

A Strategic Approach to COB Increases Savings from \$230K to \$27.7M

Executive Summary

A regional plan in the South* sought a more strategic, proactive approach to coordination of benefits to maximize savings and reduce reliance on vendors.

The Challenge

The plan knew it was missing out on COB savings because it lacked comprehensive, accurate data. Under the previous system, members would sometimes provide COB information when contacting customer service, or during open enrollment. In addition, any member who indicated other coverage on a HIPAA form would receive a letter asking for their coverage information. However, the financial and administrative costs of sending letters were high, and response rates were very low. When a member did respond, their responses were either slow or incomplete, preventing the plan from correctly paying the claim.

The Solution

The plan wanted the ability to proactively identify members with overlapping coverage and pay claims correctly the first time. They chose to use COB Smart, a unique solution that enables them to quickly and accurately identify when a member is covered by health insurance from more than one plan. COB Smart uses a registry of information submitted weekly by participating health plans to find members with overlapping coverage, and—when possible—determine payment primacy. The plan then receives the information relevant to them so they can confirm coverage and determine claims payments accordingly.



COB Smart

COB Smart is a nationwide solution that improves the accuracy of coordination of benefits processes by enabling health plans to reliably and quickly determine the correct order of benefits for individuals insured by more than one policy. To learn more, contact sales@caqh.org.

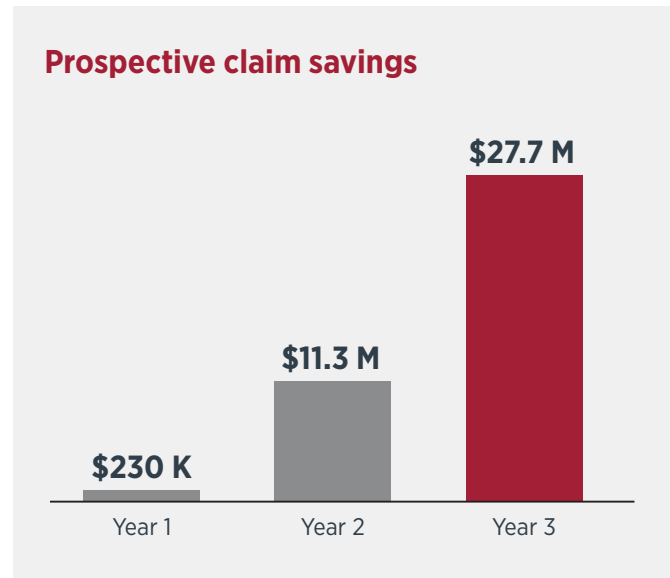
The Results

With the implementation of COB Smart, the plan is well on its way to developing best in class payment integrity site operations. Staff can do more with their limited time and claims are paid correctly, faster.

In the first year of using COB Smart, the plan immediately noticed a decrease in claims volume and saved \$230,321. They were able to take the information they received from COB Smart, update their systems, and automatically deny any claim where they knew they were not primary.

In the second year, they implemented an additional process that allowed them to realize even more benefit. Plan staff run all COB Smart files through a tool that pulls relevant claims and sorts them by dollar amount. The team can then identify the highest dollar claims (anything over \$70,000) where their plan may not be primary and work these in-house. Recovery vendors work lower dollar claims, minimizing commission costs. Under this system, COB savings skyrocketed to \$11.3 million in the second year, \$27.7 million in the third, and are continuing their upward trajectory in the fourth.

COB savings skyrocketed to \$11.3 million in the second year, \$27.7 million in the third, and are continuing their upward trajectory in the fourth.



**Name withheld per plan brand regulations*

