Get It Right the First Time: Streamlining the Coordination of Benefits (COB) Process

July 21, 2016

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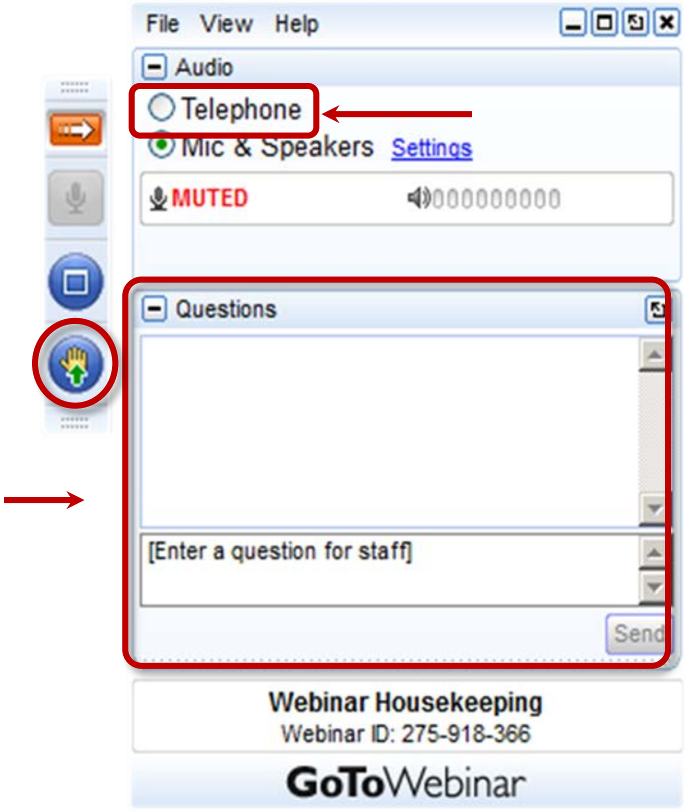

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Webinar Agenda

- CAQH Overview
- Industry-wide Challenge – Coordination of Benefits
- Health Plan Challenges – Capital BlueCross (CBC) Experience
- CAQH Industry-wide Solution – COB Smart
- CBC Experience and Learnings with COB Smart
- Audience Questions

About CAQH

CAQH, a non-profit alliance, is the leader in creating shared initiatives to streamline the business of healthcare.

Through collaboration and innovation, CAQH accelerates the transformation of business processes, delivering value to providers, patients and health plans.

CAQH Members

aetna

Anthem

AHIP

AULTCARE

BlueCross BlueShield Association

Blue Cross Blue Shield of Michigan

BlueCross BlueShield of North Carolina

BlueCross BlueShield of Tennessee

CareFirst BlueCross BlueShield

CENTENE Corporation

Cigna

Horizon Blue Cross Blue Shield of New Jersey

KAISER PERMANENTE

UNITEDHEALTH GROUP

CAQH Initiatives

CAQH CORE	COMMITTEE ON OPERATING RULES FOR INFORMATION EXCHANGE	Maximizes business efficiency and savings by developing and implementing national operating rules. More than 140 participating organizations.
CAQH Explorations	INDEX®	Benchmarks progress and helps optimize operations by tracking industry adoption of electronic administrative transactions.
CAQH Solutions®	COB SMART®	Quickly and accurately directs coordination of benefits processes.
CAQH Solutions®	PROVIEW®	Eases the burden of provider data collection, remittance and distribution for more than 1.3 million providers and 800 participating organizations.
CAQH Solutions®	DIRECTASSURE™	Increases the accuracy of health plan provider directories.
CAQH Solutions®	SANCTIONSTRACK®	Delivers comprehensive, multi-state information on healthcare provider licensure disciplinary actions.
CAQH Solutions®	ENROLLHUB®	Reduces costly paper checks with enrollment for electronic payments and remittance advice for more than 250,000 providers.

