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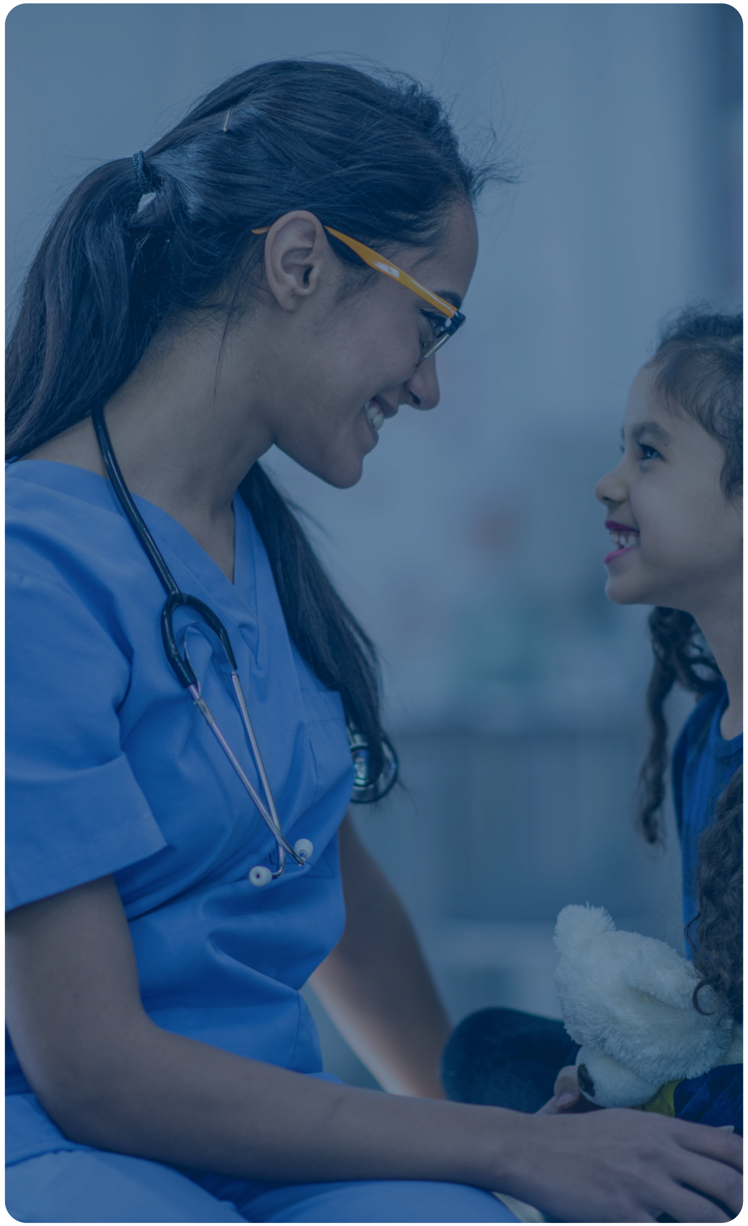
VAULT STRATEGIES

RBP Overview & Benefits Guide

THE COMPANY

What is Reference-Based Pricing (RBP)



- RBP is a **cost-containment** pricing model for healthcare services.
- RBP **controls cost** and promotes transparency in healthcare pricing.
- RBP sets a **max limit** on what the plan will pay for certain treatments or procedures.
- Providers are paid a fair percentage above a reference price, often based on **Medicare** rates.
- RBP plans offer an **open network** of providers to choose from.

