Trustmark Healthy Choices℠ Reference-Based Pricing Guide

Self-Funded Health Benefit Solutions for Small to Mid-Size Employers

Trusted · Personal Service · Cost Effective · Provider Choice · Seamless Integration

Small Business Benefits

Trustmark®
benefits beyond benefits

Trustmark Healthy Choices℠ Reference-Based Pricing

As healthcare costs continue to rise, employers are looking for affordable health benefit solutions. They can consider reference-based pricing, a strategy leveraged by large employers for healthcare cost savings, providing members with freedom of provider choice[1].

Small to mid-sized employers can help mitigate healthcare costs with a Trustmark Healthy Choices plan design, which pairs reference-based pricing with self-funding. Reference-based pricing reimburses providers a Reasonable Fee, which in most instances is calculated as a multiple of the Medicare reimbursement rate.

Reasonable Fee Reimbursement[2]:

Physicians:
130% of the Medicare reimbursement rate

Facilities:
150% of the Medicare reimbursement rate for inpatient facilities and 130% of the Medicare reimbursement rate for outpatient facilities

Key Advantages

Maximum cost-savings
Reference-based pricing uses fixed pricing across providers for healthcare services, which in most instances is based on a multiple of Medicare, preventing provider reimbursement variances for the same services—with no difference in quality.

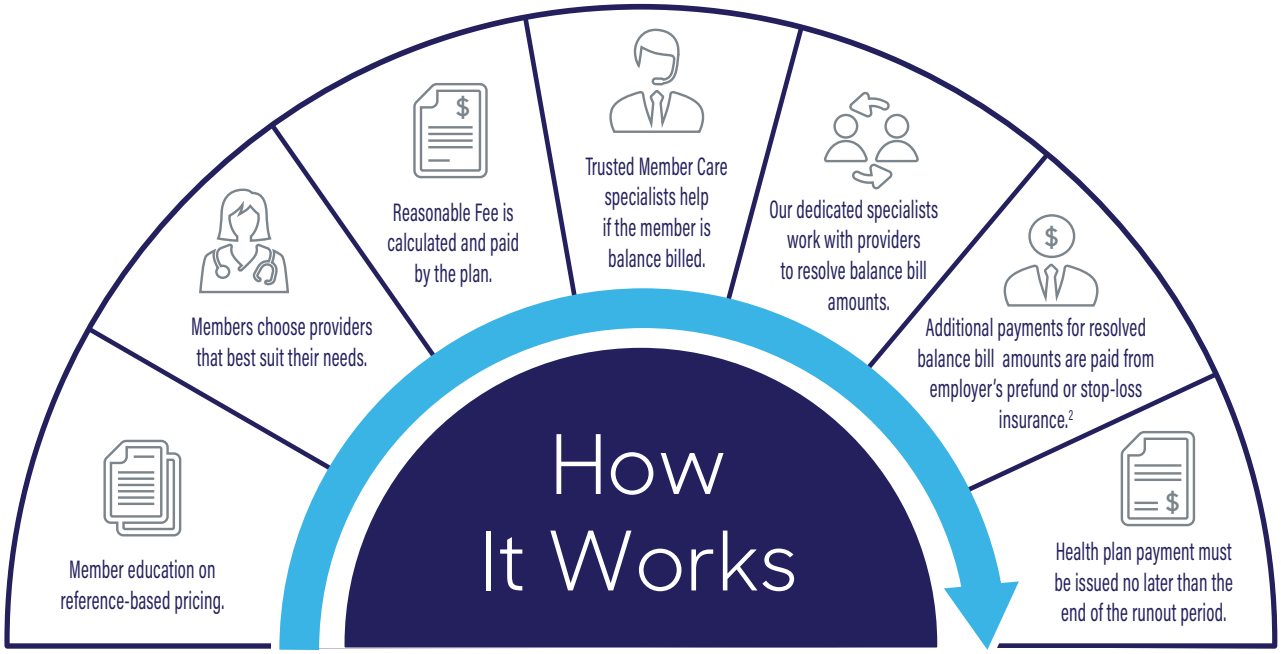
Freedom of provider choice
For most services, members enjoy freedom of choice with physician/hospital care[1]. Members can select providers, based in the United States, that best suit their needs, which enables them to maintain current provider relationships or look for a new physician.

Unique approach for small to mid-size groups
Large employers have leveraged reference-based pricing to mitigate costs, and small to mid-size employers now have access to reference-based pricing plan designs.