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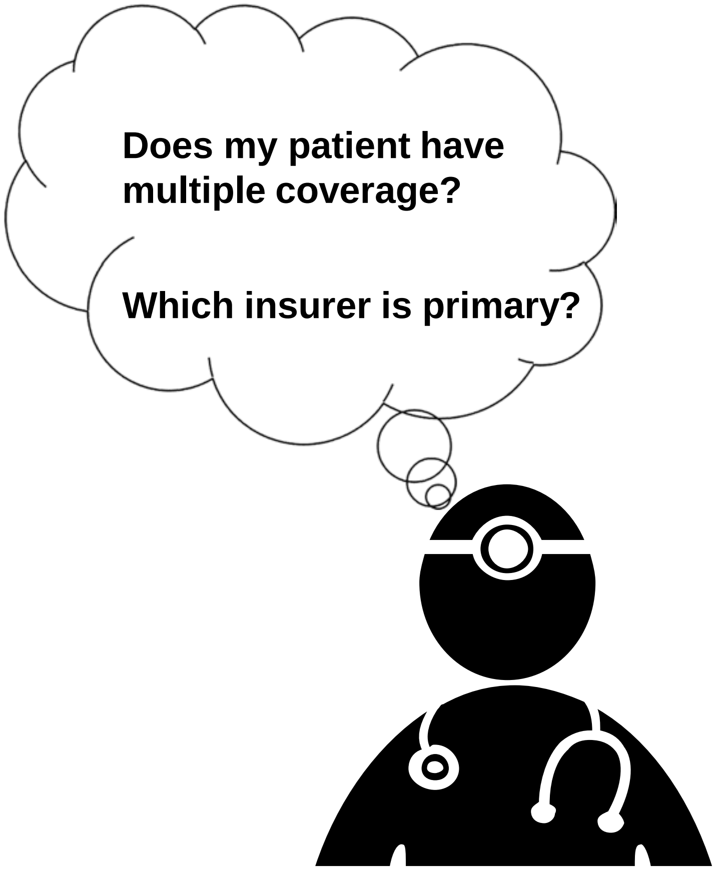
The Coordination of Benefits Challenge



Related Inefficiencies

- Patient paperwork.
- COB denials and resubmissions.
- Unpaid or delayed payments.
- Overpayment recoveries.
- Appeals and grievances.
- Financial impact on practice operations.

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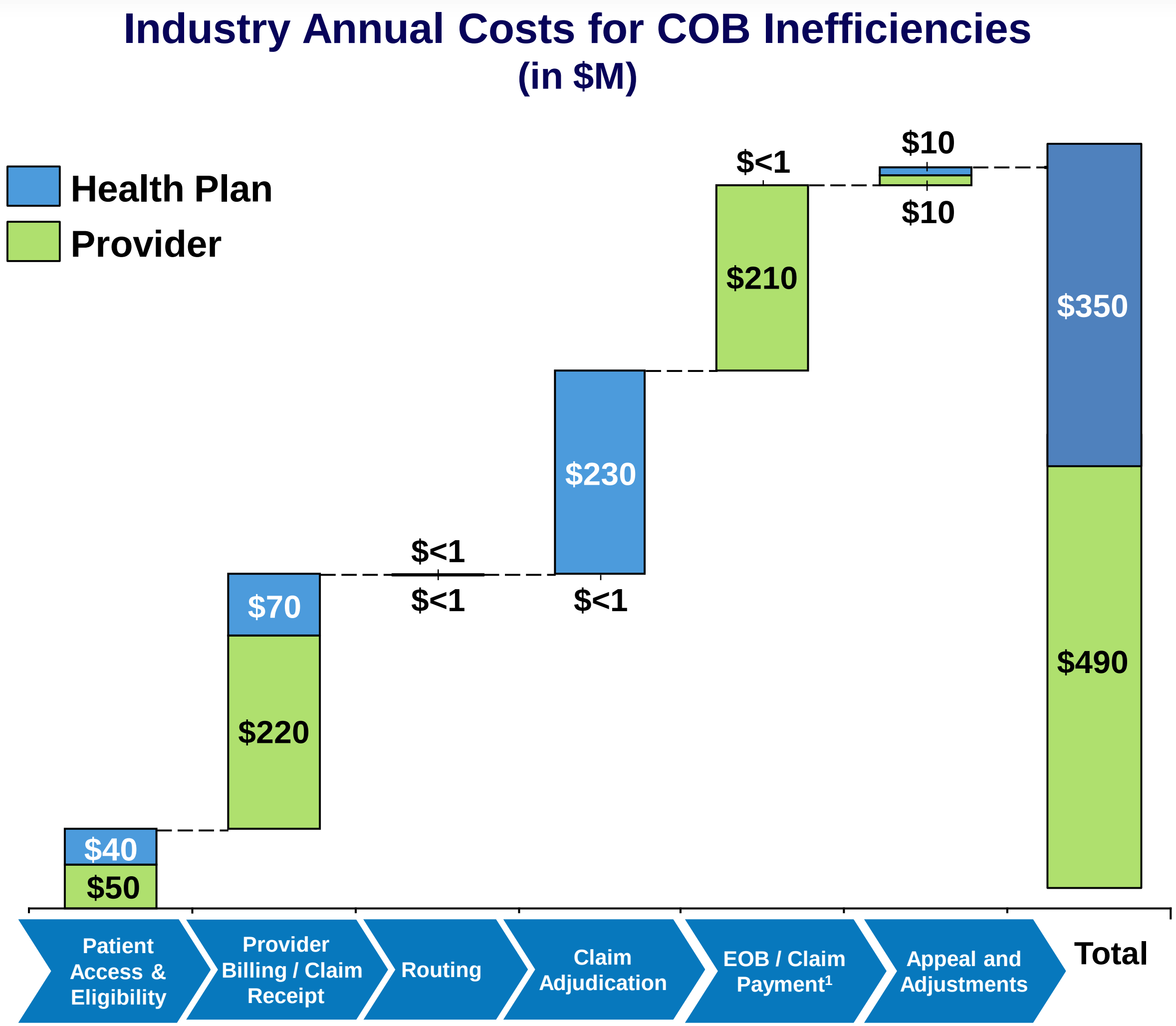
Industry Costs of COB Administrative Inefficiencies = $800M



