

Insurance Perspective on Hidden Providers

Health Reform Task Force
May 19, 2016



PROUDLY SERVING UTAH PUBLIC EMPLOYEES

Nature of Problem

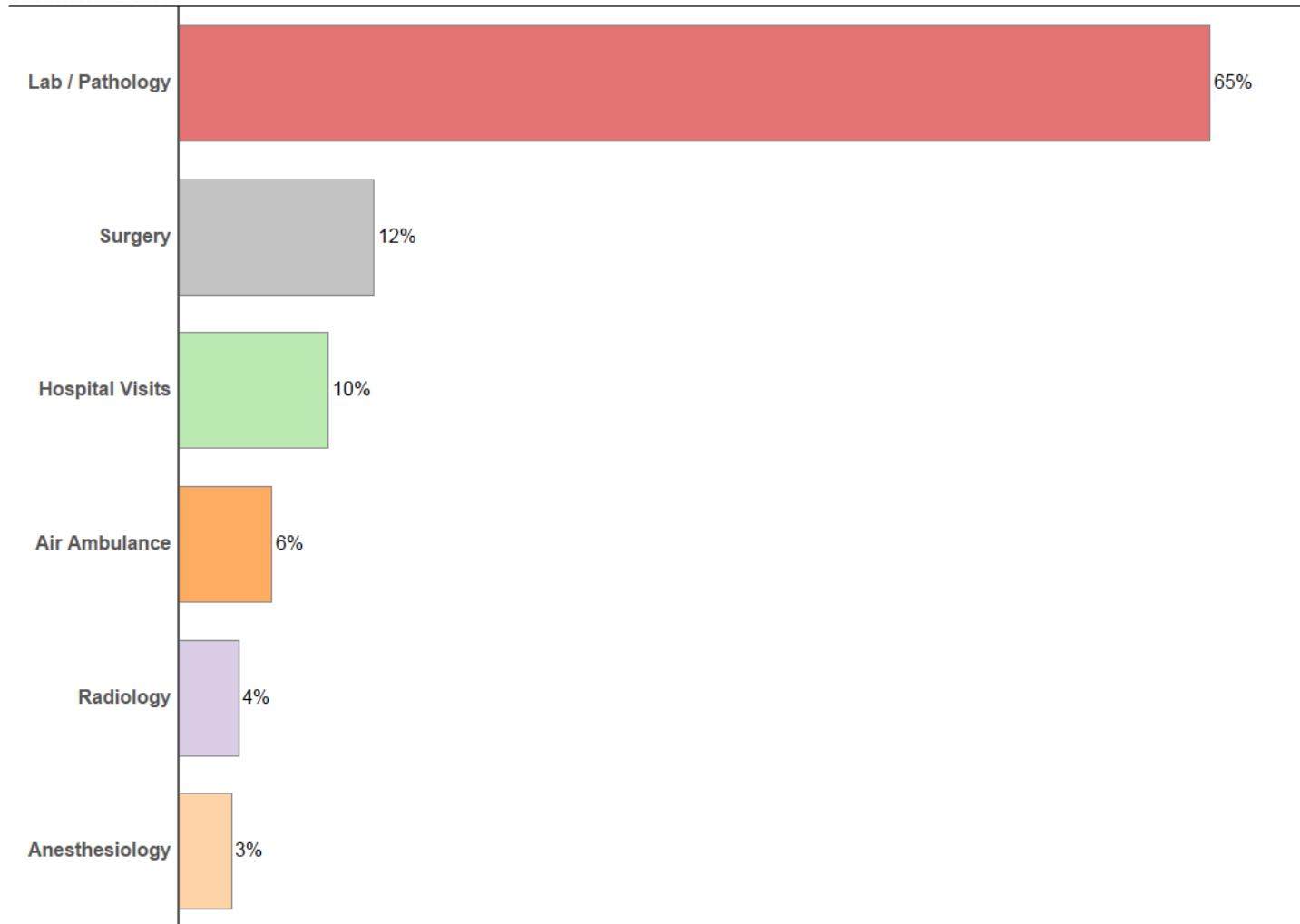
- Two Benefits of Contracted Provider
 1. Discounted Rate off Billed
 2. Protection from Balanced Billing
- Non-Contracted Provider by Design
 1. Member not Able to Choose Provider
 2. Provider Sets Extremely High Rate
 3. Refuses to Contract with Insurance
 4. Hopes Insurance will Pay a Standard Percent of Billed
 5. No Contractual Protection Against Balanced Billing
- Non-Contracted Provider in General
 1. No Contractual Protections

