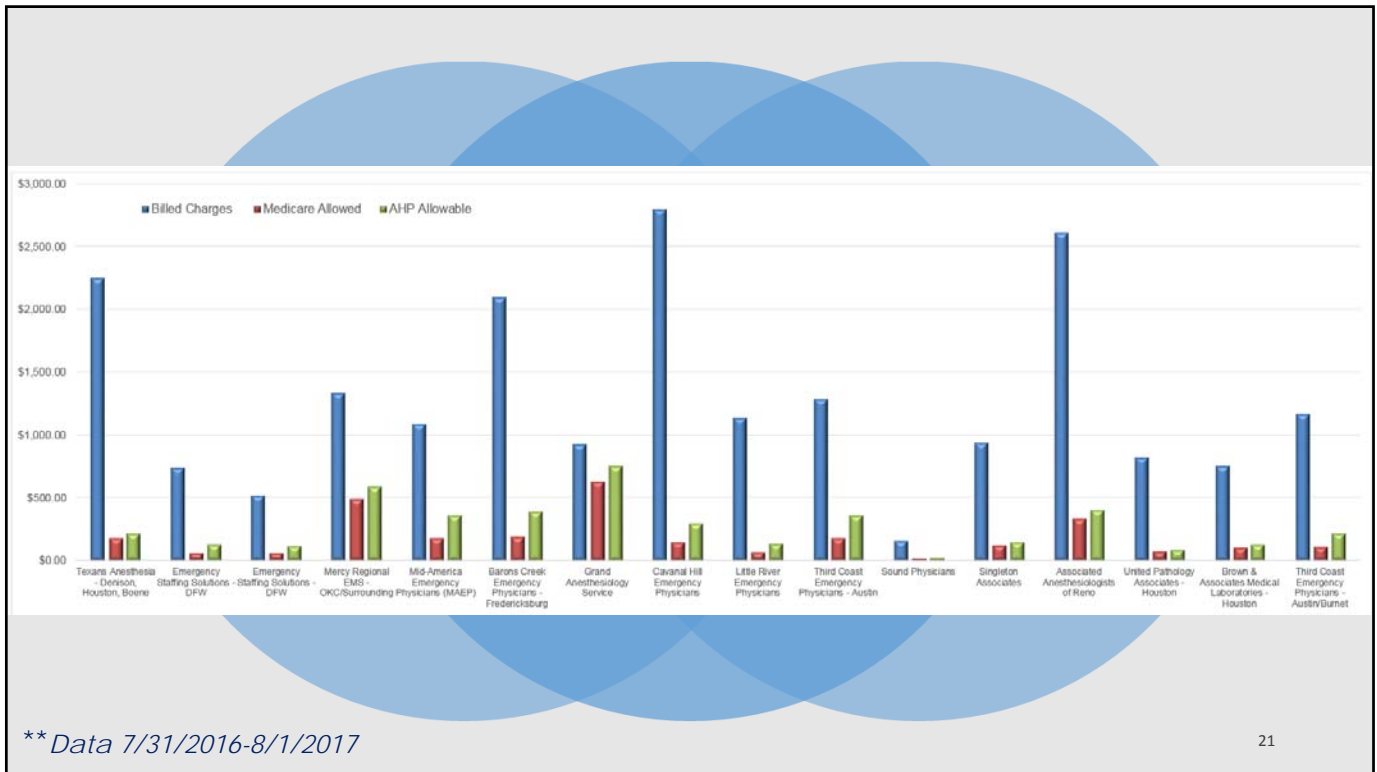


\*\* Data 8/1/2016 – 7/31/2017

## BALANCE BILLING DETAILS

Provider Name	State	Type of Services	Billed Charges	Multiple of Medicare Billed	AHP Allowable	Multiple of Medicare Paid	Balance Bill Amount	Comment
Texans Anesthesia - Denson, Houston, Boerne	TX	Anesthesia	\$2,250.00	1277%	\$211.38	120%	\$2,038.64	Demand minimum of 70% off billed which would be 700% of Medicare
Emergency Staffing Solutions - DFW	TX	Emergency Physician	\$741.00	1187%	\$124.86	200%	\$616.14	Demand full billed charges. They have the right to balance bill.
Emergency Staffing Solutions - DFW	TX	Emergency Physician	\$615.00	899%	\$114.62	200%	\$400.38	Demand full billed charges. They have the right to balance bill.
Mercy Regional EMS - OKC/Surrounding	OK	Ambulance	\$1,334.00	274%	\$584.16	120%	\$749.84	Demand full billed charges, does not negotiate on any claim.
Mid-America Emergency Physicians (MAEP)	OK	Emergency Physician	\$1,087.00	605%	\$359.48	200%	\$727.52	Demand full billed charges, does not negotiate on any claim.
Barons Creek Emergency Physicians - Fredericksburg	TX	Emergency Physician	\$2,096.00	1089%	\$385.08	200%	\$1,710.92	Demand full billed charges, does not negotiate on any claim.