Highlights

- Figures based on interviews, internal data analysis and industry research.
- Providers are burdened with ~60% of the extra costs, of which $430M are billing related (primary and secondary billing processes).
- FTE costs represent $500M (60%) of extra costs.
- IT and vendor spend represent the remaining $340M (40%) of extra costs.

1) Claim Payment includes EOB review (for secondary billing) and claim payment assessment.
Source: Booz & Company Analysis; Stakeholder Data Requests.

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Health Plan Challenges: Capital BlueCross

About Capital BlueCross (CBC)

Headquartered in Harrisburg, PA

Leading health insurer in Central Pennsylvania

~**1900** employees

Providing health insurance for 75+ years

Facets™ Claims Processing System			
PPO	**POS**	**HMO**	**Indemnity**
Medicare – Advantage, PDP and Supplemental	Individual accounts (PPACA)	Consumer Directed Health Plans	Stop loss

CBC Claims Processing Overview

Utilizing Facets Claims Processing since 2002.

Currently, 768,000 CBC members on Facets.

- 37,884 claims received daily.
- 9,850,042 total claim receipts for 2015.
- 82.7% auto-adjudication rate.

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CBC Claims COB: Pre-2016 Process

Some COB data on the enrollment transaction is available from the group.

1. Claim is the catalyst to the process
2. If the claim is >$250, and no COB form in one year, then send 1st COB questionnaire to subscriber.
3. If no response within 21 days, send 2nd COB questionnaire.
4. If no response within an additional 21 days, deny all subscriber claims.
5. If response comes later, manually update Facets and pay denied claim.

CBC Claims COB: Pre-2016 Process

93k+

First circulated member questionnaires

42k+

Second circulated member questionnaires

83,861

No additional coverage

50k+

Initially denied claims

963

Final denied claims

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COB Questionnaire: Pre-2016 Process

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OPL Department
P.O. Box 779523
Harrisburg, PA 17177-5523

COORDINATION OF BENEFITS

Original Date:

Patient:

Identification No:

Group No:

Claim No:

Service Date:

Are you or another family member covered by another health insurance policy:	☐ Yes If Yes, complete each section that applies: -- Section 1 Policyholder Information -- Section 2 Other Coverage Information (i.e. domestic partner, spouse, dependent age 18-26, natural parent, etc.) -- Section 3 Dependent Member Under Age 18 Information -- Section 4 Medicare Information -- Section 5 *MUST BE COMPLETED	Is patient covered under a court order or custody agreement? ☐ Yes, complete section 3 ☐ No, go to Section 5

Section 1 – Policyholder Information

Employer's name:

Employer's address:

Employer's telephone number:

Health insurance carrier's name:

Health insurance carrier's address:

Health insurance carrier's telephone number:

Identification number: Group number: Effective date:

Type of coverage (check all that apply): ☐ Medical ☐ HRA ☐ Dental ☐ Prescription Drug ☐ Vision

Section 2 – Other Coverage Information

Name (First, Middle, Last):

Social Security Number:

Member's employment status is: ☐ Full Time ☐ Retired If retired, date of retirement:
☐ Part Time ☐ Not Employed If not employed, go to section 3

