



FAIROS

# THE OCCUNET COMPANY'S REFERENCE-BASED PRICING SURVEY

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2022 Executive Summary

August 2022

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# SURVEY RESULTS

## Survey Overview

The OccuNet Company conducted a survey in July 2022 across 217 employers with 100-5,000+ U.S.-based employees with employer-sponsored private health insurance. The objective of the survey was to understand employer perceptions on both healthcare expense trends and medical cost containment solutions.

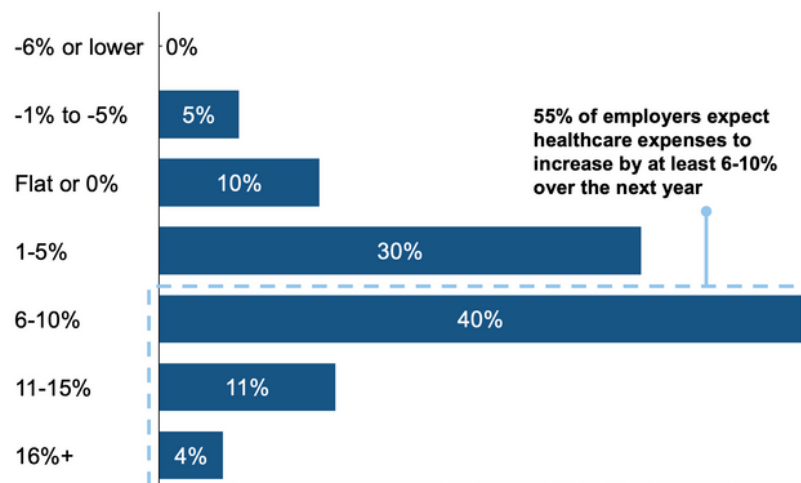
## Key findings from the research include:

- 1 Most respondents expect costs to increase by at least 6-10% over the next three years due to ongoing inflation and potential recession risks
- 2 90% of employers indicated they would be interested in adopting a reference-based pricing health plan option for significant savings
- 3 Innovative solutions such as narrow networks, RBP, and level funding, are perceived by employers to be more effective in managing employee medical costs despite their less widespread adoption

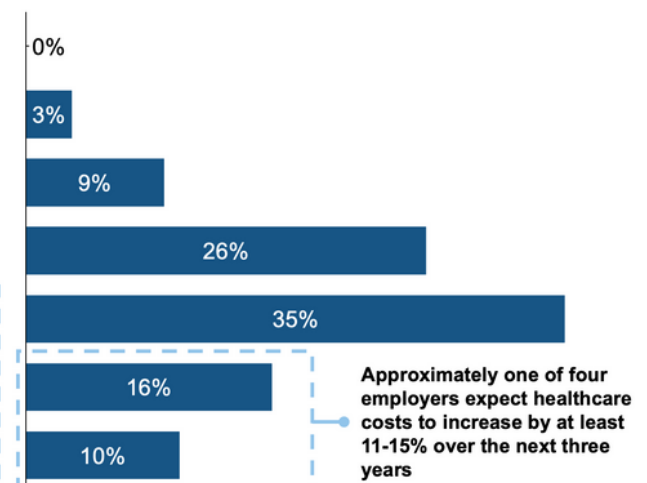
## Most employers expect healthcare expenses to increase and continue to increase by at least 6-10% over the next three years

With ongoing inflation and potential recession risks, how do you expect your healthcare expenses to change?

