



Health Benefit Innovator Award Winner 2017



## *Medical Cost Transparency and Savings*

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# Medical Cost Transparency Definition

- Def: known charge and known claim allowable before the time of service
- Note: a false out-of-pocket estimate is not an acceptable definition

# Charge Definition

- Def: the retail or “rack rate” for a medical care item.
- Represents the maximum financial risk to a consumer if claim is denied



# Claim Allowable Definition

- Def: co-pay + co-insurance + consumer deductible + TPA payment
- Aka “negotiated discount price” or “real price” for care when a claim is accepted



# Claim Allowable Helps...

- The employer to itemize and review a medical bill
- The employer to determine if the provider should be in-network for the care item
- The employee to understand his or her financial responsibility before receiving care



# Outpatient = Routine = Commodity

- ① Workers ages 27 to 64 mostly receive routine care
- ② Outpatient care is itemized by five digit billing codes



# Key Pratter Facts: Size of Opportunity

- ① 30% of a company's medical spend can be saved on routine care by selecting best-priced providers
- ② Top 12 routine care items make up over 50% of the medical spend

Fact: in-network pricing varies greatly for same care item.



# Commodity Care

- ① Blood work
- ② Imaging studies
- ③ Surgery center procedures





# How to Leverage Claims Cost Data

- Each employer claims cost data goes two places:
  1. medical cost savings analysis
  2. pratter.us search and save engine





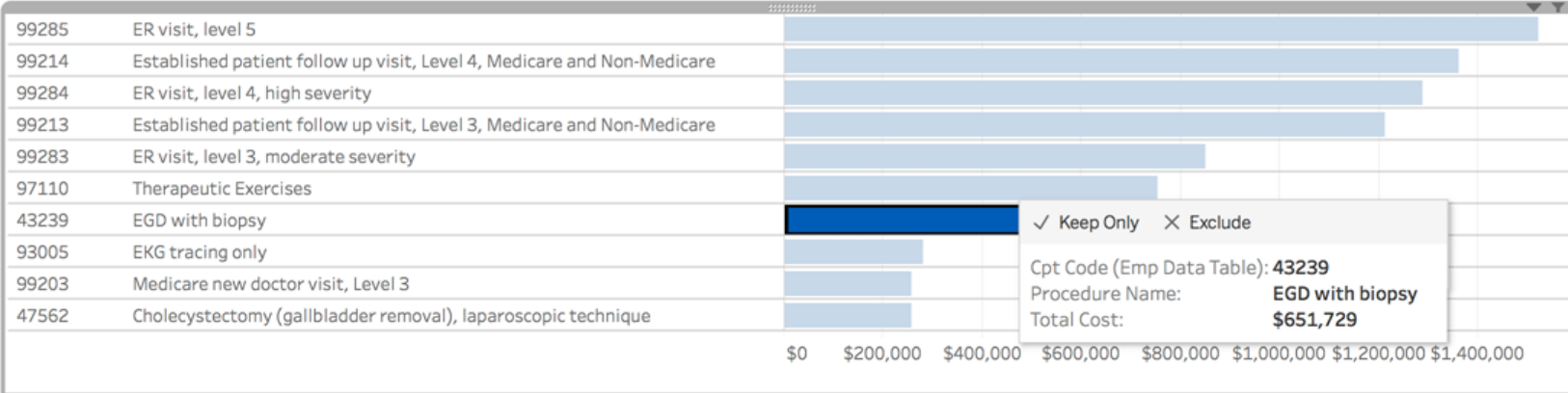
## Total Cost of Top Ten Procedures for All

\$15,946,109

Choose an Employer

(All)

### Top 10 Procedures by Total Cost for Chosen Employer *(Click on a bar to get a detail list of Claim Allowable costs by Facility)*



