



Hawaii-Mainland Administrators (HMA) and its predecessor companies have been providing healthcare management services since 1983. Headquartered in Tempe, Arizona, HMA is one of the largest third-party administrators (TPA) of self-funded and fully insured health plans throughout Hawaii and the continental Southwest and has provided health plan administrative services for the following:

- Single-employer self insured accounts
- Labor Unions
- Native American programs
- Medicaid Manage Care
- Fully insured PPO and HMO insurance companies

As an SSAE 16 Certified health plan administrative company, HMA offers the following services from our service centers located in Tempe, AZ, Cottonwood, AZ and Honolulu, HI:

- Claims Processing/Adjudication
- COBRA / HIPAA
- Utilization Review
- Prior Authorization
- Case Management
- Provider Network Access
- RBP Claim Repricing
- Pre-service Reimbursement Estimate
- Base Population / Disease Management
- Stop Loss Management
- PBM Administration
- Customer Service
- Account Management
- Grievance & Appeals
- Third-Party Liability & COB
- Secure Online Access

HMA's staff of over 100 employees provide a high level of products and services that far exceed "processing a claim." Extensive insurance based services, risk management, stop loss management, accounting and reconciliation, wellness, population management, and secure online health portals are a few ways HMA makes a difference.

## Reference-Based Pricing (RBP)

HST's proven innovative pricing technologies allow healthcare payers to optimize reimbursements for all healthcare transactions by benchmarking claims. The pricing engine utilizes extensive data sets to determine the prevailing price, cost and value for all medical services. Simply stated RBP provides a fair Cost-Up reimbursement level.

- ✓ All of your current providers are eligible.
- ✓ Technology is based on cost plus pricing.
- ✓ Provide highest value on Member protection.
- ✓ Members and provides are notified during the prior authorization process of the eligible expense, in order to mitigate any balance billing issues.
- ✓ Claim surveillance examines every claim automatically and benchmarks results against Medicare pricing, cost, average reimbursements, or commercial claim payments.
- ✓ True claims cost management solutions based on federally reported cost information.
- ✓ Price is negotiated and sign-off agreement is secured based on reduced amounts.
- ✓ Not dependent on reimbursement negotiated by somebody else.

## RBP Claim Analysis

Claim Profile	
<b>Provider:</b>	ABC Hospital
<b>DOS:</b>	11/16/2013 – 11/25/2013
<b>Review Date:</b>	03/17/2014
<b>Billed Charges:</b>	\$88,136.64 (6.89 x MAP)
<b>PPO Discount (58.06%)</b>	<b>(\$51,172.12)</b>
<b>PPO Allowed:</b>	\$36,964.52 (2.89 x MAP)
<b>Medicare Allowable Price (MAP):</b>	<b>\$12,775.05</b>
<b>Recommended Reimbursement:</b>	\$19,162.58 (150% x MAP)
<b>Pricing Differential:</b>	\$17,801.94

### Claim Overview:

This is a PPO contracted facility with a 58.06% discount of \$51,172.12 reducing the allowed to \$36,964.52. The pricing validation results **identified significant pricing differentials** that were inflated compared to the geographic region.

### Cost Estimate:

The accepted Medicare Allowable Price (**MAP**) for this specific facility claim is \$12,775.05. The average cost for this specific facility is \$14,524.8 with average billed charges of \$97,457 and the average reimbursement being \$19,555. The average payment is \$22,970. The average length of stay is 9 days. Based on DRG 698 this facility managed 20 cases. The Medicare and Cost information is based on DRG 698. The PPO allowed amount of \$36,964.52 is 2.89 times the Medicare rates and is moderately inflated rendering the PPO discount insignificant.