The Problem: Rising Healthcare Costs

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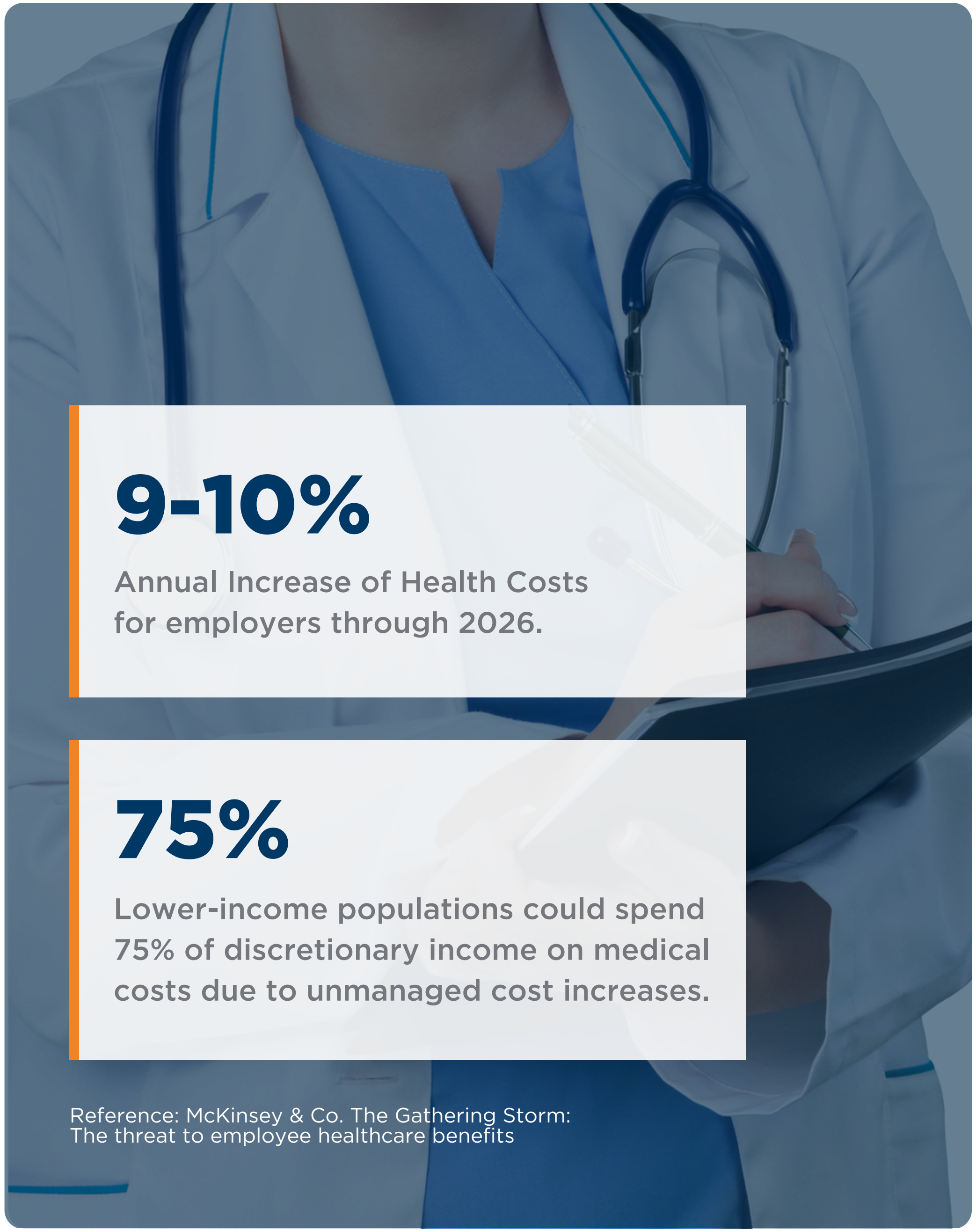
- Employers aim to balance **high-quality care** and financial sustainability for employees.
- Employers could face health **cost increases of 9-10%** annually through 2026 because of inflationary pressure passed through from medical providers.
- Traditional cost-containment approaches like High Deductible Health Plans (HDHPs) often lead to people foregoing care, increased costs, and pure **cost shifting to employees.**



9-10%

Annual Increase of Health Costs for employers through 2026.

