



MEDICARE-BASED REIMBURSEMENT OFFERS AN **ALTERNATIVE** TO PPO PLANS

Most employers utilize an insurance company with a PPO network for their health benefits. These plans contract with physicians and hospitals for discounts (often as a percentage off of billed charges) in exchange for being in their networks. This approach was effective for many years. Today, however, health care charges are grossly inflated and have little connection to actual provider costs. In addition, there is little cost transparency. As a result, PPO discounts have become ineffective at controlling employer benefit costs.

Custom Design Benefits offers another payment structure

With Custom Design Benefits' TrueCost plan, your reimbursement rates are based on Medicare pricing plus a 40% provider bonus. It is the simplest of consumer-driven health plans. Employees are free to go to any provider they choose. The employer is confident they are paying a consistent and fair amount regardless of which provider(s) the employee chooses.

Why Medicare as the basis?

Most providers routinely accept Medicare, which bases its reimbursement on actual cost data supplied by providers, plus a reasonable profit margin. The payment is based on the combination of the type of service, the complexity of the illness, the geographic location of the provider and the number of inpatient days for the hospital stay. Medicare pricing is **consistent, defensible, fair, rational and transparent.**

Do your healthcare costs continue to climb year after year? Do you anticipate costs spiraling even further out of control as the new federal provisions of PPACA take effect?

Quit changing carriers to cut costs. Change how you reimburse providers instead and stop playing the healthcare game.

INNOVATIVE

A personal, caring approach to employee benefits

OUR TrueCost PLAN HELPS YOU SAVE MONEY

We all have the same goal: deliver healthcare benefits that are affordable, accessible and comprehensive while simultaneously controlling costs. TrueCost, a Medicare Plus reimbursement plan, delivers on all of those objectives. Employers are able to ensure they are paying appropriate and fair amounts for healthcare services delivered to their employees and their families. Participants have flexibility and choice in their healthcare providers, and providers receive fair and appropriate reimbursement in a way that often reduces their administrative burden.

As healthcare costs continue to escalate, it's time for employers to find some level ground. **By moving to self-funding and utilizing TrueCost, you can lower your cost and find predictability in your benefits.** Know what you're paying for, who you're paying it to and that ultimately, your healthcare benefit dollars are being spent to take care of your employees.

All stakeholders have reasons to appreciate TrueCost.

Employers:

- One simple plan design
- Eliminates the complexity of in-network and out-of-network providers
- Ability to recruit and retain employees with better benefits
- Complete transparency of costs
- Lower costs and stabilized claims
- Promotes provider competition

Providers:

- Predictable reimbursement
- Elimination of the administrative burden of back-end collections
- Direct relationships with area employers

Members:

- Eliminates deductibles and co-insurance
- Freedom to go to any provider without network limits
- Lower out-of-pocket contributions
- Easy to understand plan design
- Patient advocacy services

Brokers:

- Ability to offer a unique alternative
- Work strategically with your clients to manage cost
- Focus your efforts on wellness initiatives that deliver value



PERSONALIZED SERVICE
ADVANCED TECHNOLOGY
CREATIVE SOLUTIONS



Contact your Custom Design Benefits representative today at 800.598.2929 to learn how your company can benefit from TrueCost.

POTENTIAL SAVINGS

Actual 2011 Data Analysis: Various PPO plans with advertised 50% discount vs. TrueCost Plan based on Medicare + 40%

	PPO	TrueCost	Medicare
Billed Charges	\$3,169,898	\$3,169,898	\$3,169,898
Allowable Charges	\$1,590,951	\$1,182,314	\$844,510
Cost Savings From Bill	\$1,578,947	\$1,987,584	N/A
Cost Savings of TrueCost Compared to PPO		\$408,637	
Effective Discounts	50.0%	62.7%	74.0%

CDB TrueCost offers 13% more savings than the discount offered by a traditional PPO plan.