Year 1, N:217



Year 3, N:217

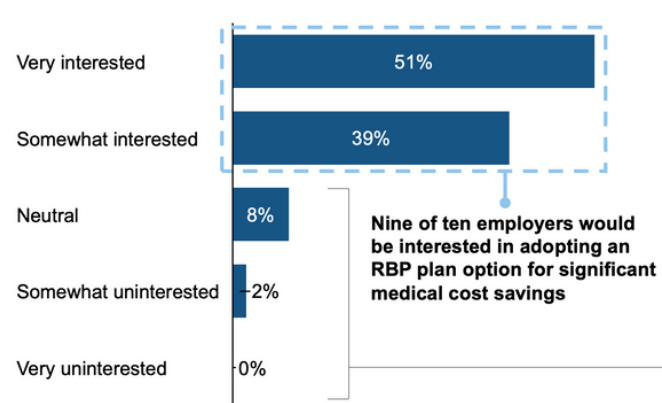


Source: The OccuNet Company's Reference-Based Pricing Survey, July 2022 (N=217)

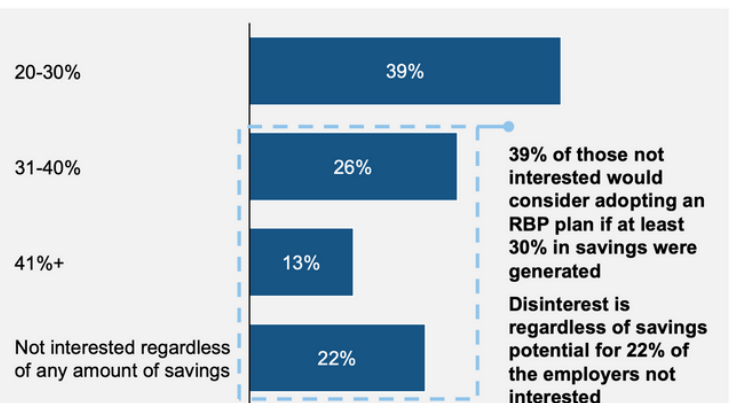
# SURVEY RESULTS

## Most employers are interested in RBP plans, while ~40% of those not interested would consider if at least 30% in savings were generated

How interested would you be in adopting a reference-based pricing health plan option where providers' (e.g. hospitals) reimbursements are based on a percentage of what Medicare would typically pay the provider, which often ranges from 120 to 170% of Medicare reimbursement? <sup>1</sup> (N: 217)



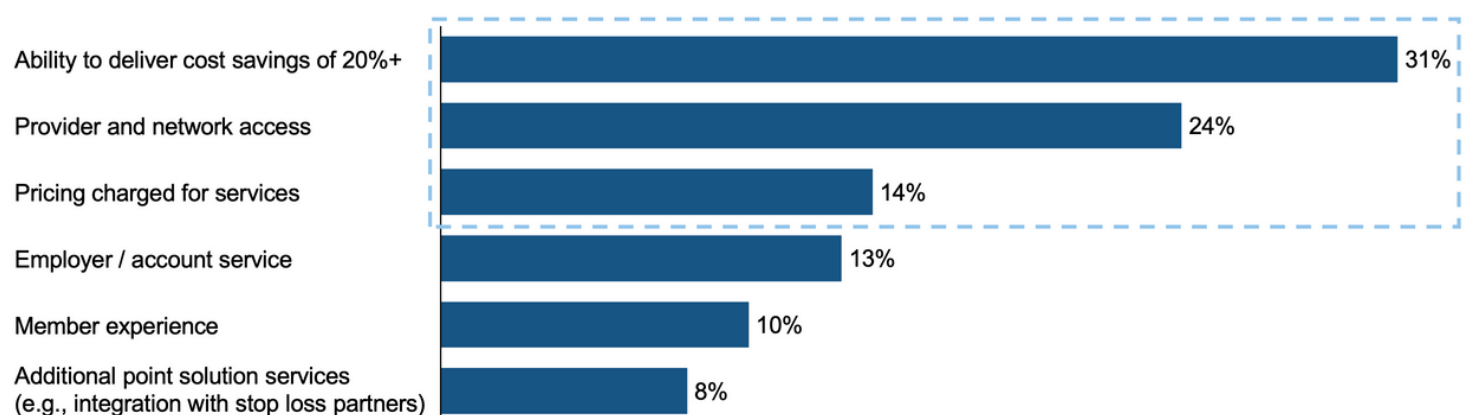
What reduction in healthcare expenses would be needed for you to be interested in reference-based plans? (N: 23)