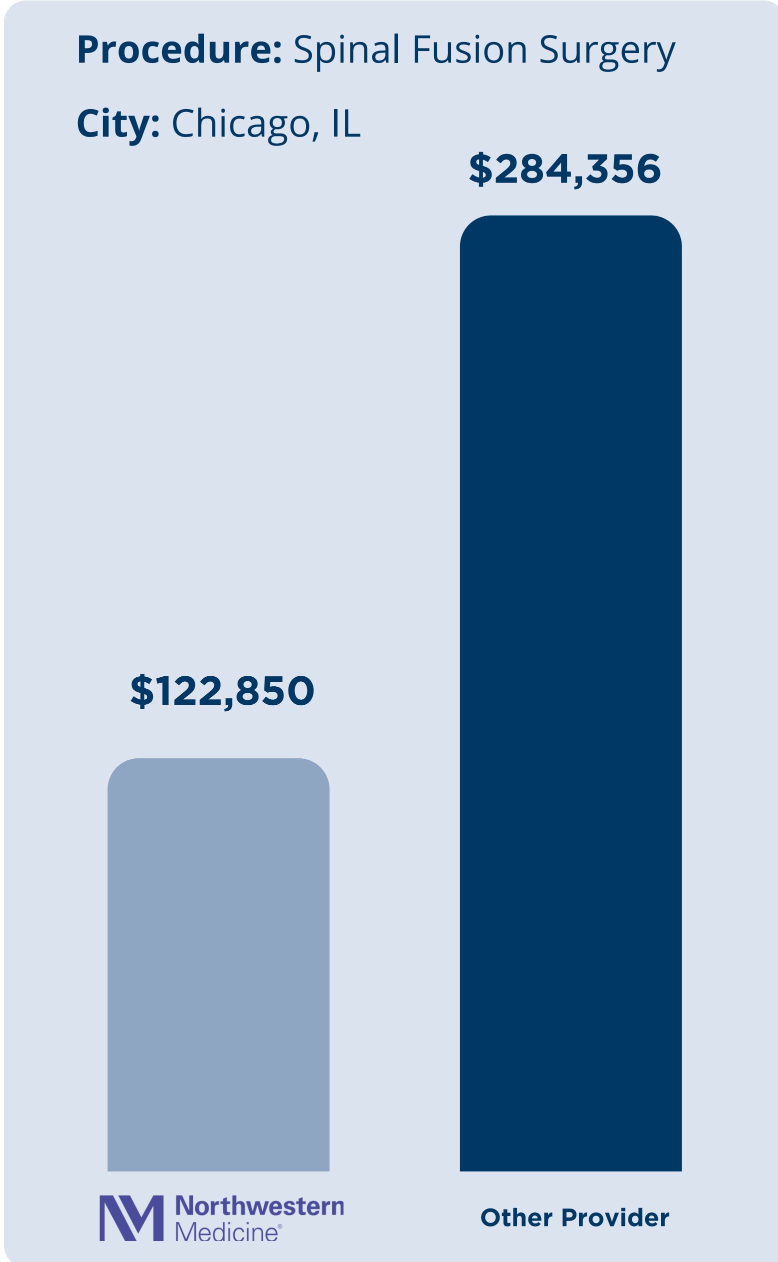
75%

Lower-income populations could spend 75% of discretionary income on medical costs due to unmanaged cost increases.

