

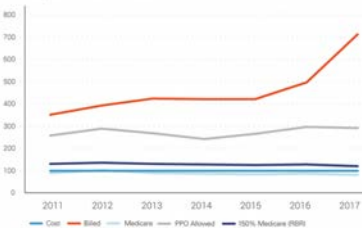


REFERENCE-BASED REIMBURSEMENT MEDICARE COST PLUS OR VALUE BASED PRICING

Shining A Light on Healthcare Costs

We've heard it said hundreds of times... "Healthcare is unlike every other aspect of the consumer experience in America." "There is no transparency in healthcare." From 1950 to the present day, the normalized cost of goods and services has decreased in nearly every industry. One of the two exceptions is Healthcare, and yet we have very little explanation as to why.¹ While the cost of services has remained fairly flat, the cost of healthcare administration has skyrocketed, inflating hospital bills at unsustainable levels.²

Hospital Costs Flat, Charges Billed Increasing
Hospital Invoices as % Cost



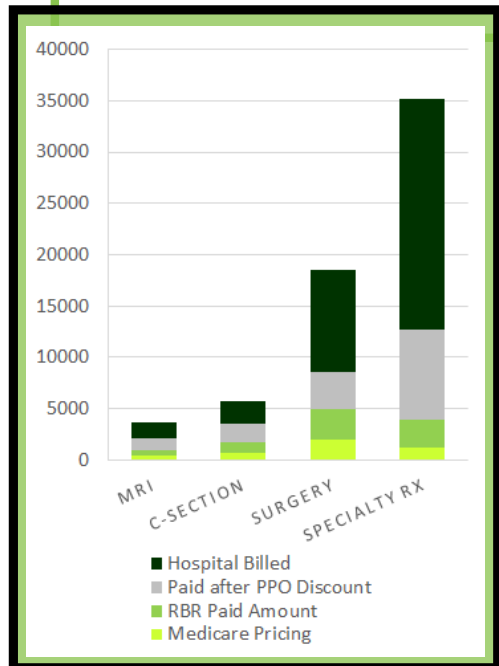
Reference Based Reimbursement (RBR) flips the switch on traditional healthcare pricing and payment model by helping consumers know their costs upfront. It is an objective methodology used to calculate the amount a healthcare provider is paid for a specific service.

KRMA partners with a variety of RBR re-pricers and supporting organizations that continuously collect and update data on the prevailing costs for medical procedures and then benchmark them against industry standard - primarily CMS Medicare filings. We use these points of reference instead of ambiguous charge masters because, by law, Medicare-certified institutions are required to annually submit a listing of the true cost of services, and this allows our team to support provider reimbursement on the actual cost plus a moderate profit margin.

With reference based pricing, provider reimbursement is based on a percentage of what Medicare would typically pay the provider which often ranges from 120 to 150 percent of Medicare reimbursement. Our team has worked closely with RPR subject matter experts to ensure that our underwriting appropriately reflects the impact to value based innovation..

SELECTING AN RBR PARTNER... ITS AS EASY AS 1, 2, 3!

- 01 BECOME NAMED FIDUCIARY FOR PLAN**
taking full responsibility for claim payment decisions..
- 02 PROVIDES PROACTIVE PATIENT ADVOCACY**
including member education, care coordination, and balance billing support
- 03 SYNERGISTIC APPROACH**
using fair and defensible payment methodology.



1 <https://advancedpricing.com/solutions/reference-based-reimbursement/>
2 https://www.mercatus.org/system/files/helland-tabarrok_why-are-the-prices-so-damn-high_v2.pdf