

## CASE STUDY

# Community health plan boosts subrogation and COB savings by more than \$2 million in seven months

## Automated system improves savings and forecasting

### How much are you losing each year?

Imagine if you knew that \$2 million of your company's money was scattered across the streets outside your office. It's a windy day, your staff is tied up at a training session, and you're meeting with clients all afternoon. Would you let it blow away? Sure, this is an exaggerated scenario, but the truth is, health insurers all over the country are throwing away millions of dollars each year, either by not performing or underperforming critical cost containment measures, such as subrogation and coordination of benefits.

Consider the COB and Subrogation department of a 25-year-old community health plan from the Northeast with 207,000 members. This organization had been managing subrogation and COB processes on its own using internal staff to manually track savings and paper files. The team had been tracking referred subrogation cases, but wanted to see if enhanced data mining could help them discover more cases they weren't already processing. Additionally, the team needed more insight into the inventory of cases in process so it could forecast expected recoveries.

The company suspected it could dramatically simplify this process and improve its savings by outsourcing the subrogation and COB processes. Read on to find out how this health plan increased its savings by more than \$2 million in less than one year with Discovery Health Partners.

### An intelligent cost containment solution

Discovery Health Partners is a provider of "intelligent cost containment solutions" that leverage automated case management, data mining, and reporting tools for processes such as subrogation, COB, and overpayment. After interviewing several vendors, the health plan chose Discovery Health Partners to manage its subrogation, COB, and workers' compensation cases.

"We believed we were not achieving the savings we could with coordination of benefits, subrogation, and workers compensation with the current model," said the Senior Director, Claims Administration. "We interviewed several vendors and felt that Discovery Health Partners was the best fit for us from a culture, tools, and knowledge perspective."

Here's how the solution works: Discovery Health Partners pulls claims and eligibility files weekly from the health plan's systems and runs the data through its proprietary Intelligent Cost Containment Platform to identify cases for investigation. The platform uses sophisticated data mining tools to mine for accident related diagnosis codes and characteristics of COB cases, such as dependents with large dollar paid claims, working aged, disability, and ESRD.

When a claim is identified for COB or Subrogation, the Discovery Health Partners team manages cases end to end and provides an interactive analytic platform with its own dashboard. The dashboard allows the health plan team to see work in process, real-time and historical views of cases, and a range of time saving reports that provide the health plan the ability to drill down into the program's data.

## Savings increase by nearly \$2.3 million and counting

By partnering with Discovery Health Partners, this health plan saw dramatic improvements in its savings from the first application it brought live, Coordination of Benefits. In one year, the health plan realized an incremental savings of nearly \$2.3 million. Savings are distributed across Medicare, Medicaid, commercial, and ASO plans, and are partially attributed to staff reductions or redirection. The health plan expects to recover an additional \$2.2 million in subrogation claims over the next 6 – 12 months.

The improvement in recoveries is due in large part to the introduction of superior data mining, analytics and business intelligence disciplines to the process. Whereas the health plan might focus on each case manually and individually, Discovery Health Partners is able to link analytics to learn patterns and trends across customers and providers and apply their learning across the health plan's membership. As a result, Discovery Health Partners can identify and focus on the right cases – those with the highest opportunity for success.

As this customer continues to pursue COB and subrogation cases, it can track progress against its goals in real-time through Discovery Health Partners' web-based Discovery Dashboard. This insight into inventory and the ability to forecast future recoveries allows the health plan to plan more accurately manage and improve metrics such as its medical loss ratio.

"Prior to Discovery Health Partners, the work in the COB and Subrogation department relied very heavily on manual tracking of savings and paper files. Discovery Health has a case inventory web tool and a dashboard that allow us not only to see inventory at any point in time and review specific individual cases when needed, but also helps us predict future performance," said the Sr. Director, Claims Administration.

## Data security is top priority

*With privacy a key concern in the healthcare industry, some companies are cautious of cloud-based hosting and software-as-a-service applications, in which data resides outside the confines of their data centers. Though our solutions contain a series of administrative, physical, and technical safeguards specifically to address healthcare regulations, we offer a flexible model that allows clients to work with us in whatever way is most comfortable for them.*

*In this case, the health plan opted to maintain control of its data in its own databases, rather than using the database in Discovery Health Partners' cloud-based Intelligent Cost Containment Platform. Discovery Health Partners worked with the health plan to build a custom interface to extract the required claim and eligibility data from its claims system so the data never has to leave the client's data center.*



## About Discovery Health Partners

Discovery Health Partners helps organizations reduce and contain healthcare spend through intelligent cost containment solutions. We specialize in technology, services, and solutions for Subrogation, Dependent Eligibility Verification, Coordination of Benefits and more. We enable health plans, self-funded employer groups and government agencies to manage more efficiently and with less risk and cost by integrating advanced technology, information analytics and modernized workflow for superior identification and transparency. Working with Discovery Health Partners, clients realize improved recoveries, reduced cost, better control, and new levels of insight. Discovery Health Partners is a division of LaunchPoint, a provider of information-centric services and solutions for healthcare enterprises.

Learn more at [www.discoveryhealthpartners.com](http://www.discoveryhealthpartners.com).

David Grice, Vice President of Sales

Phone: 678.296.8918

[dgrice@discoveryhealthpartners.com](mailto:dgrice@discoveryhealthpartners.com)

[www.discoveryhealthpartners.com](http://www.discoveryhealthpartners.com)