ST-COB-0001 www.capbluecross.com (OVER PLEASE)

Employer's name:

Employer's address:

Employer's telephone number:

Is member covered under his/her employer's health insurance carrier? ☐ Yes, continue completing this section
☐ No, go to section 3

Health insurance carrier's name:

Health insurance carrier's address:

Health insurance carrier's telephone number:

Identification number: Group number: Effective date:

Type of coverage (check all that apply): ☐ Medical ☐ HRA ☐ Dental ☐ Prescription Drug ☐ Vision

Who is covered? ☐ Policyholder only ☐ Policyholder and spouse ☐ Policyholder and children ☐ Family

Section 3 - Policyholder's Dependent Member Information

Is this claim for a dependent member under age 18? ☐ Yes Continue completing this section
☐ No Go to section 4

Natural/adoptive mother's birth date: Natural/adoptive father's birth date:

Do natural/adoptive parents reside at the same address? ☐ Yes Go to section 2
☐ No Continue completing this section

Who has primary custody of the member? ☐ Mother ☐ Father ☐ Joint ☐ Guardian

Has a court order established that one parent has primary responsibility for the child's health care expenses?

☐ Yes Continue completing this section ☐ No Go to section 4

Name of parent/guardian with primary responsibility:

Parent/guardian's health insurance carrier's name:

Parent/guardian's health insurance carrier's address:

Parent/guardian's health insurance carrier's telephone number:

Identification number: Group number: Effective date:

Type of coverage (check all that apply): ☐ Medical ☐ HRA ☐ Dental ☐ Prescription Drug ☐ Vision

Section 4 - Medicare Information

Is the patient eligible for Medicare benefits? ☐ Yes Continue completing this section ☐ No Go to section 5

Medicare health insurance claim number:

Part A effective date: Part B effective date:
Part C effective date: Part D effective date:

Reason for Medicare eligibility: ☐ Age 65 and over ☐ Disability ☐ End Stage Renal Disease (ESRD)

If the patient has End Stage Renal Disease, give the first date of dialysis:

Will or did patient participate in a self-dialysis training course? ☐ Yes ☐ No

Has the patient had a kidney transplant? ☐ Yes If yes, provide the date of transplant:
☐ No Go to Section 5

Facility where the transplant took place:

Section 5 *Must be completed

Signature of Policy holder: Daytime telephone number: Date:

Health care benefit programs issued or administered by Capital BlueCross and/or its subsidiaries, Capital Advantage Insurance Company®, Capital Advantage Assurance Company® and Keystone Health Plan® Central. Independent licensees of the BlueCross BlueShield Association. Communications issued by Capital BlueCross in its capacity as administrator of programs and provider relations for all companies.

Addressing the COB Challenge with COB Smart

CAQH Solutions | COB SMART®

Coordination of Benefits: "*Get it Right the First Time*"

COB Smart is a collaborative, secure solution developed in partnership with health plans. It automates the COB process to:

1. **Identify individuals with overlapping coverage across multiple health plans.**
2. **Determine the correct order of benefits with a built-in primacy engine**
3. **Share accurate and complete COB information with appropriate providers and health plans.**