How it Arises

1. Provider Referral to an Out-of-Network Provider
 - Labs & Tests, X-rays and Imaging, “Behind Scenes” Physician
2. In-Network Facility with Out-of-Network Physician
 - ER Physician, On-call Physician, “Behind Scenes” Physician
3. In-Network Provider with Out-of-Network Facility
 - Multiple Office Locations, Hospital or Other Facility
4. Emergency Situations
 - Pay 100% of In-Network, Still Potential of Balanced Billing
5. Hidden Provider Exposure After PEHP Payment
 - \$3M in 2015
 - 3300 Members

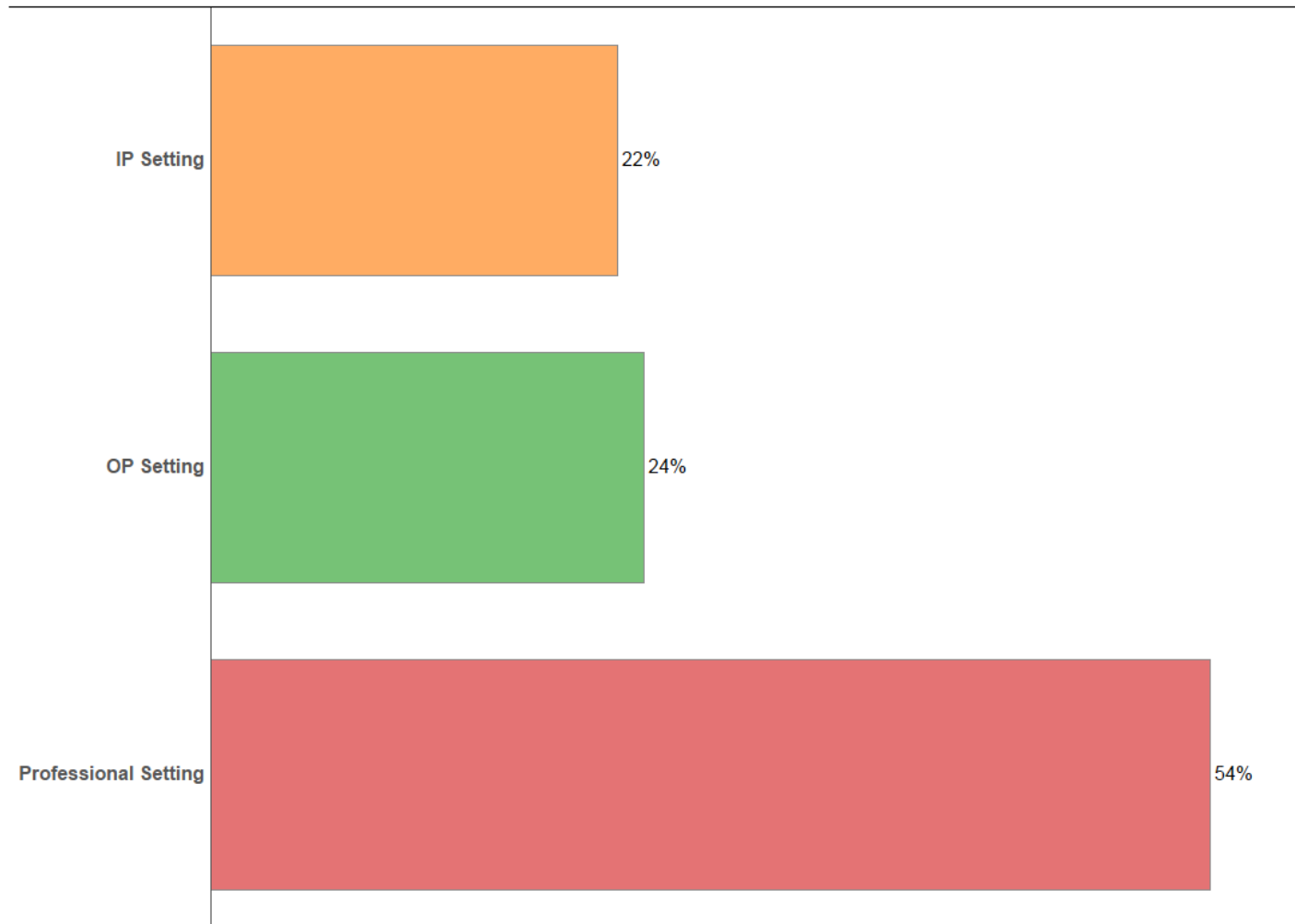
