

THE KEMPTON GROUP ADMINISTRATORS, INC.

ADVANTAGE HEALTH PLANS TRUST

RBP: LEVELING THE PLAYING FIELD

Part of the Healthcare Revolution Solution Inventor Unique Innovator

1

UNLEVEL PLAYING FIELD: EMPLOYER VIEW OF PROVIDER (PPO)

Hospital System

Employer

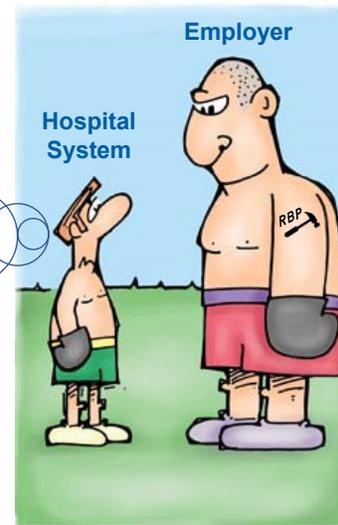
- Your PPO agreements are hidden from me
- The nature of your “discount” is confidential
- The value of your “discount” seems illusory
- Price competition is made near impossible
- You choose your ancillary providers and they are not in-network
- Your ancillary providers are combative and won’t negotiate
- Your pricing is being imposed on me

2

UNLEVEL PLAYING FIELD: PROVIDER VIEW OF EMPLOYER (RBP)

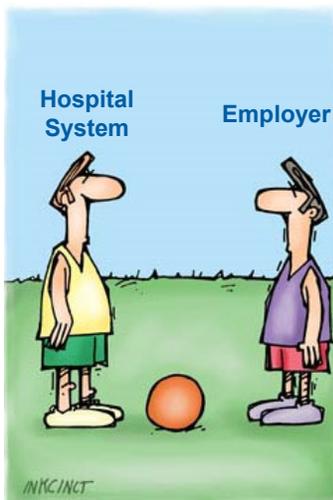


- How dare you, I never agreed to this
- I believe negotiating jeopardizes my existing PPO agreements
- I think Medicare pricing isn't high enough
- This margin doesn't work for my "budget"
- I must overcharge some to compensate for all my "Uncompensated Care."
- You know, we operate on "razor-thin" margins
- Your pricing is being imposed on me



3

A TRUE LEVEL PLAYING FIELD: RBP WITH DIRECT CONTRACTS



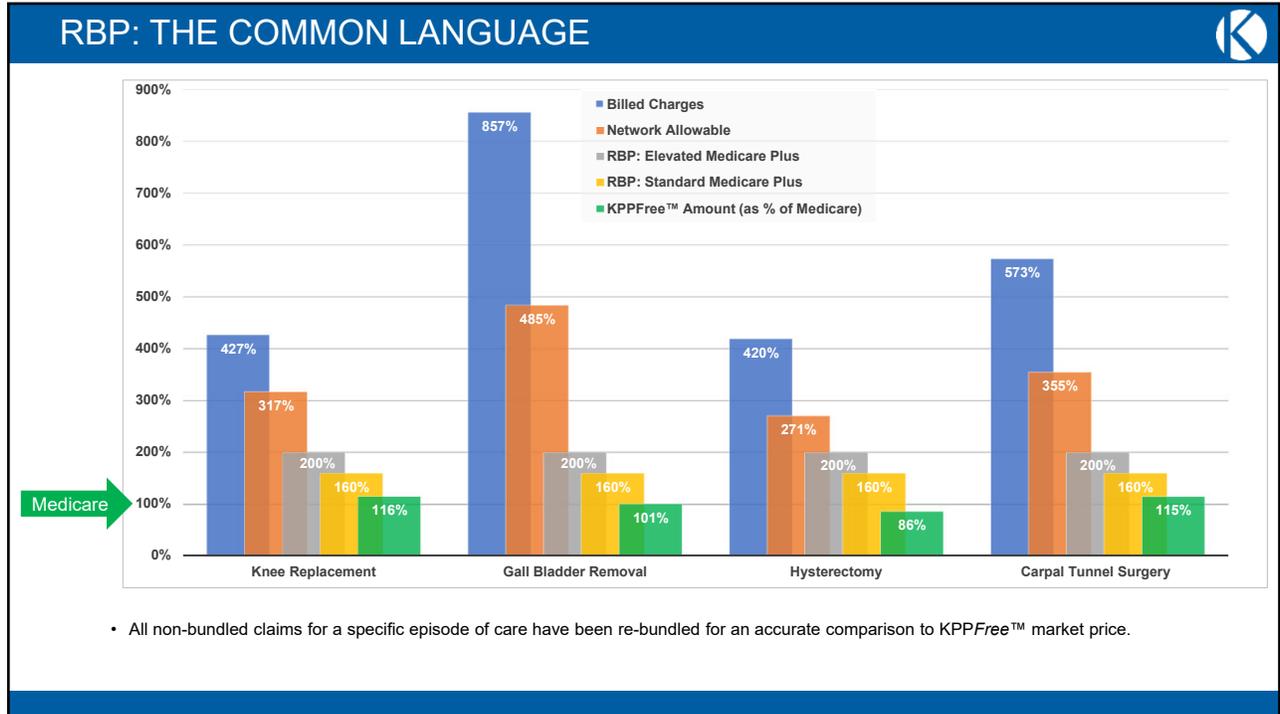
Leveling the Field Requires:

- RBP is NOT a "race to the bottom"
- RBP is a common language for voluntary negotiation and understanding
- RBP is a conversation starter
- Should be a mutually beneficial relationship
- Direct contract between buyer & seller (employer & provider) remove intermediaries

When to Walk Away...

- Unwilling to negotiate using a common language
- Unwilling to be transparent with prices
- Refusal to agree to a reasonable pricing arrangement

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