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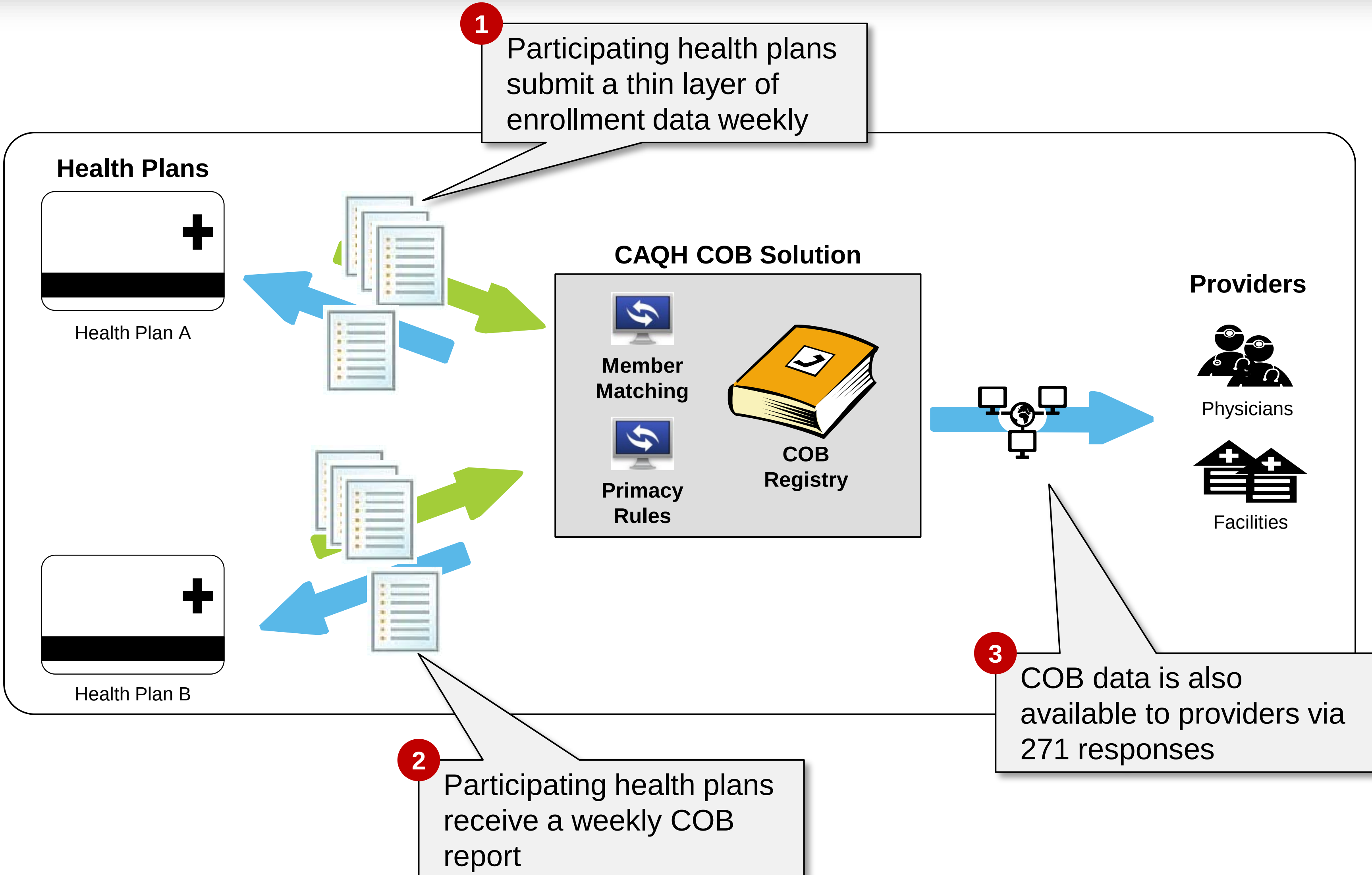
COB Smart: High-Level Solution Overview



Clearinghouses Can Also Use COB Smart

- CAQH is working with leading clearinghouses and other solution partners to integrate COB Smart into the provider workflow.
- Solution helps clearinghouses deliver COB information through a standard 271 eligibility response.
- Information then can be shared with healthcare provider practices, vendors, other clearinghouses.
- Providers receive information to route claims correctly.
- COB Smart is available to clearinghouses at no charge.

Current Participants			
Passport (Experian Health)	Health Nautica	Medlytix	TransUnion HealthCare

COB Smart Now Enjoys Widespread Health Plan Use

- Includes more than half of the nation's commercially insured lives.
- On average, COB Smart is finding other coverage for 5.1% of the overall medical membership and specifically 5.4% of commercial group, 5.5% of Medicaid MCO and 2.1% of Medicare Advantage.
- Participating health plans include:

Aetna
Anthem
Aultcare
BCBS AL
BCBS MA
BCBS NC
Capital Blue Cross
CareFirst BCBS
Cigna
EmblemHealth
HealthNet
HealthNow BCBS WNY
Horizon BCBS NJ
Humana
Kaiser Permanente
SCPTAC
State of MN
United Healthcare
UPMC Health Plan
WellCare

- CAQH continues to recruit additional health plans to maximize the value of data for all participants.

