

Creative Hospital Contracting

Challenge:

Hospital Costs are too high and account for approximately 44% of the County's Medical care spend.

Traditional Solution:

Choose an PPO Network that claims to have the best hospital discounts.

Better Approach:

Add \$500-\$1,000 copay per admission or procedure to discourage unnecessary hospitalizations and share costs with patients.

Best Approach:

Leverage a complimentary PPO Network that has deeper negotiated discounts at the hospitals participants use frequently.

Expected Savings:
\$15,000-\$25,000/year

Combined with plan design tweaks, this approach saves the County money while allowing participants to choose and bear the costs of their decision.