Facility Name	Claim Allowable
SOUTH JERSEY MUSCULOSKELETAL I	\$3,736.00
NAAB ROAD SURGERY CENTER	\$3,714.90
MISSOURI BAPTIST MEDICAL CENTER	\$3,710.00
HOWARD COMMUNITY SURGERY CENTE	\$3,561.83
ST VINCENT KOKOMO	\$2,649.97
GLHS UNITY SURGICAL CENTER	\$2,086.00
ST VINCENT HOSPITAL HEALTH	\$2,085.00
FRANCISCAN HEALTH LAFAYETTE EA	\$1,753.00
CONNECTICUT CHILDRENS MEDICAL	\$1,587.00
ST VINCENT HOSP HEALTH	\$1,525.00
WEIRTON MEDICAL CENTER	\$1,457.00
MIDDLE TENNESSEE MEDICAL	\$1,417.85
WASHINGTON HEALTH SYSTEM GREEN	\$1,396.00
WASHINGTON HOSPITAL	\$1,352.00
MEMORIAL MEDICAL CENTER DOWNTON	\$1,341.00
LAUREL SURGICAL CENTER	\$1,245.00
LATROBE AREA HOSPITAL EXCELA H	\$1,235.00
WESTMORELAND REGIONAL HOSPITAL	\$1,232.00

# Cost Claims Data Goes to Pratter.us

## Pratter.us searchable by zip code

<a href="#">Ultrasound ▶</a>	<b>IRG IMAGING CENTER- CRANBERRY</b> 100 Northpointe Cir Seven Fields, Pa 16046 <a href="#">Driving directions</a> Distance: approximately 16 miles
<a href="#">Urine Tests ▶</a>	<b>\$1,109</b> Charge Amount
<a href="#">Urology ▶</a>	<b>\$299</b> Cash Price
<a href="#">X-rays ▶</a>	<b>\$905</b> Average Insurance Co. Payment in this zipcode
	<b>RELEVANT HEALTHCARE</b> 5750 Centre Avenue #100 Pittsburgh Pa <a href="#">Driving directions</a> Distance: approximately 3 miles
	<b>\$350</b> Cash Price
	<b>\$1,092</b> Average Insurance Co. Payment in this zipcode
	<b>RELEVANT HEALTHCARE</b> 655 Rodi Road Pittsburgh Pa <a href="#">Driving directions</a> Distance: approximately 8 miles
	<b>\$350</b> Cash Price
	<b>\$1,092</b> Average Insurance Co. Payment in this zipcode
	<b>HEALTHPLEX (MON VALLEY OUTPATIENT CENTER)</b> 800 Plaza Drive, Belle Vernon, Pa <a href="#">Driving directions</a> Distance: approximately 20 miles
	<b>\$791</b> Charge Amount
	<b>\$542</b> Cash Price
	<b>\$1,092</b> Average Insurance Co. Payment in this zipcode
	<b>_HERITAGE VALLEY BEAVER_</b> 200 Ohio River Boulevard Baden, Pa 15005 <a href="#">Driving directions</a> Distance: approximately 18 miles
	<b>\$737</b> Charge Amount
	<b>\$711</b> Average Blue Shield reimbursement for this facility.

### How to get your imaging study

Call your health insurance provider.

Ask for the name and ID number of the person you are speaking with.

Ask what the out-of-pocket expense will be at the imaging center of your choice.

Take your prescription to the imaging center.

Ask for a copy of your imaging study report and the images to be mailed to you.

Your imaging study results are automatically sent to your doctor.



# Pratter Price Tag Guarantees

- Pratter pursues price tag guarantees from low cost in-network medical providers
- Marked with an orange price tag icon
- Make medical providers compete for your business

## MED HEALTH SERVICES TY: STATION

177 North Franklin Street, Washington, Pa

[Driving directions](#)

Distance: approximately 23 miles

**\$25**

Charge Amount

**\$25**

Cash Price

## HERITAGE VALLEY DIAGNOSTIC

935 Thorn Run Road Ste 116 Moon Twp., F

[Driving directions](#)

Distance: approximately 11 miles

**\$31**

Charge Amount

**\$96**

Average Insurance Co.  
Payment in this zipcode



# 5 Places to Purchase Healthcare

- ① Hospitals
- ② Independent surgery centers
- ③ Freestanding MRI/CT centers
- ④ Independent blood work centers
- ⑤ Private practice doctors

\*Listed from most to least expensive.