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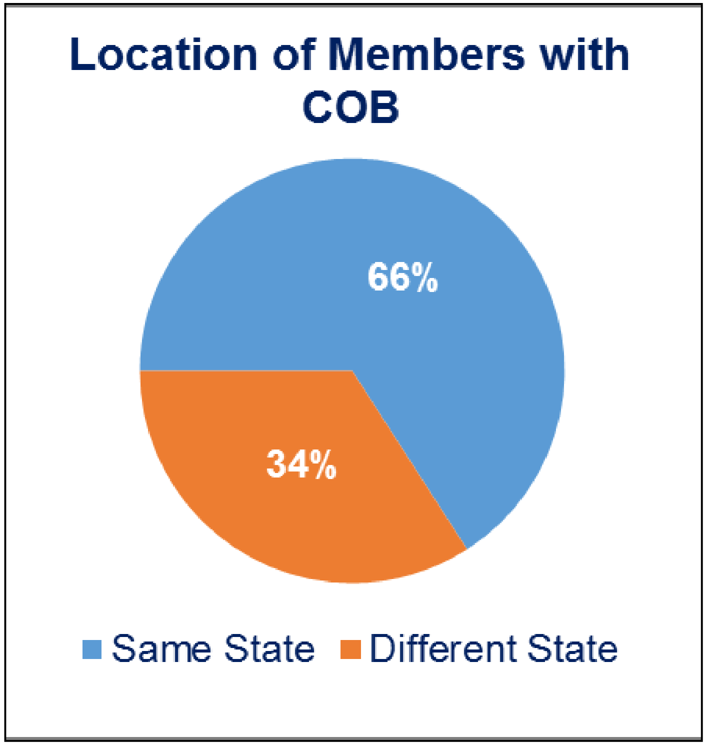
A National Database is Crucial to Identifying COB



- COB Smart includes both resident and contract state information:
  - Resident State – Location of member.
  - Contract State – Location of member's policy used to determine primacy rules (e.g., employer location for employer-sponsored coverage).
- One-third of the members included in COB Smart have resident states *different* from their contract states.

Looking only in-state for COB is insufficient. A national perspective is required to find COB.

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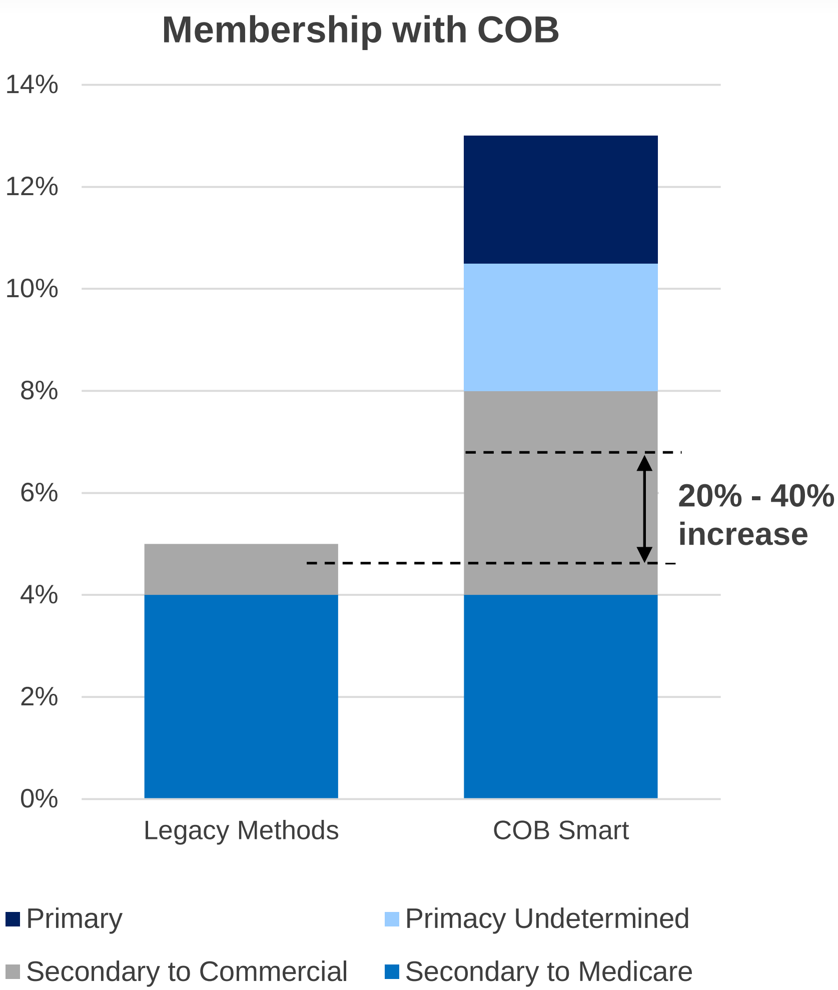
COB Detection Rates Increased by COB Smart Data



*CAQH participating health plan experience, large national health plan over two years with COB Smart.

