

Choosing the Right Out-of-Network Bill Repricing Vendor

No matter how effective a job you do in selecting Primary PPOs (Preferred Provider Organizations) for your organization or clients there WILL BE OUT-OF-AREA/OUT-OF-NETWORK (OON) claims. Even the best network configuration can leave 10%-30% OON, depending on the location of the employees. The result is significant medical bills are left undiscounted and must be paid at retail, or a Usual and Customary Rate (UCR) is applied resulting in the patient being responsible for the balance.

A 100,000 member HMO with 95% of their claims from in-network providers can experience over \$15,000,000 in OON medical bills per year

A 5,000 employee company with 80% in-network utilization can experience over \$6,000,000 in OON medical bills per year

However, there is good news!

There are options that can significantly reduce your costs associated with OON claims. We have created a checklist on the following pages to assist you in analyzing the options available to insure you are getting the highest savings on the greatest number of medical bills possible. The answers provided within reflect CAI's responses to these issues. **Please contact your Regional Sales Manager or contact CAI at (404) 459-7201 and ask for the sales department to receive a free copy of the blank check list for your comparison.**

Savings on \$6,000,000 in OON billed charges can be as high as \$500,000 to \$1,000,000!

WHAT TO ASK:

Vendor Name: Coalition America, Inc.

1. Do they use several avenues for gaining discounts including Wrap PPO networks, Supplemental PPOs, Continuous Discount Agreements (CDAs) and negotiations ?

Yes No

If YES, please explain: CAI has a 4 tiered approach for obtaining savings on out-of-area/out-of-network medical claims. **FIRST**, we can use Wrap PPOs requiring logos to obtain discounts. **SECOND**, we can access discounts by contract through Supplemental PPOs on behalf of our clients. **THIRD**, we have access to over 27,000 Continuous Discount Agreements (CDAs) providing preset discounts for negotiated providers. **FINALLY**, we use state-of-the-art technology to negotiate on ALL medical bills, regardless of size.

2. Do they offer access to multiple Supplemental PPOs for repricing to discount the greatest number of claims possible?

Yes No

If YES, how many PPOs do they access in each state? CAI typically offers 5-13 Supplemental PPOs by state. Supplemental PPOs allow CAI by contract to access discounts on providers when there was no patient steerage (logos or benefit differentials). The fee schedules for our Supplemental PPOs are loaded in our system enabling real-time repricing for our clients (RepriceNow!). We tier our Supplemental PPOs by their ability to generate savings, which can vary from state to state. **Bottom line- Our incentives are the same as our clients - save the most money on as many medical bills as possible!**

3. Do they rank their networks in each state by historical savings to provide the deepest discounts?

Yes No

If NO, how do they determine which networks to use with specific providers or by state?

4. Do they handle all service issues related to the discounted claim, including provider inquiries on your behalf?

Yes No

If YES, what is their process to resolve inquiries and maintain discounts? CAI has a multi-tiered approach to maintaining discounts for its clients. **FIRST**, we work with the provider to determine if there is a simple miscommunication that can be resolved quickly and easily. **SECOND**, if the issue is more complicated and may require review of the agreement with the PPO, CAI immediately communicates with the impacted PPO to confirm that the agreement with the provider supports the discount, and that there were no changes that occurred to the agreement prior to the date of services. If the Agreement supports the discount then the PPO assists in confirming the discount with the provider.

If, however, there has been a change which precludes the discount, then CAI notes this change in its system to ensure no future discounts are taken for the provider through the impacted network. But just as important, CAI negotiates with the provider to maintain all or as much of the discount as possible. Because CAI relies on the accuracy of the contract information from its network partners, there can be limited instances where communications have not been as timely as expected. **However, CAI has historically experienced less than a 2% challenge rate on its repricing.** Additionally, CAI has an on-Line Provider Inquiry System to assist our clients in identifying and tracking resolution of these issues.

If NO, how do they protect you from provider calls and patient collections?

5. Does the vendor have direct contracts with all the PPOs they are accessing, or are they using discounts for PPOs through other source(s)?

If NO, how do they address "blind" discounts that may be lost due to lack of direct contracts?
Yes No

6. Does the vendor's contract with each Supplemental PPO specifically allow them to access discounts on claims where there was no patient steerage (logos or benefit differentials)?

If NO, how do they protect you against lost savings due to "blind" discounts and patient balance billing?
Yes No

7. Can they provide a detailed analysis of projected savings based on historical results?

If YES, how specifically is this done? CAI uses a proprietary system called VIPER to generate a detailed "apples to apples" comparison of the savings CAI could reasonably generate versus a client's existing repricing solution(s) (assumes no significant change in provider utilization). To generate this report we only need an excel spreadsheet with Provider Name, Tax ID, State, and Total Billed Charges. With this information we can provide a detailed report showing the savings through a Wrap PPO (if applicable), our Supplemental PPOs, direct negotiations, Continuous Discount Agreements and total overall savings.

If NO, how do you determine realistic savings potential for your business?

8. What is their average savings per claim discounted?

CAI's average savings is approximately 20%.

9. What is the percentage of total out-of-area/out-of-network claims discounted?

55-65% (Assumes CAI is 1st tier - includes Supplemental PPO and direct negotiated savings).

10. Where are they geographically successful in generating savings?

CAI has contracts with upto 13 Supplemental PPOs in each state, providing a depth of provider access not available through any other repricing vendor. Additionally, we have over 27,000 Continuous Discount Agreements (CDA's) with providers nationwide that allow CAI to access discounts on behalf of all its clients without further specific negotiations. Once we have detailed information on the location of your employees we can provide additional information on our access and discounts.

Is this where your population resides?



Yes No

11. Do they offer negotiations?

If YES, do they require thresholds on the claim size to negotiate? (Example: over \$1,000 for physicians or \$5,000 for hospital - if yes, you are losing savings opportunities!)
Yes No
CAI does not have any thresholds for negotiating provider medical bills. Through state-of-the-art technology we have the ability to automatically compile smaller dollar claims for the same provider from all clients and generate a fax-on-demand proposal. Because of this ability we have been able to leverage significant savings on claims not touched by other vendors, resulting in more claims discounted and greater overall savings.

12. Do they offer Continuous Discount Agreements (CDAs) providing preset discounts for negotiated providers?



Yes No

13. Do they have HIPAA-compliant electronic solutions or real-time Internet access?



Yes No

14. Do they charge on a percentage-of-savings basis (no savings, no cost to you)?

If no, how do they price their service?



Yes No

15. Do they have a disaster recovery plan including third party hosting to protect your ability to gain savings?



Yes No

One of the best mechanisms to determine if the vendor can truly provide value and increased savings is through a detailed savings analysis, which allows the vendor to use actual claims from your organization and run an analysis against historical experience to determine the estimated savings through their services. This is an "apples to apples" comparison that will tell you immediately if there are additional savings opportunities.

Coalition America, Inc. (CAI) is the leader in medical claim savings utilizing proprietary technology and PPOs to leverage discounts on medical bills for payors, insurers, employers and HMOs. Clients can interface with CAI through electronic data interface (EDI) or the Internet to access discounts on in-network and out-of-area/network medical claims. CAI delivers significant savings through the integration of Primary PPOs, Wrap PPOs, Supplemental PPOs, and direct provider negotiations. The Atlanta-based healthcare savings company services over 300 clients representing more than 12,000 businesses nationwide, offering a one-stop solution for discounting medical bills while reducing administrative costs through technology. CAI has saved its clients over \$600 million since its inception in 1995.

For more information on Coalition America, please visit www.coalitionamerica.com or contact sales@coalitionamerica.com.