1. Additional context provided to respondents: By comparison, traditional PPO plans reimburse providers with a range of 250 to 350% of Medicare. Typically, reference-based pricing plans lead to a 25-30% reduction in healthcare expense and for less than 5% of claims, a provider may "balance bill" the patient for the difference between the total cost of services being charged and the amount remitted.  
Source: The OccuNet Company's Reference-Based Pricing Survey, July 2022 (N=217)

## Cost savings ability, provider and network access, and pricing charged were ranked the top three factors when selecting an RBP plan provider

Below is a list of factors that may be considered when selecting a reference-based pricing plan. What are the most important factors for your organization? (N: 217)



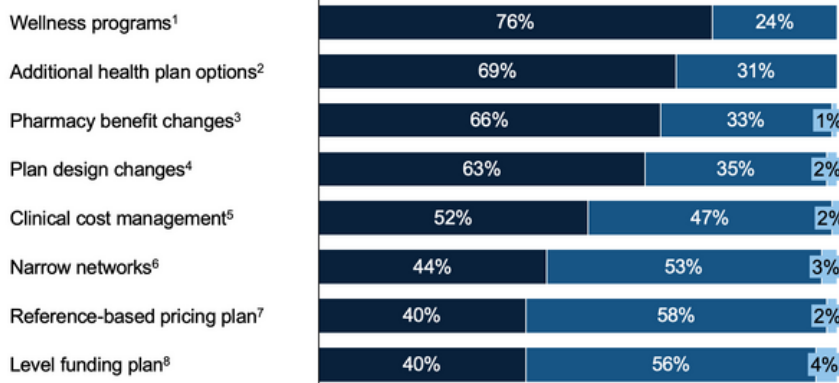
Source: The OccuNet Company's Reference-Based Pricing Survey, July 2022 (N=217)

# SURVEY RESULTS

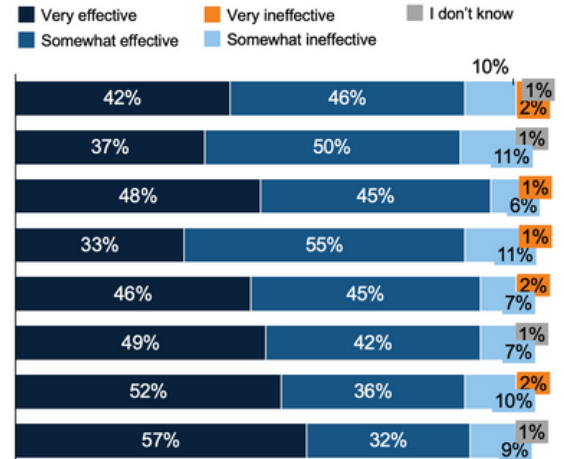
## Several medical cost containment solutions, with varying levels of perceived effectiveness, have been implemented

Has your employer already implemented any of the following medical cost containment solutions to manage employee medical costs? (N: 217)

■ Yes ■ No ■ Don't know



How effective has this solution been in managing employee medical costs? (N: 217)



Definitions or examples were provided as follows: 1. incentive programs designed to motivate employees to complete health and wellness activities, 2. high deductible health plans, 3. prior authorizations, quantity limits, step therapy, mandatory mail orders, 4. raising deductibles or copays and / or increasing the cost of using out-of-network providers, 5. point solutions aimed to manage the costs associated with specific conditions such as diabetes, 6. plans with a smaller network of providers in exchange for reduced costs from those providers, 7. reference-based pricing plans as defined on page 5, 8. employers pay a fixed fee each month that is set based on the level of stop loss coverage in effect and receive rebates if actual medical expenses are below this level  
Source: The OccuNet Company's Reference-Based Pricing Survey, July 2022 (N=217)



Wellness programs, additional health plan options, and pharmacy benefit changes were the most prevalent medical cost containment solutions amongst employers



Level funding plans, reference-based pricing plans, and narrow networks were perceived to be the most effective at managing employee medical costs

# COMPANY OVERVIEW



The OccuNet Company is an innovative healthcare cost containment company that offers out-of-network solutions (OccuNet), reference-based pricing (Fairos), and pharmacy benefits management (FairosRx).