- Legacy methods able to identify COB in only a small portion of their respected membership.
  - Commercial COB represents less than 20% of total identified COB cases. That data is often inaccurate.
- COB Smart enables an increase of 20 - 40% in the overall rate of COB detection.
  - Represents previously undetected data overlaps.
  - Additional undetermined COB cases yield potential savings by identifying instances for health plan investigation.
  - Higher data quality due to automated weekly updates and “direct from source” information.
- Greater knowledge of cases in which the health plan is primary improves eligibility responses and claims submission accuracy, reducing member and provider abrasion.

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CBC Experience Using COB Smart

CBC Claims COB: How Could CBC Address Challenges?

Why?

- Per Member Per Month (PMPM) for COB was high (top 25%).
- Administrative cost savings.

What?

- Old method – reactive (claim) COB process.

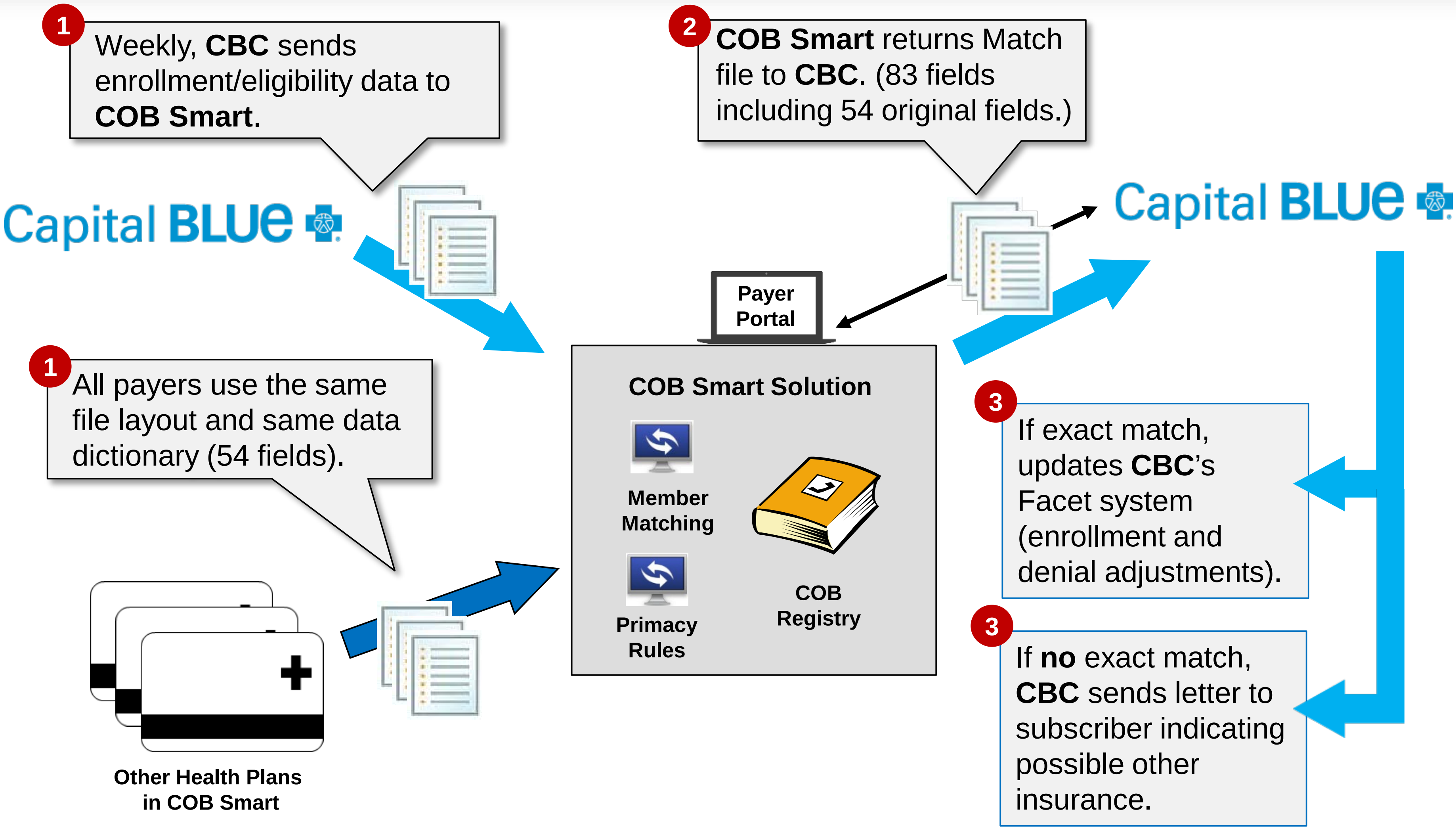
  vs.