Reference: McKinsey & Co. The Gathering Storm: The threat to employee healthcare benefits

The Problem: Rising Healthcare Costs

- Hospitals have **no regulations** on what they can charge for services.
- Healthcare costs **vary greatly** with no link to the quality of care. See example
- Despite a 50% PPO network discount, employers may still pay up to **300%** more than Medicare rates.
- PPO discounts are **misleading.**



The Problem: Rising Healthcare Costs

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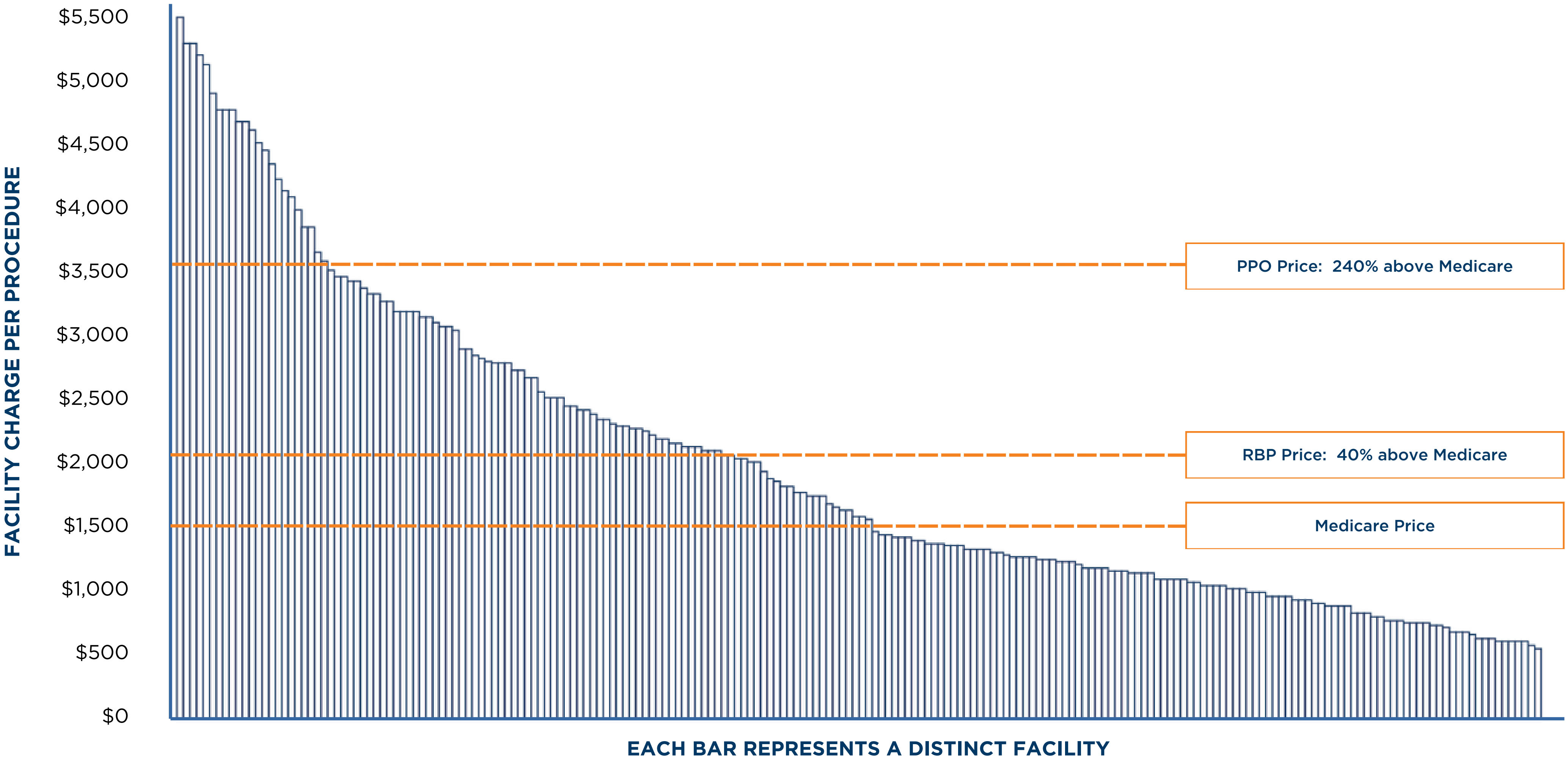