Our industry-unique set of cost containment offerings makes healthcare more intelligent, streamlined, and cost-effective while improving the health and well-being of those we serve.

*For more information, visit [occunet.com](https://occunet.com) or follow @TheOccuNetCompany on LinkedIn or Facebook. For sales & media inquiries please contact [blair.broadhurst@occunet.com](mailto:blair.broadhurst@occunet.com)*

## OUR OFFERINGS



OUT-OF-NETWORK SOLUTIONS



REFERENCE-BASED PRICING

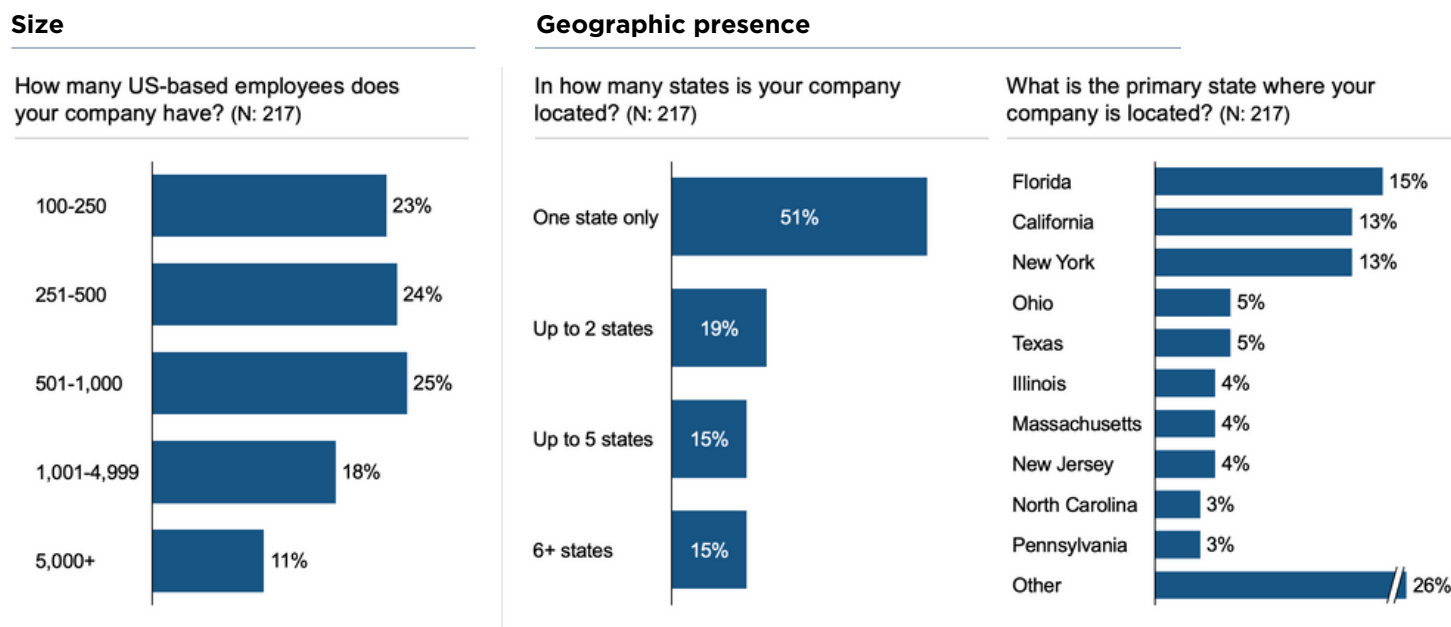


PHARMACY BENEFIT MANAGER



# SURVEY DEMOGRAPHIC PROFILE

## Survey demographic profile



Source: The OccuNet Company's Reference-Based Pricing Survey, July 2022 (N=217)



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