Balance bill protection
Members are not responsible for balance bills, which are charges billed by the provider for covered services (up to the plan limits) that exceed a member's portion of the Reasonable Fee. Remember, copays, deductibles and out-of-pocket costs (including charges beyond the plan limits or not covered under the plan) are the member's responsibility and not part of balance bill protection. Following claim negotiations, payments for covered services above the Reasonable Fee are paid by the employer's self-funded health benefit plan administered by Star Marketing and Administration, Inc.[3], and subject to reimbursement under the stop-loss insurance provided by Trustmark Life Insurance Company, as long as balance bills are submitted and processed by Star Marketing and Administration, Inc., before the end of the runout period.

Balance bill protection for Trustmark Healthy Choices CDHP designs
Upon satisfying their deductible, members have balance bill protection. Due to IRS requirements for qualified high-deductible health plans, negotiated balance bill amounts will be applied toward the member's deductible and are the member's responsibility until the deductible is satisfied. This requirement enables your health plan design to be paired with a health savings account (HSA). An HSA offers tax advantages and can be used to pay for qualified medical expenses not reimbursed under the health plan.

[1] Except for organ transplants and specialty drugs, when benefits are available and services are performed as outlined in the plan document.
[2] Reasonable Fee is the lesser of the provider's, facility's or pharmacy's actual charge; or the greater of the negotiated rate or a percent of the Medicare rate or a percent of average wholesale price for prescription drugs and injectable therapy.
[3] Subject to the duration and runout administration.



Member education on reference-based pricing
The member's plan document explains how the Reasonable Fee is determined. An FAQ enclosed with the ID card, and included on the My Resources section of our website, aids understanding on how claims are paid. Members or providers who need further clarity can call our Trusted Member Care specialists.

Members choose providers that best suit their needs
Generally, members can see any healthcare provider[1] in the United States that best meets their needs, except for organ transplants and specialty drugs as outlined in the plan document. There is simply one benefit level for all providers, unlike a PPO plan where there are separate in-network and out-of-network benefit levels.

Reasonable Fee is calculated and paid by the plan
Providers submit their claims to Star Marketing and Administration, Inc., for processing. With self-funding, covered claims incurred by plan participants are paid out of the employer's claim pre-fund account. *(For more information on self-funding, please refer to "Self-Funding: A guide for small to mid-sized businesses.)*

Health plan payment for a balance bill must be issued no later than the end of the runout period
Negotiations of the balance bill amount must be completed and payment issued no later than the end of the runout period, otherwise no payment processing will be made.

Trusted Member Care specialists help members if providers balance bill
Members have balance bill protection and are not responsible to pay amounts in excess of the Reasonable Fee subject to the terms of the plan document and runout period. If a balance bill is received, members should call:

Trusted Member Care specialists
800.522.1246, ext. 26300
Monday – Friday, 7 a.m. to 5 p.m., CT.

Additional balance bills for the same service(s) should be submitted to us.

We educate providers about reference-based pricing, while supporting members in the rare occurrence of a balance bill
Our Trusted Member Care specialists are experienced with reference-based pricing and will work with providers. Plan payments above the Reasonable Fee will not apply toward member copays, coinsurance, deductibles or out-of-pocket limits.

Negotiated amounts are paid from the employer's prefund account[2]
Following claim negotiations, payments for covered services above the Reasonable Fee are paid by the employer's self-funded health benefit plan administered by Star Marketing and Administration, Inc.[3], and subject to reimbursement under the stop-loss insurance provided by Trustmark Life Insurance Company. Members will receive an Explanation of Benefits (EOB) showing the amount paid to the provider.

[1] Except for organ transplants and specialty drugs, when benefits are available and services are performed as outlined in the plan document.
[2] When a Trustmark Healthy Choices CDHP design is selected, negotiated balance bill amounts will be applied toward the member's deductible and are the member's responsibility until the deductible is satisfied.
[3] Subject to the duration and runout administration.

Experience the Trustmark Difference:

We are part of the Trustmark family of companies, which serves more than 2 million covered lives or plan participants.

Seamless integration of self-funded health plan administration, claim payment and stop-loss insurance.

Tailored self-funded benefit solutions for small to mid-size businesses.

Plan designs with and without PPO networks provide freedom of choice in healthcare providers.

A pioneer in self-funding for smaller businesses, we provide affordable, level-funded health benefit solutions.

Exceptional personal service helps ensure satisfaction.

Big benefits for small businesses.

The information contained in this brochure provides a general overview of how our Trustmark Healthy Choices plan designs use reference-based pricing to calculate provider reimbursement. Subchapter S corporations should consult their tax advisor as benefits from a self-funded plan may be taxable.

Trustmark Small Business Benefits®
Plan design availability and/or coverage may vary by state. Self-funded plans are administered by Star Marketing and Administration, Inc., and stop-loss insurance coverage is provided by Trustmark Life Insurance Company.

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