

Contract Configuration Case Study

AArete Helps Health Plan Achieve up to 13% in Recoupment and Prospective Savings through Contract Configuration



SITUATION

A managed care organization was experiencing provider abrasion correlated to incorrect reimbursement per provider's contractual terms and needed to conduct a root cause analysis of their configuration. The insurer approached AArete to perform a detailed review of major provider contracts for ancillary services against claims data to identify overpayments for recoupment, financial volatility, and root causes to correct the configuration system for future cost avoidance.



APPROACH

AArete worked closely with client stakeholders to acquire the necessary data elements, including provider contracts, claims data, and an understanding of the current provider landscape. Using our proprietary configuration process, we applied a customized algorithm to identify providers with both over and under payment discrepancies based on their contract terms. Our process identified misalignments between the configuration system and professional payment rates. We proposed and assisted in the implementation of multiple strategies to update the configuration system to reflect our findings, and conducted provider outreach for any required billing adjustments, while being sensitive to specific provider relationships.



RESULTS

Leveraging AArete's analytics, the client was able to identify the pre- and post-pay concerns that had been plaguing their configuration team. We identified between 5% to 8% in recoupment opportunity based on the selected recovery timeframe and implemented configuration fixes, accounting for 5% in prospective annual savings.

