



CASE STUDY

How Molina Healthcare Expanded Coordination of Benefits Across their Membership and Achieved an 8X Increase in Savings

Overview

Molina Healthcare wanted to drive net new savings across its payment integrity program. The organization partnered with CAQH to implement a coordination of benefits (COB) solution that would identify overlapping health coverage before claims are paid — avoiding unnecessary recovery costs and member abrasion.

By automating the previously manual processes, prospectively identifying potential errors and utilizing existing COB vendors more effectively, Molina was able to improve their payment integrity process.

Ultimately Molina found that COB accounted for 60% of their payment integrity savings, 90% of which was achieved by cost avoidance – 10% post pay.

The Challenge

Molina Healthcare, a multi-state health plan, was looking to reduce manual COB processes, drive additional savings and optimize their existing vendor partnerships.

Molina’s previous COB activities were labor intensive and inefficient. The team manually reviewed information by comparing their eligibility information — on a case-by-case basis — against other payer portals. This approach often required contacting other plans by phone. The time-consuming process allowed staff to **focus only on the 5% of membership** incurring the highest costs.

The Solution

To enhance its payment integrity strategy, Molina partnered with CAQH. The CAQH COB registry includes eligibility information for more than 225 million members updated by the nation's health plans every week. The registry, which is unique in the industry, allows plans to validate primary and secondary coverage information with more than 99% accuracy and do so before paying claims.

Molina moved CAQH validated COB data, a real time eligibility check, into a first pass position after state files, allowing **evaluation of 100% of their membership**, resulting in **8X increase of total savings with the CAQH sourced data**.

The increase was achieved with minimal impact on internal resources or existing vendor relationships, and Molina began seeing results within the first month.

The Results

- Cost avoidance strategies drove accuracy and reduced administrative costs associated with post pay vendors, increasing savings by 2.1%.
- Freed the team to focus on new savings opportunities, including pharmacy coverage and other payment integrity initiatives.
- Reduced member and provider abrasion associated with post-pay recovery.

The Impact

Using a prospective approach, Molina found that COB accounted for 60% of their payment integrity savings, 90% of which was achieved by cost avoidance. Post pay recovery accounted for only 10% of the savings – reducing impact on providers.

“Obtaining COB data is the easy part, applying, maintaining and refreshing the data is what’s hard and that’s where the weekly COB file from CAQH comes in. Importantly, the development of the enhanced process did not dramatically impact internal functions and workflow.”

JAKE HARTBERGER,
AVP PAYMENT INTEGRITY,
MOLINA HEALTHCARE

