

Reference Based Pricing

- Under RBP, the plan sponsor defines pricing limits on the amount they will cover for specified medical procedures, particularly those subject to the widest cost variations (for example, facility charges or imaging, like MRIs)
- The RBP vendor often defines acceptable plan cost by reference to historical payments for the procedure, or by using third-party statistics on healthcare provider costs.

Advantages	Disadvantages
Cost Savings	Balance Billing
Predictability (Pre-determined costs)	Stop-Loss Coverage
Transparency	Network Carve-Outs
Increased Consumer Cost Awareness	Provider Pursuits
	Employee Relations