Grand Anesthesiology Service	WY	Anesthesia	\$924.00	148%	\$747.68	120%	\$176.32	Demand full billed charges, does not negotiate on any claim.
Cavalan Hill Emergency Physicians	OK	Emergency Physician	\$2,794.00	1876%	\$297.81	200%	\$2,496.19	Only accepts 10% off billed
Little River Emergency Physicians	OK	Emergency Physician	\$1,138.00	1693%	\$134.44	200%	\$1,003.56	Demand full billed charges, does not negotiate on any claim.
Third Coast Emergency Physicians - Austin	TX	Emergency Physician	\$1,285.00	714%	\$359.86	200%	\$925.14	Demand full billed charges, does not negotiate on any claim.
Sound Physicians	TN	Stress Test (Hospital)	\$157.90	842%	\$22.51	120%	\$135.39	Demand full billed charges, does not negotiate on any claim.
Singleton Associates	OK	Radiology	\$940.00	758%	\$148.78	120%	\$791.22	Pending
Associated Anesthesiologists of Reno	NV	Anesthesia	\$2,610.00	786%	\$398.50	120%	\$2,211.50	Pending
United Pathology Associates - Houston	TX	Pathology	\$820.00	1163%	\$84.58	120%	\$735.42	Pending
Brown & Associates Medical Laboratories - Houston	TX	Pathology/Lab	\$755.00	724%	\$125.11	120%	\$629.89	Negotiated to 150% Medicare SUCCESS!
Third Coast Emergency Physicians - Austin/Burnet	TX	Emergency Physician	\$1,166.00	1083%	\$215.30	200%	\$950.70	Participant filed complaint - Discrimination SUCCESS!

