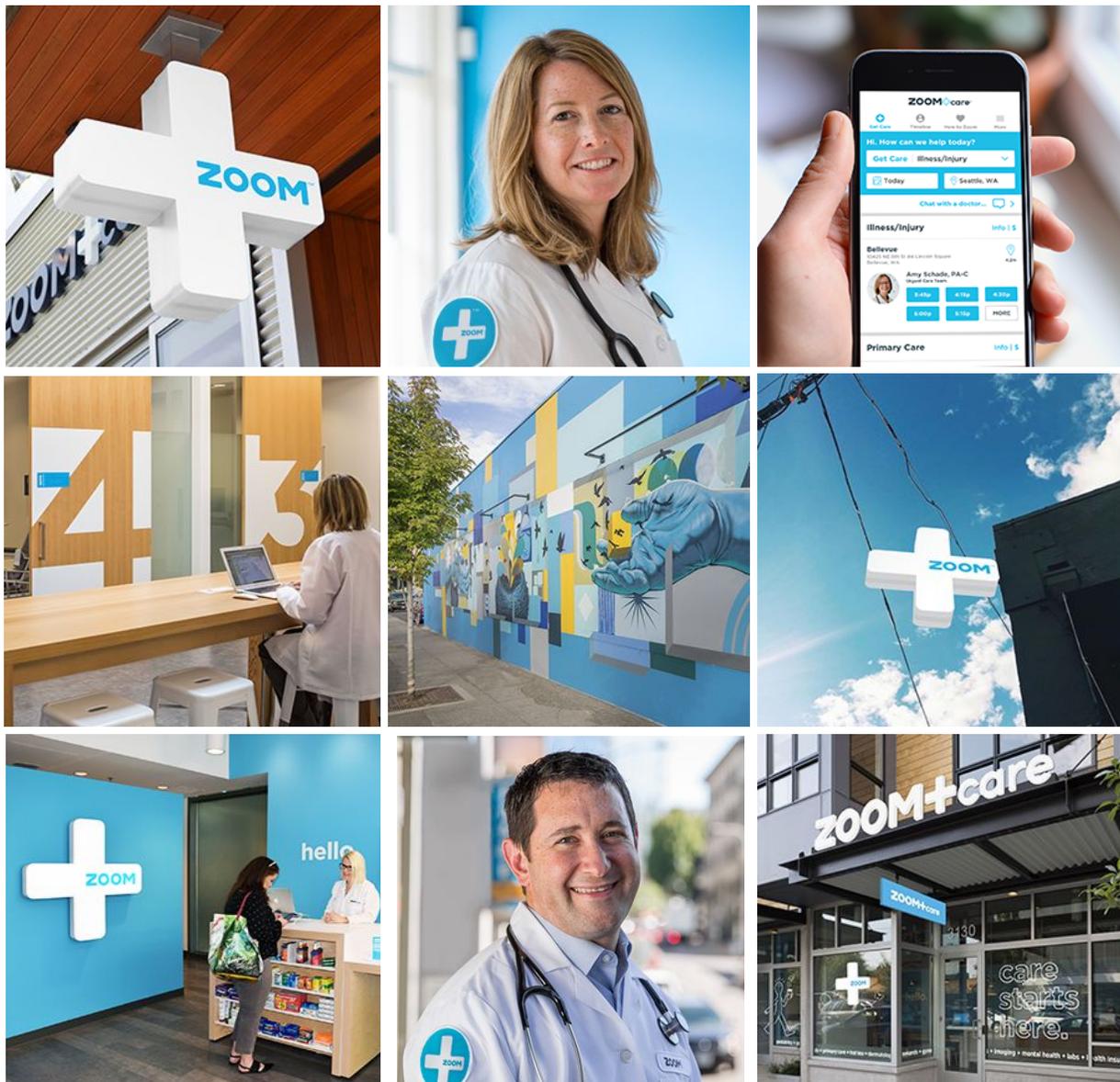# The Zoom Transparency Toolkit™

The Zoom Transparency Toolkit includes Zoom's Price Structure designed to empower insurers to reduce the cost of care by raising their Insurer Score

Letter from ZOOM+Care Founders

Dear Zoom Community,

In May 2018, ZOOM+Care published The 2018 Zoom Transparency Report featuring Zoom's performance data and Insurer Scores. Some asked the question, "How does Transparency translate into results?" Today, Zoom releases a Transparency Toolkit that includes its Price Structure designed to empower insurers to reduce the cost of care by raising their Insurer Score - from the Transparency Report.

Zoom's publication of its Transparency Toolkit is significant for three reasons:
- ❏ First, Zoom becomes the first U.S. healthcare provider to publish its price structure.
- ❏ Second, the Zoom Price Structure makes explicit the costs-savings opportunity to reduce waste and to manage significant populations.
- ❏ Third, the Toolkit provides insurers a specific actionable roadmap to reduce the cost of care.

