

EPIC RISK CONSULTING

Increase Savings and Revenue - Case Study

March 2021

Client and Challenge:

A large Workers' Compensation captive faced declining savings in their bill review program

Managed Care Optimization Strategy:

Our three-step approach provided a detailed analysis of the vendor partners in the following areas:

- **Bill review data** analyzed across all 50 states focusing on cost drivers for the client
- **Price/cost mechanisms** analyzed for correct application and for additional savings to be realized from the bill review vendor, Pharmacy Benefit Management (PBM) partner(s), Preferred Provider Organization (PPO)/Managed Care Network (MCN) providers in key cost driver states and high touch ancillary service providers
- **Core managed care processes** were reviewed in detail to assess quality assurance, high-cost bill triggers, pathways, use of complex bill auditing services and expert coding reviews

Key Findings:

- Compared to the industry, the client had **underperforming bill review pathway rules and PPO networks**. These deficiencies were driven by the high automation design of the program
- Expert review not being utilized correctly
- The high cost of services per bill resulted in a **lower return on investment (ROI) than industry averages**, indicating an opportunity for considerable managed care expense savings
- The retail program was **missing revenue streams** that could be leveraged to improve financial outcomes

Our Solution:

- Identified processes, guidelines and services that would **improve outcome opportunities** for the injured worker and the client through a comprehensive managed care program

Outcome:

- The client **saved over \$20M** of medical spend per year and now has a Top Tier managed care program providing consistent outcomes and sustainability