PPO costs are expected to grow 8-10% per-year

RBP is only expected to grow with Medicare inflation (1-2% per year)

The Solution: Reference Based Pricing

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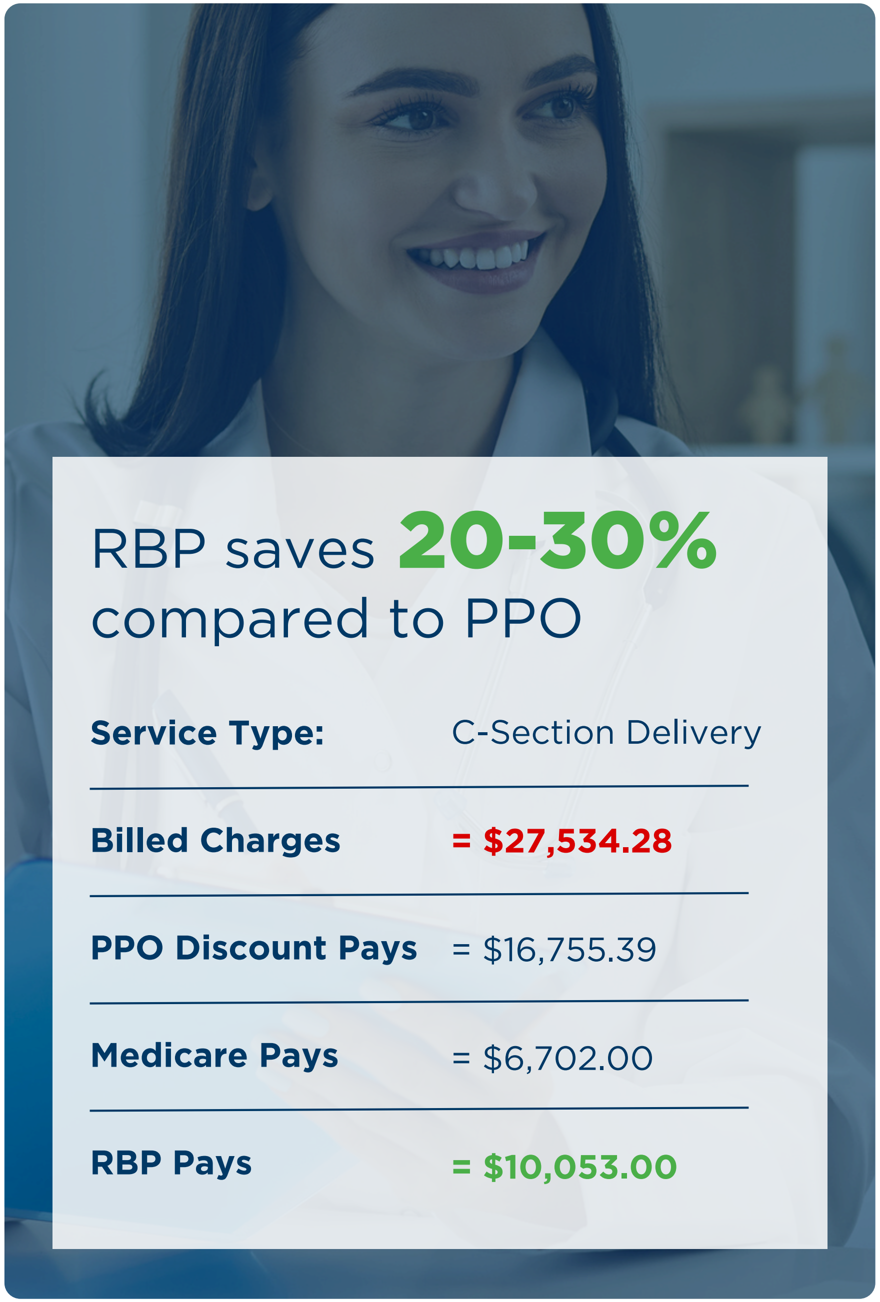