# Goal: Keep Employees Away From Hospitals

- ① Make it easy for employees to find non-hospital setting for routine care
- ② Provide known pricing for common procedures, just like the rest of your life



# Employer-driven Engagement

- ① Healthy narrow network for cost drivers
- ② Health plan tier design for cost drivers
- ③ Direct provider contracting
- ④ Pratter in on-site and near site clinics and DPC doctors and Free Market Medical Association doctors

# Employee-driven Engagement

- ① Search and compare engine with real pricing, like Amazon and Priceline
- ② Cost concierge
- ③ Pratter savings cards
- ④ Pratter price tag guarantees
- ⑤ Money incentives within HSA or HRA
- ⑥ Pure money play





# How to Ask for Your De-identified Claims Data

1. Date of service
2. Medical provider NPI number
3. Medical provider name
4. Medical provider street address
5. Medical provider city
6. Medical provider state
7. Medical provider zip code
8. CPT codes
9. Medical provider charge per CPT code
10. Patient co-pay per CPT code
11. Patient co-insurance per CPT code
12. Patient deductible
13. Health plan payment amount per CPT code



# US Department of Health and Human Services

- De-identified Health Information. There are no restrictions on the use or disclosure of de-identified health information.
- Data that cannot be traced back to an individual is HIPPA privacy compliant.



# ERISA Health Benefit Fiduciary

- The primary responsibility of fiduciaries is to run the plan solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits and paying plan expenses. Data that cannot be traced back to an individual is HIPPA privacy compliant
- The medical claims are the property of the health plan. The employer as the fiduciary has full legal access to the medical claims data of the health plan for an audit.



# Texas State Law 1215.003. It's your data.

- **Sec. 1215.003. RECEIPT OF AND RESPONSE TO REQUEST FOR CLAIM INFORMATION.** (a) Not later than the 30th day after the date a health insurance issuer receives a written request for a written report of claim information from a plan, plan sponsor, or plan administrator, the health insurance issuer shall provide the requesting party the report, subject to Subsections (d), (e), and (f). The health insurance issuer is not obligated to provide a report under this subsection regarding a particular employer or group health plan more than twice in any 12-month period.



# Options when Carriers Refuse to Provide Data

- ① Stay in an abusive relationship and remain in violation of ERISA law a large liability.
- ② File a complaint with the DOJ and state insurance commission. One complaint from the employer as a fiduciary and the other from the employee plan participants.
- ③ Withhold your TPA fee for service until data is received.
- ④ Fire your TPA and hire an independent TPA.
- ⑤ File suit against the TPA for violation of ERISA law.



# TPA Contract Pitfalls to Avoid

- ① Do not agree to give up your right to audit your medical claims data.
- ② Make certain you will not have to pay to review your medical claims data.
- ③ Do not agree to any anti-steerage clause.
- ④ Make certain you are listed as the fiduciary of your health plan.
- ⑤ Consider making your broker a fiduciary of your health plan also. It puts skin in the game.



# Medical Cost Transparency Solution Summary

- ① Leverage your medical claims
- ② Understand the 5 places to purchase healthcare
- ③ Guide employees to low cost, in-network providers for routine care
- ④ Incentivize with money, including plan design and a Pratter cost transparency network programmed on a MasterCard



# Solution Benefits

- ① Healthy employees are happy employees
- ② Greater take home pay by avoiding unnecessary medical spend
- ③ More money to fuel company growth
- ④ ERISA compliance as the health benefit fiduciary
- ⑤ Known pricing creates competition and lowers prices