The 2018 ZOOM+Care Price Structure reveals that the insurer price for a level 3 return office visit ranges from $138 to $173 based on Insurer Score and its Zoom Population. This translates into potential enormous savings. For example, an insurer that raises its score from a C to an A with a 3,000 member monthly zoom population would save nearly $500,000 per year.

As we wrote in our initial Transparency Report, the U.S. health system is badly broken. Infamous for excessive costs, poor service, and mediocre quality. Wasteful practices kept hidden from the public are the root cause of the dysfunction.

The 2018 Zoom Transparency Report shed light on Zoom's clinical performance and cost efficiency, and on the efficiency of its insurer partners, but it did not address the smoky backroom where insurers and providers set dubious prices that underlie the profiteering that is the hallmark of American healthcare.

The Zoom Transparency Toolkit empowers insurers to control the price it pays for healthcare. The insurer's cost of care is now based on their fact-based Insurer Score - a measure of their efficiency and friction.

We hope insurers tap the power of this toolkit to reduce the cost of care and then pass along the savings to the employers and individuals who pay dearly for health insurance.

The Zoom Transparency Toolkit is another step toward stripping away provider and insurer excuses for not confronting the industry's wasteful and self-serving practices. Taken together, Zoom's Transparency Report and Transparency Toolkit point the way toward a fresh model for how insurers and providers work together to eliminate waste and increase value.

Zoom believes that Transparency is the tool available today to all providers and all insurers that can bring real change. Zoom will continue to work with insurers, providers, policymakers, and regulators, as we have for over a decade, to lead the way by example.

Sincerely,

Dave Sanders, MD, Co-founder and CEO, ZOOM+Care
Albert DiPiero, MD, MPH Co-founder and Chief Medical Officer, ZOOM+Care

Table of Contents

The Zoom Transparency Toolkit

The Zoom Transparency Toolkit includes the Zoom Price Structure and Insurer User Manual designed to empower insurers to reduce the cost of care and pass along the savings to employers and individuals who pay for health insurance. The Toolkit offers insurers two ways to reduce the cost of care:

1. **Increase Insurer Score by reducing waste and friction. Zoom passes along the savings from reduced friction.** Insurer's administrative waste and inefficiency is borne by providers and is factored into healthcare prices. Insurers with low friction pay lower prices than insurers with high friction. Waste and friction are defined in the 2018 Zoom Transparency Report. Reducing friction and raising the Zoom insurer score decreases the cost of care.

2. **Increase Zoom population. Zoom passes along the efficiencies of managing a larger population.** Zoom is a complete system of care and is best able to manage the cost of care when serving a robust population. Zoom rates are proportional to its population served.

2018 ZOOM+Care Price Structure

The 2018 ZOOM+Care Price Structure empowers insurers to reduce the cost of care and pass along the savings to employers and individuals who pay for health insurance. The insurers have two ways to reduce the cost of care:

1. Increase Insurer Score by reducing waste and friction. Zoom passes along its reduced administrative costs
2. Increase Zoom population. Zoom passes along the efficiencies of managing a larger population

AVERAGE MONTHLY ZOOM VISITS	2018 INSURER SCORE	CONVERSION FACTOR (WITH 2018 RVUs)	LEVEL 3 RETURN PATIENT OFFICE VISIT AT ZOOM+CARE	PERCENT OF 2018 ZOOM BASE CONVERSION FACTOR
0 - 1,000	A	$78.00	$160.68	
	B	$80.00	$164.80	100%
	C	$84.00	$173.04	
1,001 - 1,250	A	$77.22	$159.07	
	B	$79.20	$163.15	99%
	C	$83.16	$171.31	
1,251 - 1,500	A	$76.44	$157.47	
	B	$78.40	$161.50	98%
	C	$82.32	$169.58	
1,501 - 1,750	A	$75.66	$155.86	
	B	$77.60	$159.86	97%
	C	$81.48	$167.85	
1,751 - 2,000	A	$74.88	$154.25	
	B	$76.80	$158.21	96%
	C	$80.64	$166.12	
2,001 - 2,250	A	$74.10	$152.65	
	B	$76.00	$156.56	95%
	C	$79.80	$164.39	

2,251 - 2,500	A	$73.32	$151.04	
	B	$75.20	$154.91	94%
	C	$78.96	$162.66	
2,501 - 2,750	A	$72.54	$149.43	
	B	$74.40	$153.26	93%
	C	$78.12	$160.93	
2,751 - 3,000	A	$71.76	$147.83	
	B	$73.60	$151.62	92%
	C	$77.28	$159.20	
3,001 - 3,250	A	$70.98	$146.22	
	B	$72.80	$149.97	91%
	C	$76.44	$157.47	
3,251 - 3,500	A	$70.20	$144.61	
	B	$72.00	$148.32	90%
	C	$75.60	$155.74	
3,501 - 3,750	A	$69.42	$143.01	
	B	$71.20	$146.67	89%
	C	$74.76	$154.01	
3,751 - 4,000	A	$68.64	$141.40	
	B	$70.40	$145.02	88%
	C	$73.92	$152.28	
4,001 - 4,250	A	$67.86	$139.79	
	B	$69.60	$143.38	87%
	C	$73.08	$150.54	
4,251 - 4,500+	A	$67.08	$138.18	
	B	$68.80	$141.73	86%
	C	$72.24	$148.81	

Insurer User Manual

This manual includes the key actions to 1) Calculate Cost of Care and 2) Reduce the Cost of Care.

