

# Finding Harmony:

## How a Provider-Sponsored Health Plan Advanced Payment Integrity



### The Client Challenge

Leaders of a provider-sponsored health plan (PSHP) knew they needed to improve payment integrity savings—the plan's recovery rate was 1.25% of medical spend. However, 50% of the PSHP's medical spend was through its parent health system, so improving savings without impacting its parent was a challenge. The PSHP needed a solution that supported system goals while meeting regulatory and compliance requirements.

### Navigating to Next: The Solution

The PSHP partnered with Chartis to create a roadmap to savings. The work started with a detailed assessment across clinical, network, and operational areas. The roadmap prioritized coordination of benefits (COB) and was expected to increase savings by 1% to 3% of medical spend—while also benefiting the health system through increased reimbursement from other payers. This strategy ensured the appropriate payer was covering the required portion of care through proactive collaboration with providers to ensure accurate billing. By implementing a new COB solution, the PSHP and the provider would also reduce costs associated with post-payment recoveries.

The assessment identified other opportunities to improve savings related to preventable readmissions, increased review of high-dollar claims, and administrative efficiencies. Chartis partnered with the PSHP to develop a framework in which payment integrity efforts would drive positive financial impacts to both the health plan and its parent health system. The framework also outlined a longer-term roadmap that would achieve greater payment integrity savings.

### PAYMENT INTEGRITY CHALLENGES FOR PSHPs:

- Traditional payment integrity solutions do not account for the interest of all stakeholders.
- PSHPs need to comply with regulatory and fiduciary responsibilities while minimizing financial and administrative burdens.
- Improper payments typically are caused by factors outside the PSHP's control, requiring provider-friendly models to address root causes.
- Tech-enabled solutions that improve efficiency require significant investment.

### NAVIGATING TO NEXT: KEY COMPONENTS



#### ANALYZE & ASSESS

Determine health plan performance compared to industry benchmarks



#### PROJECT FINANCIAL BENEFITS

Model impacts of new or optimized solutions to payment integrity, including investment costs



#### CONSIDER IMPACTS TO PARENT HEALTH SYSTEM

Assess medical spend/provider revenue impact across all providers



#### FORECAST REALIZATION TIMEFRAMES

Consider factors that impact realization (e.g., claims lag, vendor costs)



#### DEVELOP ROADMAP TO SUCCESS

Outline steps for implementation of internal operational changes, vendor engagement, and ongoing key performance indicators

## Client Impact

By implementing a more proactive approach to identifying COB for its members, the PSHP will ensure it is appropriately paying as the payer of last resort and that providers are receiving the highest possible reimbursement from the proper payer. The PSHP now has mobilized to put new and updated processes into place. To support the new approach, the PSHP has kicked off provider education initiatives to encourage identification of all insurance coverages at the point of service. Collaboration between the PSHP and its parent health system has increased to explore further opportunities to integrate payment integrity activities when appropriate.



### How We Are Making Healthcare Better

“The PSHP’s new ability to streamline payments for members’ services ensures they have continued access to the highest quality care. It also drives financial sustainability for both the plan and its parent system.”

—Pravith Nambiar, Director, Chartis

Chartis found that the PSHP could identify members with other insurance at twice the current rate:

# 7.4%

of members are projected to have other insurance

# 4.1%

of members have unidentified primary coverage

# 2X

the amount of savings projected from coordination of benefits

## NEXT INTELLIGENCE:

PSHPs can improve payment integrity and system revenue by:

### Being proactive:

Identify other insurances prior to claims payment.

### Communicating with providers:

Share COB information with providers proactively to reduce rebilled claims and increase system revenue.

### Streamlining operations:

Adopt tech-enabled solutions to automate end-to-end payment integrity processes and integrate with providers.

## Authors



Pravith Nambiar  
Director  
[pnambiar@chartis.com](mailto:pnambiar@chartis.com)



Kirsten Bickford  
Associate Principal  
[kbickford@chartis.com](mailto:kbickford@chartis.com)



Robert Valdes-Curie  
Consultant  
[rvaldes@chartis.com](mailto:rvaldes@chartis.com)

Chartis is a leading healthcare advisory services firm serving healthcare providers, payers, health service and technology companies, and investors. Chartis brings an unparalleled breadth and depth of expertise in strategy, performance improvement, digital and technology, clinical quality and patient safety, health equity and belonging, and strategic communications. Learn how Chartis is helping to build a healthier world at [www.chartis.com](http://www.chartis.com).



© 2023 The Chartis Group, LLC. All rights reserved. This content draws on the research and experience of Chartis consultants and other sources. It is for general information purposes only and should not be used as a substitute for consultation with professional advisors.