CASE STUDY: Cost Containment
Medical Expense Reduction for a Managed Care Organization

A managed care organization sought to create sustainable medical benefit ration reductions across multiple provider, ancillary, vendor and acute care provider categories, while simultaneously increasing the overall percentage of encounter data received.

Business Challenge
The organization served as a safety net health plan, primarily serving beneficiaries in a densely populated urban geography. The newly appointed leadership sought to ensure long-term financial viability of the health plan while maintaining competitive market positioning.

In particular, they needed:
- Full spectrum analysis of claim and utilization data
- Assessment of system configuration versus contract terms
- Identification of key service areas positioned to yield savings opportunities
- Evaluation of health plan reimbursement rates against the market and amendment of existing contracts as appropriate
- Savings from key vendor contracts

Solutions
WeiserMazars assembled a project team with experience in claim data analytics, RFP execution, operational management, project management, and provider, hospital and ancillary contracting.

The team worked with:
- The Managed Care Organization’s executive leadership across multiple business units establishing buy-in across the organization
- The IT and Claims Departments to extract historical claims data for analysis
- The Claim System Configurations teams to correct contract load errors
- The Ancillary and Vendor Management Departments to draft and circulate requests for proposals, score responses, transition legacy relationships and execute new agreements
- Corporate Counsel to approve provider notifications and contract revisions
- The Provider Contracting and Provider Relations Departments to amend existing provider agreements

Results
- Transformed contracting and operating standards
- Realization of a recurring, annual medical expense savings in excess of the target by nearly 20%
- Improvement in claims payment accuracy
- Uniform, market rate fee schedules for all community-based provider types on a go-forward basis
- Implementation of contracting incentives, driving increased encounter data submission rates to enhance quality measure reporting and enrollment into appropriate care management programs