A. How To Calculate Cost of Care

1. Look Up Your 2018 Insurer Score
2. Calculate Your Zoom Population
3. Go to the Zoom Price Structure
4. Locate Your Conversion Factor and RVU Schedule
5. Use Price Calculator

1. Look Up Your 2018 Insurer Score

Click Here to Look Up Your 2018 Insurer Scores

Insurer Scores published in the 2018 Zoom Transparency Report translate into price discounts or penalties. The cost of doing business with "A" insurers is lower, which converts into savings for the insurer and their customers - the purchasers of insurance. In contrast, it simply costs more to do business with insurers who scored a "C" or lower. The higher cost of doing business with these "C" or lower insurers is partially (not fully) passed along to the insurer.

Insurer Score Scale

Score	Discount / Penalty
A	2.5% Discount
B	No Discount / No Penalty
C or lower	5% Penalty

Insurer Score Discount / Penalty Methodology
A 2.5% discount is provided for "A" insurers due to the lower cost of doing business. Lower healthcare and business costs partly derive from the following:
- ❏ Less time spent attempting to verify member eligibility and benefit information by Zoom employees
- ❏ Less time processing prior-authorizations for CTs performed at ZOOM+Care Super by Zoom employees
- ❏ Less time appealing denied prior-authorizations for CTs performed at ZOOM+Care Super by Zoom employees
- ❏ Less time spent sending credentialing applications to the insurer by Zoom employees

A 5% penalty is assigned to "C" or lower scoring insurers due to exponentially higher business expenses. The higher healthcare and business costs partly derive from the following:

- ❏ Time spent attempting to verify member eligibility and benefit information by Zoom employees
- ❏ Time processing prior-authorizations for CTs performed at ZOOM+Care Super by Zoom employees
- ❏ Time appealing denied prior-authorizations for CTs performed at ZOOM+Care Super by Zoom employees
- ❏ Time spent completing credentialing applications for non-delegated insurers
- ❏ Time spent corresponding with patients regarding confusion around their insurance benefits

2. Calculate Your Zoom Population

Population served is measured as average monthly visit volume per health insurer. Average monthly visit volume is determined by the total number of office visits and preventive medicine evaluation and management visits billed by Zoom in 2017 divided by 12. The office visit Current Procedural Terminology (CPT) codes include 99201-99215 and the preventive visit CPT codes include 99381-99397.

3. Go to the Zoom Price Structure

- ❏ See "2018 ZOOM+Care Price Structure" on Page 5 and 6 of the Toolkit.

4. Locate Your Conversion Factor and RVU Schedule

- ❏ Look up Your Zoom Population
- ❏ Cross Reference with Your Insurer Score
- ❏ Locate Your Conversion Factor and RVU Schedule

5. Calculate Price

- ❏ Use the Price of a Unit of Care Formula

   RVU per CPT Code x Conversion Factor = Price of a Unit of Care

- ❏ Look Up Your Conversion Factor and RVU Schedule
- ❏ Look Up RVUs for a Specific CPT Visit or Procedure. Enter RVUs Per Visit or Procedure.
- ❏ Calculate Your Price For a Specific CPT Visit or Procedure

B. How To Reduce Cost of Care

1. Improve Your Insurer Score

The 2018 Transparency Report Insurer Scores are based on three categories:

1. Friction
2. Access to Right Care
3. Overutilization of the Wrong Services

The Transparency Report includes specific details on all three areas and make clear the opportunities for each insurer to raise its Insurer Score.

2. Increase Your Zoom Population

Insurers have the ability to increase their Zoom Population:

❏ Develop products around the Zoom Complete Care Delivery System
❏ Promote ZOOM+Care services and providers on the Provider Directory
❏ Maintain an in-network Zoom status for all commercial plans
❏ Advocate for an in-network Zoom status for employer group plans for all provider types

C. Definitions

TERMINOLOGY	DEFINITION
RVU	Relative Value Unit Each medical service (CPT Code) has a corresponding relative value in units composed of three distinct parts: 1. Physician work component 2. Practice-related expense component 3. Malpractice expense component CMS determines the RVUs for each CPT code and update the RVUs quarterly.
CPT Code	Current Procedural Terminology CPT Codes are five digit numbers used to report physician services. CPT codes range from 00100 - 99499 and describe medical, surgical, radiology, laboratory, anesthesiology, and evaluation and medicine services.[1]
Conversion Factor	Amount the insurer will pay per RVU.
Price of a Unit of Care	Allowed Amount for medical procedures and services.

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[1] "AAPC." *AAPC - Advancing the Business of Healthcare*, AAPC Blog, www.aapc.com/resources/medical-coding/cpt.aspx.