INSIGHT 3: AUGUST 2023

Optimize Reimbursement and Pricing Strategies with MRF Data

Our first MRF insight illustrated how our machine-learning methodology reduces data from tens of thousands of BCBS and competitor plans into a manageable list of network products that allows for more meaningful analysis and comparison of individual networks.

In this insight, we show how Transparency Analytics uses this data, enriched with claims utilization data from the BHI National Data Repository, to deliver more precise weighting and analysis of pricing strategies in a Plan's local market.

The graphic below compares a Blue Plan's PPO pricing strategy against those of UHC and Cigna in one facility. While total observed costs for the facility show a Blue Plan advantage, the ability to dig deeper into specific service level and procedure pricing revealed details critical to the Plan's future price negotiation strategy with this provider.

TOTAL FACILITY COSTS COMPARISON

At a facility level, total observed costs show a Blue Plan advantage with pricing:

3.8% lower than Cigna

3.0% lower than UHC

Just looking at top-level comparisons against competitors can be misleading.

SPECIFIC DRG CATEGORY COMPARISON

For pregnancy-related services, Blue Plan pricing is:

44% lower than Cigna

30% lower than UHC

These DRGs are responsible for much of the Blue Plan's lower total facility costs.

AGGREGATE DRG CATEGORY COMPARISON

For non-pregnancy-related services, Cigna and UHC have (on average) negotiated lower rates as a percent of Medicare pricing than the Blue Plan.

181% of Medicare rates (Blue Plan)

179% of Medicare rates (Cigna)

163% of Medicare rates (UHC)

This data highlights opportunities for provider renegotiation.

Curious about how MRF data can help you uncover competitive opportunities?
Contact us to learn more.