

How Proactive COB Data Saved a Regional Health Plan \$69M+ in 16 Months

Executive Summary

A regional healthcare provider and insurer in the northeast leveraged proactive COB data, secure payer-to-payer communication, and refined manual processes to reduce vendor spend by 70% and save \$69M+ through cost avoidance and recovery efforts.

The Challenge

A regional healthcare provider and insurer in the northeast, took on a manual “pay-and-chase” approach to coordination of benefits (COB). To manage this process, they relied on:

- 30 full-time staff members to make phone calls for every COB case received
- Daily Medicaid data files from the state that were often inaccurate
- An outside vendor for cost avoidance that charged per case

This workflow was costly, labor intensive, difficult to manage and did not yield consistent results.

The Solution

To transition to a more prospective and automated approach, the health plan’s COB team leveraged COB validated data from CAQH. After implementation, they received weekly files of validated COB coverage information that determines primacy with over 99 percent accuracy. They are also able to identify, review and recover incorrect claims payments where they should have been the secondary payer.

The team also now has access to the COB portal which allows them to securely connect with other participating health plans to assess and resolve complex coverage cases without having to rely on the member or needing to pick up the phone and call the health plan directly. Given the new wealth of accurate and actionable member data, the COB team refined their workflow to accurately cost avoid and deny a claim before it is paid incorrectly.

The Results

Since implementing the COB solution five years ago, the health plan has seen a steady increase in savings, as well as a reduction in overpayment and vendor costs. With the addition of timely accurate COB data, They have been able to achieve:

85% ↓

reduction in manual
data review

\$68M ↑

in COB Savings from
CAQH cost avoidance
over 16 months

\$1.04M ↑

recovered from
incorrectly paid claims
in 16 months

70% ↓

reduction in vendor
spend in five years