

Personal Choice 65SM PPO

Provider Reimbursement



PPO

How are providers reimbursed?

Our PPO reimbursement programs for health care providers are intended to encourage the delivery of quality, cost-effective care for our members. Below is a general description of our PPO reimbursement programs, listed by type of participating health care provider. Please note that these programs may change from time to time, and the arrangements with particular providers may be modified as new contracts are negotiated. If after reading this material you have any questions about how your health care provider is compensated, please speak with the provider directly, or contact us.

Primary Care Physicians

PCP's are paid on a fee-for-service basis, meaning that payment is made according to our PPO fee schedule for the specific medical services that the PCP performs.

Specialists

Most specialists are paid on a fee-for-service basis, meaning that payment is made according to our PPO fee schedule for the specific medical services that the specialist performs. Obstetricians are paid global fees that cover most of their professional services for prenatal care and for delivery.

Independence also has specialty provider incentive programs designed to promote quality improvement and cost-efficiency. For example, we have a program that focuses on hip and knee replacement procedures, and we have additional incentive programs in place with certain cardiology, oncology, urology, women's health providers to encourage quality improvement and cost-efficiency.

Physician Group Practices and Physician Associations

Certain physician group practices and independent physician associations employ or contract with individual physicians to provide medical services. These groups are paid as outlined previously. These groups may pay their affiliated physicians a salary and/or provide incentives for primary care providers based on efficiency, quality, service, or other performance standards.

Hospitals

For most inpatient medical and surgical covered services, hospitals are paid case rates, which are set dollar amounts paid for a complete hospital inpatient stay related to a specific procedure or diagnosis (e.g., transplants). Some hospitals are also paid per diem rates, which are specific amounts paid for each day a member is in the hospital. These rates usually vary according to the intensity of the services provided. For most outpatient and emergency-covered services and procedures, most hospitals are paid specific rates based on the type of service performed. Hospitals may also be paid a global rate for certain outpatient services (e.g., lab and radiology) that includes both the facility and physician payment. For a few covered services, hospitals are paid based on a percentage of billed charges. Most hospitals are paid through a combination of these payment methods for various covered services.

The Integrated Provider Performance Incentive Plan (IPPIP) is an Accountable Care Organization (ACO) payment model, hospital/physician pay-for-performance program. It is designed to provide a balanced rewards model for the delivery of high-quality and cost-effective care and to encourage provider collaboration and care coordination between primary care physicians, specialists, and hospitals. In the IPPIP arrangement, the incentive earnings potential is tied to the provider's level of improvement in quality measures and in medical cost management.

Skilled Nursing Homes, Rehabilitation Hospitals, and Other Care Facilities

Skilled nursing and other special care facilities are paid per diem rates, which are specific amounts paid for each day a member is in the facility. These amounts may vary according to the intensity of services provided. For example, we have programs in place with certain skilled nursing facilities to encourage quality improvement and cost-efficiency.

Ambulatory Surgical Centers (ASCs)

Most ASCs are paid specific rates based on the type of service performed. For a few services, some ASCs are paid based on a percentage of billed charges.

Ancillary Providers

Most ancillary providers, such as those providing durable medical equipment and home health care, are paid fee-for-service payments according to our PPO fee schedule for the specific medical services performed or supplies provided. Independence has ancillary provider incentive programs designed to promote quality improvement and cost-efficiency. For example, we have incentive programs in place with certain home health providers to encourage quality improvement and cost-efficiency.

Behavioral Health/Substance Abuse

A behavioral health/substance abuse management company administers most of our behavioral health benefits and provides a network of participating behavioral health care providers. We pay it administrative fees for the behavioral health management services it provides. Most behavioral health/substance abuse healthcare providers are paid fee-for-service payments for the specific covered services provided in accordance with the behavioral health/substance abuse management company's PPO fee schedule.

Independence

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This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments, and restrictions may apply. Benefits may change on January 1 of each year.

The provider network may change at any time. You will receive notice when necessary.

Personal Choice 65 offers PPO plans with a Medicare contract. Enrollment in Personal Choice 65 Medicare Advantage plans depends on contract renewal.

Benefits underwritten by QCC Insurance Company, a subsidiary of Independence Blue Cross — independent licensees of the Blue Cross and Blue Shield Association.

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