Reference-Based Pricing
Question and Answers

General

What is a reference-based pricing plan benefit design?
This means that a reference price will be set for identified services. The reference price is the maximum amount that an employer group will pay for services identified regardless of the SuperMed provider used or where the service is rendered. This means that some services will only be covered for a specified amount.

Once the allowed amount is paid through the defined benefit, the patient will be responsible for the difference between the reference price and the provider’s contractual reimbursement amount. Participating members will have continued network access to all providers.

When is reference-based pricing being implemented?
There is the potential for employer groups to elect this benefit design beginning January 1, 2016.

Why is reference-based pricing being implemented?
The objective of reference-based pricing is to encourage participating members to become informed consumers when seeking and purchasing healthcare. It also allows them to access appropriate quality care in the right setting, at the right price.

Which services are included in the reference-based pricing plan benefit design?
Currently, 40 specific lab services are being targeted for inclusion in the reference-based pricing benefit design. Services rendered in an emergency setting or inpatient hospital/facility, and those resulting from outpatient procedures, will not be considered for reference-based pricing. A full list of services and their associated fee schedules is available by logging into our secure Provider ePortal at Provider.MedMutual.com.

Reimbursement

How are providers whose contractual reimbursement is BELOW the reference price reimbursed?
The employer group will pay the lesser of the contractual reimbursement or reference price. The participating member will not incur additional cost share or financial liability beyond their normal benefit plan out-of-pocket responsibility (e.g., network deductibles and coinsurance payments).

How are providers whose contractual reimbursement is ABOVE the reference price reimbursed?
The employer group’s financial liability is capped at the reference price less any benefit cost-sharing (coinsurance, copay and deductible) owed by the participating member. The participating member will be financially responsible for the difference between the reference price and the network provider’s contractual allowance.

Are there any exceptions to this process?
Yes. Participating members may request an exception if there are no providers accepting the reference pricing (e.g., if the service is not available within a reasonable wait time or travel distance). More information on exception procedures will be shared shortly.