RBP saves **20-30%** compared to PPO

Service Type:	C-Section Delivery
Billed Charges	**= $27,534.28**
PPO Discount Pays	= $16,755.39
Medicare Pays	= $6,702.00
RBP Pays	**= $10,053.00**

- RBP ensures **fair payments** to providers.
- RBP reimburses around **50%** above Medicare rates.
- RBP is an **open network.**
- Employees can access hospitals & doctors of their **choice.**

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VAULT STRATEGIES

A short guide to your benefits plan

THE N COMPANY

VAULT STRATEGIES

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Member Experience

A short guide to help you navigate your benefits plan

01232024

How to Access Medical Care:

- Your health plan is an open network.
- This means every doctor / provider is eligible to deliver services to you and your dependents.
- If the front desk staff has any questions about your insurance that you cannot answer, advise them to call your TPA.

How to Pay Your Medical Bill

- Compare the price of your medical bill to your Explanation of Benefits (EOB) before making any payment.
- You will receive your EOB in the mail.
- If the price of your medical bill matches your patient's responsibility on the EOB, you can pay the bill.
- If the price of your medical bill does not match your patient's responsibility on the EOB, this is a balance bill.

If You Receive a Balance Bill, Follow These Steps

- Call your TPA to confirm you have a balance bill.
- Your TPA will confirm & then transfer you to your personal member advocate at Fairos.
- You will know your Fairos Advocate's name and have direct access to them via phone & email.
- Your Advocate will set you up on the Fairos portal so you can track the status of your balance bill.
- Expect frequent updates from your Fairos Advocate at a minimum of every 15 calendar days until it's resolved.

What to expect from Fairos

- Personal member advocate dedicated to you
- Access to a portal giving you real-time updates 24/7
- No member homework / balance bill packets
- Balance bills are settled within a week to a few months
- Timely updates from your personal member advocate

Example EOB

TPA

TPA
17475 Jovanna Drive, Suite 1D
Homewood IL 60430-1082

Explanation of Benefits

RETAIN THIS FOR TAX PURPOSES
THIS IS NOT A BILL

Customer Service

Contact your TPA if you have any questions.

Enrollee: John Doe
Patient: John Doe
Member ID:
Group:
Group#:
Location:
Location Name
Dep Code:
Date: 1/18/20

Forwarding Service Requested

John Doe
5175 Sample Drive
Dallas, TX 75001

Patient #: 00001041891
Provider: Memorial Health

Claim #: 987654321-01
Patient: John Doe

Dates of Service	Service Code	Total Charge	Ineligible Amount	Reason Code	Discount Amount	Eligible Expense	Deductible Amount	Co-Pay Amount	Balance Amount	Paid At	Payment Amount
12/18/2019	54	$120.00	$0.00	Q7	$120.00	$0.00	$0.00	$0.00	$0.00	100%	$0.00
12/18/2019	34	$200	$0.00	Q7	$40.34	$159.66	$159.66	$0.00	$0.00	100%	$0.00
12/18/2019	49	$7.00	$0.00	Q7	$2.85	$4.15	$4.15	$0.00	$0.00	100%	$0.00
Column Totals		$327.00	$0.00		$163.19	$163.81	$163.81	$0.00	$0.00		$0.00

Patient's Responsibility: $163.81

Primary Carriers Allowed Amount	$0.00
Other Credits or Adjustments	$0.00
Total Net Payment	$0.00

For more information about your benefit plan contact your TPA.

Front Desk Questions & Scenarios

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What do I tell the provider if they do not recognize my insurance or Member ID card?

- Fairos is an open network that allows you to access the provider of your choice.
- They can call your TPA for any questions regarding your Fairos benefit plan.
- Your TPA's number is on the back of your Member ID Card.

What if my doctor or hospital has questions about my insurance plan?

