



BOARD OF DIRECTORS

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- PETE VANDER POEL

**Meeting Location:
 County of Tulare
 Board of Supervisors Chambers
 2800 W. Burrel Avenue
 Visalia, CA 93291**

AGENDA DATE: May 3, 2019

ITEM NUMBER: Item 16

SUBJECT: Receive Consultant’s Report on PPO Discount Analysis and Referenced-Based Pricing (RBP) Analysis Based on the RFI Conducted During the First Quarter 2019 (I)

REQUEST(S): That the Board receive the Consultant’s Report on PPO Discount Analysis and Referenced-Based Pricing Analysis.

DESCRIPTION:

During the first quarter of 2019 the SJVIA conducted two RFIs: 1) for PPO Network evaluation, and 2) for RBP evaluation as part of the due diligence process. The PPO Pricing analysis showed that the major carriers had network discounts ranging from 52.7% to 61.1%. Since Anthem scored at the higher end, no request to market the ASO services is being made. Keenan discovered through the RBP RFI that there may be an opportunity for savings utilizing RBP for certain out-of-network (OON) claims. SJVIA staff is reviewing this option and will come back with a recommendation at the next Board meeting.

FISCAL IMPACT/FINANCING:

Keenan has projected potential savings for implementing RBP for certain OON claims at \$450,000 to \$900,000 in claims.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjoström
 SJVIA Manager



Paul Nerland
 SJVIA Assistant Manager