

Claims Examples for FirstChoice PLATINUM and MC2 PPO

First, the disclaimers. These examples are hypothetical, while based of real life charges. These charges may vary significantly between providers. PPO savings are subject to utilizing a member hospital, and even then will vary greatly from one to another. PPO discounts vary significantly between various services, so a 'ballpark' estimate is just that. Finally, Consumer Advocacy services such a KARIS Group may have drastically different success depending upon the procedures and hospitals involved. For these reasons and more, this primer is intended to demonstrate to a licensed insurance agent how the various elements are designed to work together, and in no way a guarantee of any financial outcome. Not to be used in sales or with the public.

ASSUMPTIONS for the FOLLOWING CLAIMS EXAMPLES

- 1) In Network PPO Discounts (*repriced bills*) are assumed to enjoy the 'average' of 30%
- 2) The financial impact of **Patient Advocacy** from the **KARIS Group** is estimated to be 30% 'after the fact' and 60% when they are involved with the financial negotiation of cost from the beginning, before the procedure is performed.
- 3) When **KARIS** is involved from the onset, *there will be no further discount afterwards.*

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Claim #1, HEART BYPASS, 6 day confinement, 3 days ICU, PPO Repricing, KARIS negotiation 'after the fact.' The original 'street cost' of the procedure at this facility was \$78,000

- 1) PPO discount of 30% reduces the cost to \$54,600
- 2) PLATINUM BENEFITS: 6 day room stay, \$14,000. 3 day ICU, \$6,000. 3 day PDN, \$750. SURGERY, \$10,000. Anesthesia, \$2,500. TOTAL \$33,250 CLIENT EXPOSURE \$54,600 - \$33,250 = **\$21,350**

Then, a KARIS negotiated discount of 30% makes the claim exposure \$21,350 - \$6,405 = **\$14,945**

CLAIM #2, HEART BYPASS, 6 day confinement, 3 days ICU, KARIS negotiation 'up front.' The original 'street cost' of the procedure at this facility was \$78,000

- 1) KARIS negotiated discount of 60% makes claim cost \$31,200

2) PLATINUM BENEFITS: 6 day room stay, \$14,000. 3 day ICU, \$6,000. 3 day PDN, \$750. SURGERY, \$10,000. Anesthesia, \$2,500. TOTAL \$33,250 CLIENT EXPOSURE is \$31,200 - \$33,250 = + **\$1,950**

Claim #3, Inpatient Gall Bladder removal, 3 day confinement KARIS negotiation "up front." The original 'street cost' of the procedure is \$17,400.

1) KARIS negotiated discount of 60% makes claim cost \$6,960.

2) PLATINUM BENEFITS: 3 day room stay, \$6,500. SURGERY, \$3,000. Anesthesia, \$750. TOTAL \$10,250. CLIENT EXPOSURE is \$6,960 - 10,250 = **+\$3,400!**

Claim #4, OUTPATIENT Gall Bladder removal, PLATINUM PLAN, KARIS negotiation "up front." The original 'street cost' of the procedure is \$15,400.

1) KARIS negotiated discount of 60% makes claim cost \$6,160.

2) PLATINUM BENEFITS: SURGERY, \$3,000. Anesthesia, \$750. TOTAL \$3,750.

CLIENT EXPOSURE is \$6,160 - \$3,750 benefits = **\$2,760**

Claim #5, Normal Childbirth, Normal delivery, 3 day confinement, KARIS "up front" The original 'street cost' is \$9,300. (*pre and post natal not included*) NO PPO!

1) Bill is still \$9,300.

2) PLATINUM BENEFITS: 3 day room stay, \$6,500. SURGERY, \$1,000. Anesthesia, \$250. TOTAL = \$7,750. CLIENT EXPOSURE is \$9,300. - \$7750 = \$1,550.

3) KARIS negotiated discount of 30% makes claim cost \$1,550 - \$465. = **\$1,085**

Claim #6, C-Section, 5 day confinement, 1 day ICU, 1 day PDN, PPO Repricing, KARIS
"after the fact" Original cost, \$22,500.

1) PPO discount of 30% reduces bill to \$15,750.

2) PLATINUM BENEFITS: 5 day room stay, \$11,500. SURGERY, \$2,500. Anesthesia, \$250. TOTAL = \$14,250 CLIENT EXPOSURE is \$15,750 - \$14,250 = **\$1,500**.

3) KARIS negotiated discount of 30% makes claim cost \$1,500 - \$450 = **\$1,050**

Claim #7, Broken Femur, OUTPATIENT ER treatment, set, cast, released.
'Street cost' is \$4,100. PPO Repricing.

1) PPO discount of 30% reduces bill to \$2,870

2) PLATINUM BENEFITS: \$200 emergency Accident benefit, \$1,800 SIR benefit, 20% SURGICAL BENEFIT \$2,000. plus \$500 ANESTHESIA = \$4,500 EXPOSURE = \$2,870 - \$4,500 = **+\$1,630**