

Established Reimbursement Schedule™

The Established Reimbursement Schedule™ (ERS™) is a proprietary cost-containment product developed by Coalition America. ERS contains a fee schedule that applies to physician, out-patient, and in-patient medical claims. Unlike UCR, which is based upon billed charges, ERS™ is based upon known acceptable reimbursement amounts and reasonable charges above the costs to deliver service.

What is ERS™

The ERS™ fee schedule was developed using a patent pending process to calculate a reasonable and acceptable reimbursement for all medical procedures. The process takes into account:

- ◆ Cost-to-charge ratios
- ◆ Geographic adjustments
- ◆ Medicare reimbursements
- ◆ CMS-provided statistics
- ◆ PPO contractual reimbursements
- ◆ Commercially available benchmarks
- ◆ Historically acceptable reimbursements

How ERS™ Works

ERS™ may be used by payors in several ways

- ◆ Instead of UCR on out-of-network claims where no contractual discount applies
- ◆ On all out-of-network claims with billed charges below a certain threshold
- ◆ In lieu of supplemental PPO networks on all out-of-network claims
- ◆ As the primary means of healthcare cost containment replacing all PPOs
- ◆ As a benchmark for supporting analysis of the effectiveness of existing contracts

CAI provides repricing and back-office support for all of the processing models described above when claims are received via EDI.

Why ERS™

ERS™ discounts are:

- ◆ Deeper than UCR
- ◆ More favorable to the provider than Medicare or large carrier discounts
- ◆ Reasonable, resulting in greater provider acceptance and limited challenges

About Our Partner - Navigant Consulting, Inc.

The ERS™ fee schedule was created by Navigant Consulting, an NYSE listed company (NCI) with over a \$1B market cap. Navigant Consulting employs nearly 2,000 consultants with over 400 consultants focused on healthcare. Navigant has extensive experience in the development of medical fee schedules, with clients ranging from large national carriers like the Blues, to state Medicaid agencies and Medicare.

To develop the ERS™ fee schedule, Navigant employed proprietary logic it developed over many years of experience in working for large payors. Using provider payment information from multiple sources, as well as cost of service information available in the public domain, Navigant calculated reasonable and fair reimbursements for all medical CPT codes and out-patient encounters and facility-specific reimbursements for in-patient services.



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