- Your doctor or hospital should call your TPA.
- Your TPA will handle any questions regarding your Fairos benefit plan.

What happens if the provider requests payment at time of service?

- Confirm with the provider that they called your TPA to verify benefits.
- Any applicable co-pays will need to be paid at time of service.

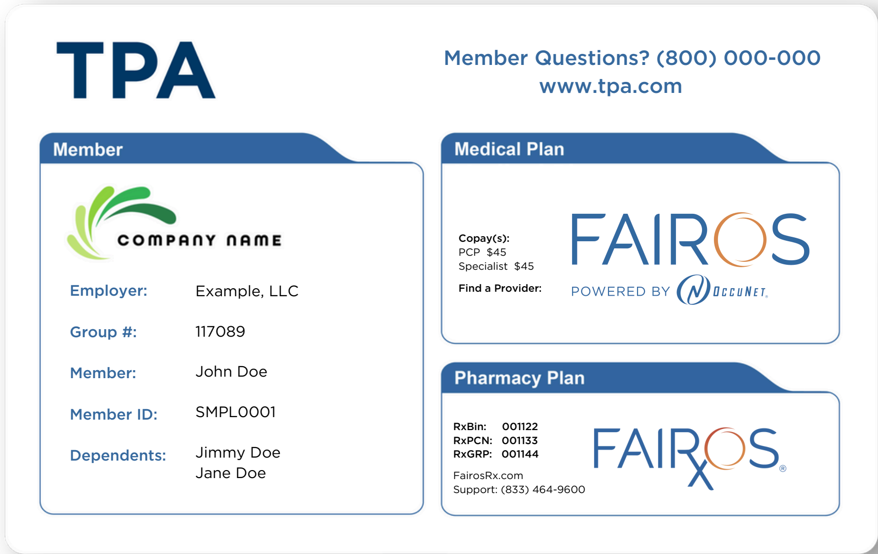
What happens if the provider won't accept my insurance?

- Call your TPA for further assistance.

How do I find a provider that will accept my insurance?

- Fairos is an open network, meaning you can go to your provider of choice.
- If you're having difficulty finding a provider to accept your insurance, you can call your TPA.
- Your TPA will assist in finding an alternative provider that can provide the medical services you need.

Example Member ID Card



VAULT STRATEGIES

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Your Member Journey:

01232024

Open Network: Access To All Providers

Meet John

He's a Fairos Member

His employer participates in the Fairos health plan

Fairos is an Open Network health plan

When John needs to visit a hospital or see a physician

He can choose any hospital or physician he wants

He shows his Member ID Card at the front desk

He receives treatment

Days later, he gets a medical bill

He compares the medical bill & EOB

If the bill matches the EOB, he pays it

***95%** of the time, the member journey ends here

If they don't match he has a balance bill

John calls his TPA

The TPA will confirm his balance bill

John meets his Fairos Advocate

His Advocate sets him up on Fairos portal/app

John receives frequent updates on his balance bill

Fairos settles his balance bill

How to Read Your EOB and Medical Bill.

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TPA

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Memorial Health

Medical Bill
Hospital Statement

For questions, call 1-888-716-0567

John Doe
5175 Sample Drive
Dallas, TX 75001

Please Make Checks Payable To:
Memorial Health
1854 Sample Drive
Dallas, TX 75001

Service Date	Patient Info	Description	Charges	Balance Due
12/18/2019	John Doe	EMG - Extremity	$298.70	
12/18/2019		EMG - Sensory	$597.40	
12/18/2019		EMG - Motor	$746.75	$1,642.85

Pay Online:
www.memorialhealth.com

Balance Due: $1,642.85

DUE DATE.....1/22/2020

The EOB says John owes **$163.81**

The medical bill says John owes **$1,642.85**

John's patient responsibility on the EOB does not match the balance due on his medical bill, which means he has received a balance bill.

So, what does John do? He simply pays the provider $163.81 and calls his TPA immediately for next steps.