\*\* Data 7/31/2016-8/1/2017

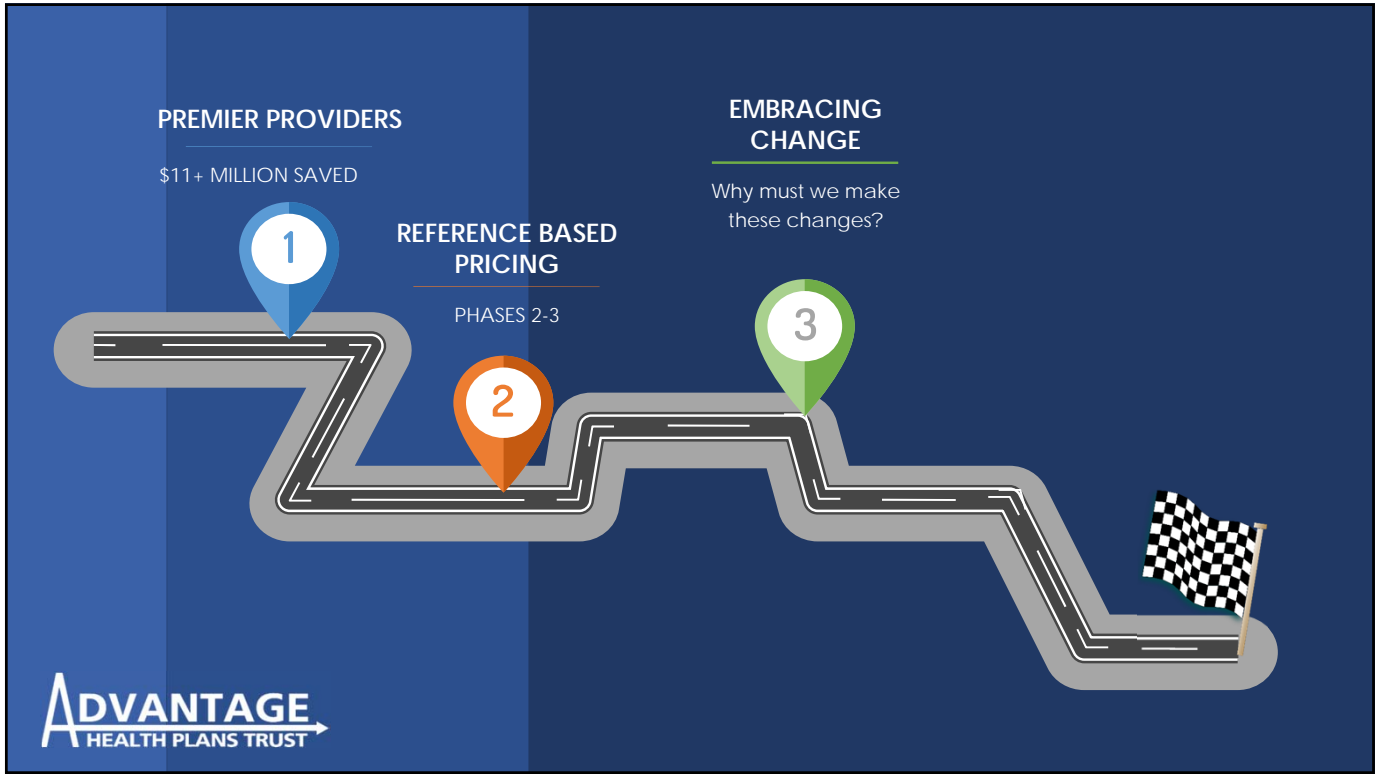


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## RBP ELEPHANT

- Balance Billing could happen (has always been the case for any out-of-network)
- In-Network is a mutually agreed upon price
  - Mutually agreed between the PPO network and the provider
  - NOT YOU
- RBP seeks to provide a reasonable and rational reimbursement based on nationally accepted criteria

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**34 businesses sue Blue Cross over 'hidden' fees**  
By CHAD LIVENGOOD

**Have PPO Networks Perpetrated The Greatest Heist In American History?**  
PPO Networks: The Devil Employers Think They Know

**United States Department of Labor Secretary of Labor Thomas E. Perez News Release**  
US Labor Department sues DC-area government contractor and employee benefit plan service providers

**Over 100 CIGNA Administered Self-insured ERISA Health Plans Sued for Embezzlement-Health Plan Litigation Tsunami**  
Date: 11 Jun 2016

**DOL Sues Union Health Fund Over \$3M in Allegedly Excessive Fees**

**United States Department of Labor Secretary of Labor Thomas E. Perez News Release**  
US Labor Department sues DC-area government contractor and employee benefit plan service providers

**Have PPO Networks Created a 20-year-long Economic Depression for the Middle Class?**

**Wendell Potter commentary**  
**Court case shows how health insurers rip off you and your employer**

**Blue Cross Blue Shield of Michigan**  
No. 13-1773/13-1859  
IN THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT  
HI-LEX CONTROLS INC., HI-LEX AMERICA, INC., AND THE HI-LEX CORPORATION HEALTH AND WELFARE PLAN, Plaintiffs-Appellees-Cross-Appellants,  
v.  
BLUE CROSS BLUE SHIELD OF MICHIGAN, Appellees.

## WHAT IS THE END GAME?

- Eliminate PPO Networks
  - BCBS vs. Integris Debacle
- Replace with:
  - Transparent up front pricing (primary)
  - Reference Based Price (secondary)

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## LOOKING TOWARDS 2018

- Plans available with full PPO replacement / RBP ONLY
- Other options being considered to lower your cost while maintaining good benefits
- Looking to further enhance patient advocacy in regards to balance billing

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## LEGISLATIVE UPDATE

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## CONTACT US



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