Non-Covered by Benefit

Calendar Year 2015



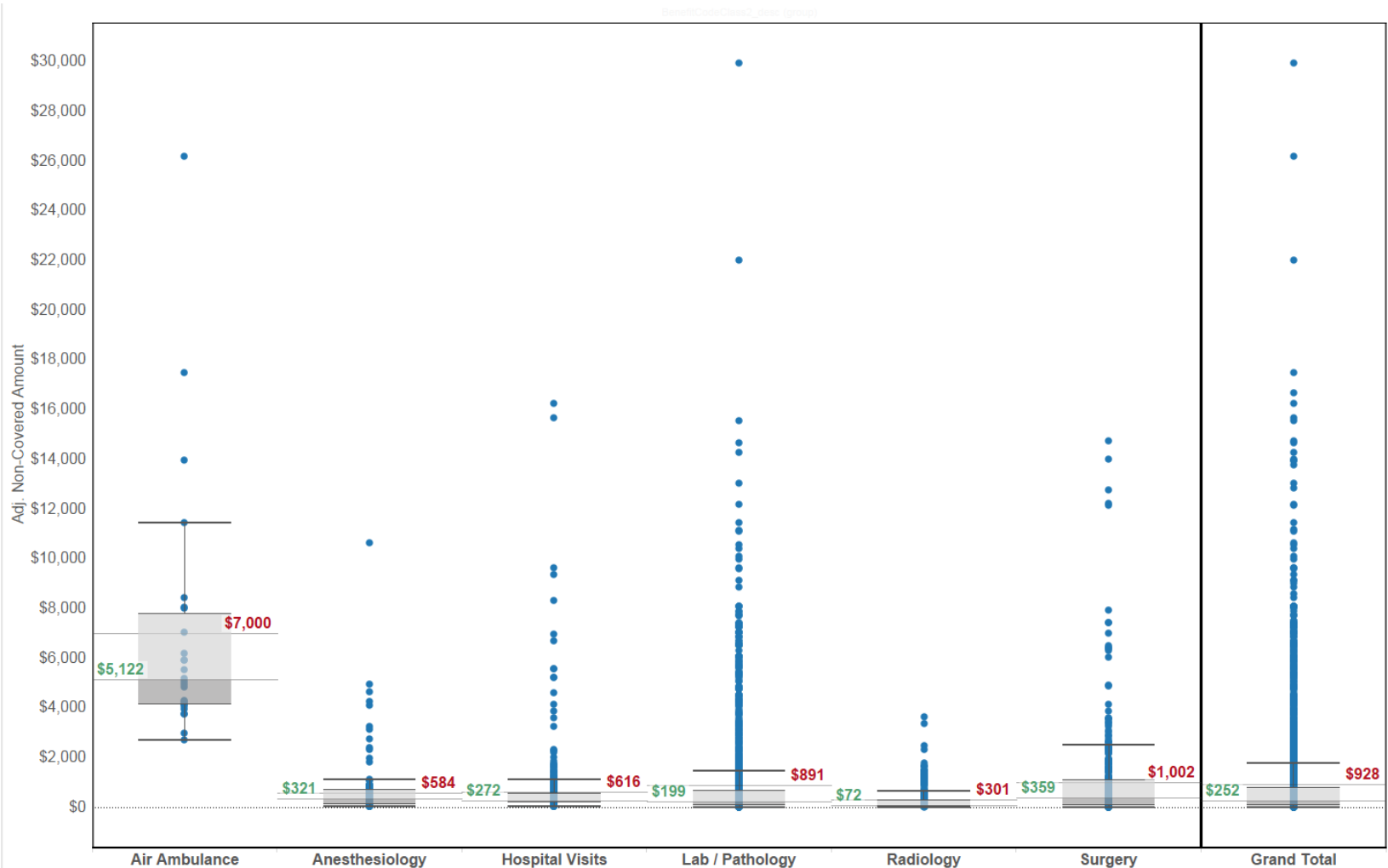
Non-Covered by Setting

Calendar Year 2015



Box plot by Benefit

With **Average** and **Median** labels



Efforts to Detect

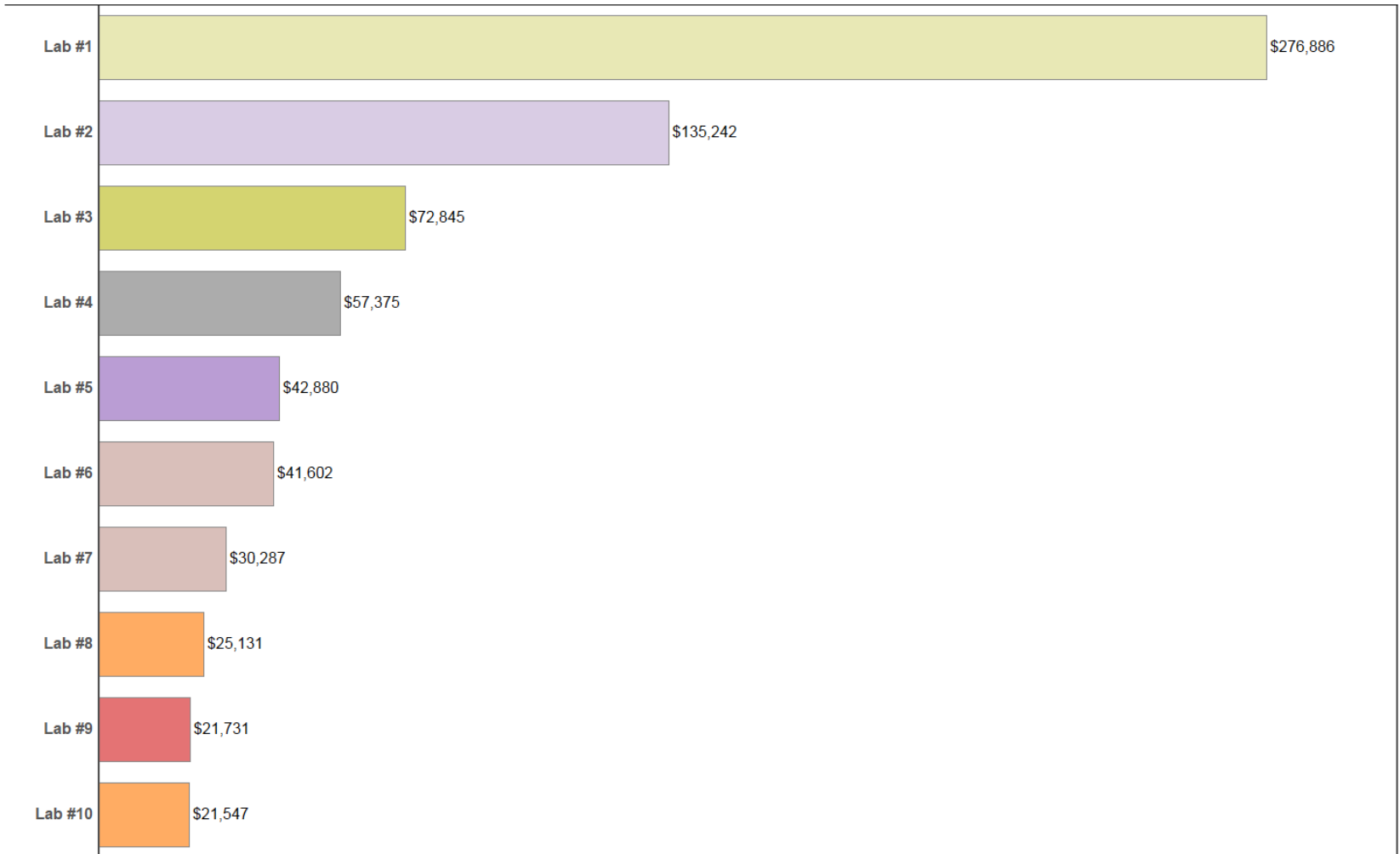
1. Standard Operational Processes

- Pre-Authorization
- Claims
- Member Calls
- Member Reviews
- Appeals

2. Data Analytics

- Identify and Work with Members with High Non-Covered Costs
- Find Referring and Hidden Providers of Concern

Out of State Labs



Strategies to Contain

1. Organizational Focus

- Reduce Member Costs without Increasing PEHP's

2. Establish Fixed Pricing for Services

- Aligns Incentives, Sets Value, Protects Against Balanced Billing
- Outpatient Services

3. Contract with Provider → Eliminates Problem

- Price & Balanced Billing Protection; Hospital Emergency Services

4. Swing Benefit → Pay 20% less or 100% if Hidden

- Pay Member Directly & Negotiate for Balanced Bill Protection

5. No Pay List

- Work with Members & Educate Providers

6. Member & Provider Education—Provider Look Up

- Notification, Provider Comments, Practice Recognition