### DRG 698: OTHER KIDNEY & URINARY TRACT DIAGNOSES W CC

Medicare			Cost		
Region	Medicare Allowable	Facility Count	Region	Average Cost	Facility Count
Facility	\$12,775.05	1	Facility	\$14,524.8	1
Zip Code	-	0	Zip Code	-	0
County	\$11,205.29	10	County	\$9,278.08	5
State	\$11,197.38	10	State	\$8,556.50	10
Neighboring States	\$16,037.15	13	Neighboring States	\$9,290.05	14

**Clinical review of the bill identified:**

- No Hospital Acquired Conditions (HAC) present.
  - Semi-private room (Accommodation) cost is \$4,123 with actual charges of \$14,712.
  - Coronary care (Accommodation) cost is \$3,972 with actual charges of \$5,940.
  - Pharmacy cost is \$5,441 with actual charges of \$9,168.
  - Laboratory cost is \$2,319 with actual charges of \$14,484.
  - Operating room (minor surgery) cost is \$843 with actual charges of \$4,304.
  - Physical therapy cost is \$364 with actual charges of \$2,029.
  - Occupational therapy cost is \$304 with actual charges of \$1,467.
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- HCPCS code 74176 – CT abdomen & pelvis without contrast: Charge - \$4,647 is 20.21 x MAP (\$229.93).
  - HCPCS code 71010 – Chest x-ray, single view: Charge - \$453 is 18.02 x MAP (\$25.13).
  - HCPCS code 80048 – Basic metabolic panel: Charge - \$142 is 16.30 x MAP (\$8.71).
  - HCPCS code 82962 – Glucose blood test: Charge \$37 is 15.04 x MAP (\$2.46).
  - HCPCS code 86807 – Cytotoxic antibody screening: Charge - \$425 is 14.90 x MAP (\$28.51).
  - HCPCS code 72192 – CT pelvis without contrast: Charge - \$2,364 is 14.67 x MAP (\$161.10).
  - HCPCS code 93306 – Tte with Doppler: Charge - \$3,566 is 14.60 x MAP (\$244.09).
  - HCPCS code 85610 – Prothrombin time: Charge - \$69 is 12.84 x MAP (\$5.37).
  - HCPCS code 80076 – Hepatic function panel: Charge - \$97 is 11.13 x MAP (\$8.71).
  - HCPCS code 83690 – Assay of lipase: Charge \$103 is 10.95 x MAP (\$9.40).
  - HCPCS code 80047 – Metabolic panel ionized calcium: Charge - \$95 is 10.90 x MAP (\$8.71).
  - HCPCS code 85025 – CBC with auto differential: Charge - \$112 is 10.55 x MAP (\$10.61).
  - HCPCS code 83735 – Assay of magnesium: Charge - \$93 is 10.17 x MAP (\$9.14).
  - HCPCS code 75989 – Abscess drainage under x-ray: Charge - \$1,279 is 9.65 x MAP (\$132.50).

**Recommendation:**

HST’s payment recommendation would be to issue a payment of **\$19,162.58 or 150%** of Medicare rates which are on the higher end of prevailing charges and are Fair & Reasonable prices according to objective pricing data published by the US government based on regulated pricing-cost submissions by CMS providers. If an appropriate reference-based pricing (RBP) procedure is in place this would constitute the reimbursement. Below is a tiered Medicare reimbursement table with percentiles that can be customized based on your risk tolerance.

Percentage of Medicare	Recommended Payment
125%	\$15,968.81
150%	\$19,162.58
175%	\$22,356.34
200%	\$25,550.10



## Wellness and Population Management

US Health Center's PredictiMed™ offers effective ways for businesses to reduce costs through a variety of health management tools. Our products and services successfully predict and manage the members medical health risks, while working to reduce the employers cost of heavy health and pharmacy utilization.

- ✓ Predictive Modeling from demographics, bio-statistics, lifestyle, claims, and pharmacy data predict what your members are going to spend most on and why.
- ✓ Predictive Modeling data predicts future first time claimants for over 40 different disease risks.
- ✓ Claims Analysis shows gaps in care and future large cases.
- ✓ Secure member portal with lab results, claims lookup, Personal Health Record, lifestyle education, condition protocols, rewards programs, reminders, and mobile apps.



Basic Population Management/Disease Management includes the following services:

**Program Management**

- Initial user demographic data load
- Marketing templates and custom communication pieces
- Onsite employee enrollment presentation (*some conditions apply*)

**Personal Health Desktop™ (PHD)/ HRA/Analytics**

- Online Health Risk Assessment
- Personal Health Assessment Report
- Online Library
- Road to Wellness – Behavior Modification Programming
- Electronic Medical Records
- Corporate Health Profile

**Disease Management**

- Diabetes
- Heart Disease
- Asthma
- High Risk Maternity