

# State's Department of Corrections Avoids \$117M in Medical & Dental Benefit Costs Over 13 Years with SKYGEN®



### THE CLIENT

A state's Department of Corrections organization that provides access to quality medical, dental and mental health services for more than 20,000 incarcerated adults.

### THE CLIENT'S CHALLENGE

- Control health benefit spending and gain deeper program insight
- Eliminate payment of duplicate claims, claims with coding errors, and claims for services not covered
- Provide access to quality healthcare

### THE SOLUTION

- Implemented SKYGEN's Medical and Dental Benefit Administration Solutions, driving comprehensive program efficiencies and greater cost controls across benefit types
- Automated benefits administration, putting Medicare guideline edits in place to guard against overspending and eliminate duplicate payments
- Encouraged provider participation in the medical and dental programs by reducing providers' administrative cost
- Enabled unbundling of facility claims to eliminate overspending
- Partnered with administrators to provide value-added services such as consultation on hospital and provider contracts

### THE RESULTS



Reduced facility claims cost by **\$88M**



Reduced provider claims cost by **\$29M**



Partnered to help reduce total benefit cost by **\$780M** over 13 years



The Department now spends **\$0.35** on the dollar in medical claim costs, a rate competitive with Medicare.

## THE CHALLENGE

In 2005, one state's Department of Corrections division identified an opportunity to reduce the cost of its medical and dental benefit programs by shifting to a third-party administration model. The Department's program followed Medicare guidelines. Administrators sought to increase program efficiency and eliminate overspending due to duplicate claims, billing code errors and claims made for services not covered.

## THE SOLUTION

SKYGEN implemented its Medical and Dental Benefit Administration Solutions to bring the Department's benefit program costs under control and increase program oversight and transparency. SKYGEN's technology-enabled business process outsourcing solutions power automated claims processing and utilization management to ensure claims are paid according to CMS rules, and duplicate and erroneous claims are denied.

SKYGEN also partners with the Department to improve provider contracting to ensure inmates have access to quality care. These solutions reduce administrative cost for providers, thereby increasing their participation in the correctional health benefit program.

With SKYGEN as its single solution for medical and dental benefit administration, Department administrators have been able to transform the delivery of health benefits.

As the relationship has evolved over time, SKYGEN has found additional opportunities to support its partner, including participation with Department administrators in correctional health conferences.

## THE RESULTS

By increasing efficiency and eliminating overspending across this state agency's medical and dental programs, **SKYGEN saved the state \$117M in health benefit costs.** Enabled by its partnership with SKYGEN and other strategic initiatives, **the Department achieved another \$663M in cost avoidance.**

**The Department now pays \$0.35 on the dollar for quality medical care for inmates,** a rate competitive with Medicare (\$0.40/dollar). Since the initial contract in 2005, the Department has selected SKYGEN as its partner in two additional competitive bid processes.

# SKYGEN®

## About SKYGEN

SKYGEN powers transformation of specialty benefits administration with technology and service solutions that reduce healthcare costs, improve access to care, increase healthcare value and elevate experiences and satisfaction for all stakeholders. SKYGEN partners with healthcare payers, delivery systems, and state regulatory agencies to administer dental and vision and other specialty benefits in both commercial and government markets. With its intelligent software-as-a-service (SaaS) automation, third-party administration (TPA), marketplace connectivity and risk management solutions, SKYGEN powers the nation's leading healthcare organizations, and serves more than 41 million member lives across all 50 states plus the District of Columbia and Puerto Rico.

For more information, please visit [SKYGENUSA.com](https://www.skygenusa.com).