- New method – proactive (enrollment) COB process.

Scope?

- COB only, not subrogation.
- Not Federal Employee Program – FEP remain in "current" process.

CBC Claims COB: The Current Process



CBC Claims COB: New Administrative Benefits

- CBC *now* only sends letter to members who have possible other insurance.
- Better customer experience:
  - No claim denials and claim adjustments if members have no other insurance.
  - If no possibility of other coverage, no contact from CBC.
- Better data on 270/271 (provider eligibility request transaction) means CBC does not receive claims that will be denied later.
- Able to accurately pay claims <$250.
- COB Smart allows initial file to go back three years to 1/1/2013 at no additional charge.
  - CBC decided on one year lookback.

CBC Claims COB: Cost Savings

Administrative Savings

- Automation resulted in the elimination of 11 vacant positions.
- Saved $135K by eliminating "claims initiated" member surveys, postage and inbound calls.

Claims Recovery

- Increased verified COB to 57,000+ using COB Smart data.
- Recovered $2.25M in claims dating back nine months.

NPV of savings will be $8M over five years of program operations

Claims COB: Phased Implementation Strategy

1. **FTE reduction**

   Began May 2015.

2. **Phase out of old COB in 42 days.**

   Continued FEP in old process.

3. **One month parallel production test.**

   Sent production file to COB Smart.

   Loaded COB Smart file into Facets test environment.

4. **Catch-up files**

   2-3 per week into MMS.

   Bundled letter generation.

   Increased calls forwarded to COB Examiners.

   Targeted adjustments all in one month – metrics.

Project Implementation Learnings

Specific points CBC learned during the implementation process:

- Have the final file layouts when coding is initiated.
- Know the validation needed or how to validate the initial COB Smart file received.
  - Limited test files from COB Smart vs. what is in full production file.
- Better educate the various CBC departments on the project and the new process.
  - Difficulty understanding new vs. old process. Required a culture change.
  - Need to communicate to the staff in customer service and sales.
- Understand End date (previous) vs. begin date (next) coverage – one day.

Recommendation: Gather details on testing expectations from CAQH before implementation.

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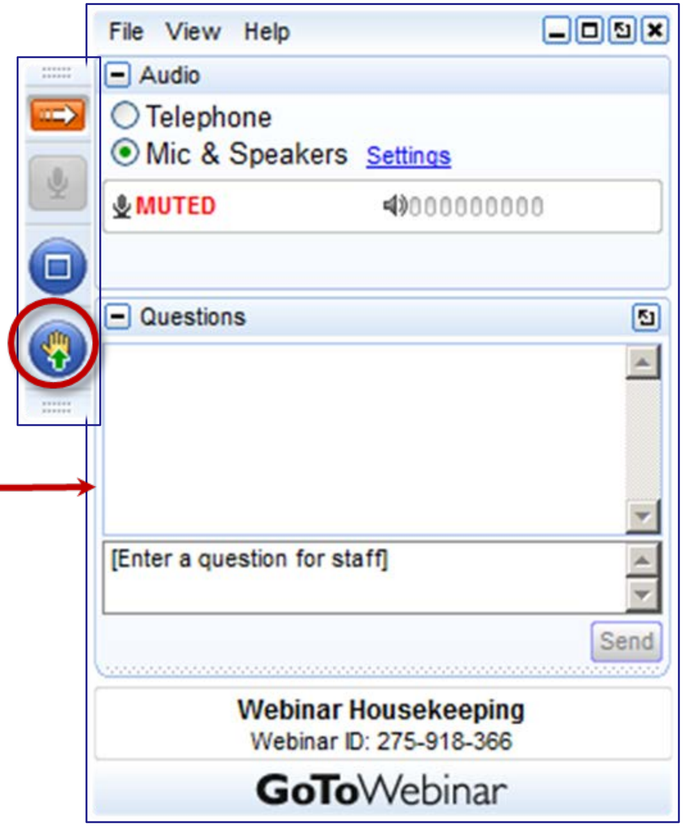
Questions?

Audience Questions and Answers

Please submit your questions

<u>Via the Web</u> – Enter your question into the "Questions" pane in the lower right hand corner of your screen.



Thank you for joining us.

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