innovation HEALTH℠
Aetna | Inova PARTNERSHIP

Together. Better Health.

How Innovation Health pays for out-of-network benefits

We negotiate rates with doctors, dentists and other health care providers to help you save money. We refer to these providers as being "in our network." Some of our plans pay for services from providers who are not in our network. Many of those plans pay for out-of-network services based on what is called the "reasonable," "usual and customary" or "prevailing" rates. Here is how we figure out that coverage amount.

Step 1: We review the data

We get information from FAIR Health, Inc., a not-for-profit company formed to create an independent database not owned by any health insurer. Health plans send FAIR Health, Inc. copies of claims for services they received from providers. The claims include the date and place of the service, the procedure code, and the provider's charge. FAIR Health, Inc. combines this information into databases that show how much providers charge for just about any service in any ZIP code.

Example: Providers' charges for removing an appendix are grouped into percentiles from low to high. The higher charges are grouped into the higher percentiles. Charges that fall in the middle are grouped in the 50th percentile.

Here is a simplified illustration of a percentile chart for an appendectomy for one ZIP code:

Percentile	Appendectomy
50th	$1,992
60th	$2,131
70th	$2,287
75th	$2,657
80th	$3,056
85th	$3,518
80th	$4,012
95th	$5,440

innovation HEALTH℠
Aetna | Inova PARTNERSHIP

Step 2: We calculate the portion we pay

For most of our health plans, we use the 80th percentile to calculate how much to pay for out-of-network services. Payment at the 80th percentile means 80 percent of charges in the database are the same or less for that service in a particular ZIP code.

If there are not enough charges (less than 9) in the databases for a service in a particular ZIP code, we may use "derived charge data" instead. "Derived charge data" is based on the charges for comparable procedures, multiplied by a factor that takes into account the relative complexity of the procedure that was performed.

Step 3: We refer to your health plan

We pay our portion of the prevailing rate as listed in your health plan. You pay your portion (called "coinsurance") and any deductible.

Sometimes what we pay is less than what your provider charges. In that case, your provider may require you to pay the difference. This is true even if you have reached your plan's out-of-pocket maximum.

Example: You use a doctor who is not in the network. The doctor charges $120 for a service. The doctor sends the claim to Innovation Health. Your plan covers 70 percent of the "reasonable," "usual and customary" or "prevailing" rate. Let's say the prevailing rate is $100. And let's say you already met your deductible. Innovation Health would pay $70. You would pay the other $30. Your doctor may bill you for the $20 difference between the prevailing rate ($100) and the billed charge ($120). In this case, your doctor could bill you for a total of $50.

We may consider other factors to determine what to pay if a service is unusual or not performed often in your area. These factors can include:

- The complexity of the service
- The degree of skill needed
- The provider's specialty
- The prevailing charge in other areas
- Our own data

Exceptions

This general description does not apply to every case. Some plans set the prevailing rate at a different percentile. For some claims (like those from hospitals and outpatient centers) we may use other information and data sources to determine the covered portion of the provider's billed amount. And not all our plans use FAIR Health. (Medicare plans and plans that pay based on fee schedules are just some examples.)

Our provider claims coding and reimbursement policies may also affect what we pay for a claim. These policies will be shown on your Explanation of Benefits documents.

For more information

Please see your plan documents to learn more. Or call member services. Their phone number is on the back of your member ID card.

innovation-health.com