

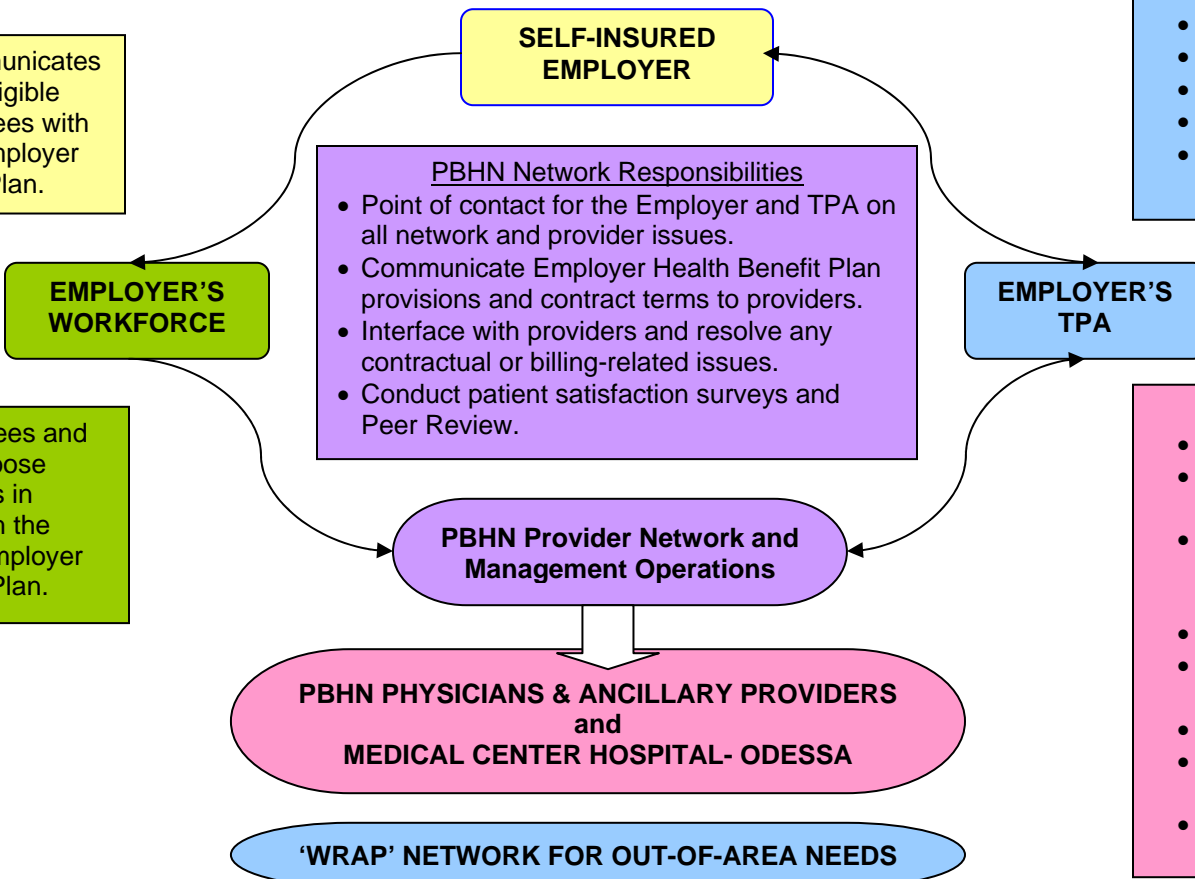
Permian Basin Healthcare Network Direct Contracting Relational Flowchart

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- Self-insured employer typically works with their insurance broker to contract directly with PBHN to provide healthcare services to its defined workforce in accord with Employer's Health Benefit Plan.
- Employer and PBHN negotiate and establish a fee-for-service schedule.
- Employer contracts with a third-party administrator (TPA) for claims processing and selected administrative services. Employer provides TPA with fee schedule from which to reimburse claims.
- Employer coordinates the health benefit plan design and network steering provisions to TPA.
- Employer funds the plan and establishes a payment account from which TPA reimburses claims.
- Employer may also contract with a Pharmacy Benefits Management firm.

- TPA Typically Provides
- Verification of eligibility and benefits
 - Precertifications
 - Claims adjudication
 - Claims payment
 - Utilization reporting
 - Reinsurance/Stop-Loss
 - Stop-Loss claims filings
 - Cobra administration
 - Eligibility cards
 - Provide 'WRAP' network
 - Out-of-network claims discount negotiation

Employer communicates and educates eligible employees/retirees with provisions of Employer Health Benefit Plan.



- PBHN Network Responsibilities
- Point of contact for the Employer and TPA on all network and provider issues.
 - Communicate Employer Health Benefit Plan provisions and contract terms to providers.
 - Interface with providers and resolve any contractual or billing-related issues.
 - Conduct patient satisfaction surveys and Peer Review.

Eligible employees and dependents choose PBHN providers in accordance with the provisions of Employer Health Benefit Plan.

- Provider Responsibilities
- Request eligibility verification
 - Required medical service precertifications
 - Provide service in accord with Employer Health Benefit Plan
 - In network referrals
 - Collect required copays and coinsurance
 - Do not balance bill patients
 - Timely claims submission in prescribed format
 - Respond to TPA's request for documentation

PBHN has direct contracts to provide healthcare services to the employees and dependents of Medical Center Hospital, the City of Odessa, Ector County and Integrated Physicians Partnership (Midland). PBHN is contracted with employers and PPOs to provide services to over 80,000 lives. In addition to Medical Center Hospital, PBHN currently has 197 physician providers in 44 specialties, and 88 ancillary healthcare providers.