

## Large Insurance Company Reduces Medicaid Dental Benefit Costs by \$62 Million Over Two Years with Help from **SKYGEN USA™**



### THE CLIENT

- Large Medicaid health plan, that serves children and adults in the Northeast
- Nearly 1 million Medicaid members

### THE CLIENT'S CHALLENGE

- Incorporate a sudden membership increase of 30% without escalating costs
- Serve as good stewards of taxpayer money to deliver more appropriate care and services to more members

### THE SOLUTION

- Deployed SKYGEN USA's Enhanced Benefit Management Program to identify strategic opportunities to optimize benefits and scale new business
- Performed analytical assessment of costs across the entire provider network by leveraging the data analytics capabilities of SKYGEN USA's Enterprise System technology platform
- Identified opportunities to eliminate or consolidate reimbursement schedules
- Converted custom reimbursement schedules with individual providers to standard reimbursement schedules used by the rest of the network
- Identified providers for peer education, audits, or other remediation

### THE RESULT



Reduced the cost of benefit delivery by almost \$3 per member per month totaling \$62 million in savings over 2 years



Streamlined the total number of reimbursement schedules from nearly 200 to approximately 30



Drove 97% provider web portal usage



Increased providers accepting electronic remittance advices to 94%



Increased electronic claims submissions to 93%



Maintained high provider satisfaction and strong access to care for members

## THE CHALLENGE

As a result of the Affordable Care Act, many payers in expansion states have experienced rapid growth in their Medicaid populations. SKYGEN USA's client, a large health plan serving children and adults in a populous state in the Northeast, learned they would expand by nearly 30%, almost overnight. While an increase in membership is considered to be positive, such a large influx can also drive up costs significantly, quickly overwhelming any increase in revenue.

SKYGEN USA company was three years into a five-year relationship with the client when the Medicaid expansion occurred. The client had originally selected SKYGEN USA as its partner as a result of the company's expertise in Medicaid dental benefits administration. The SKYGEN USA leadership team has more than 20 years of experience helping insurers drive down benefit costs, which account for 96% to 98% of the spend in any Medicaid dental program, while continuing to maintain high member satisfaction and access to care.

## THE SOLUTION

In today's world of budgeted healthcare, providing appropriate and efficient care to as many members as possible requires careful stewardship of program dollars. To help the client manage the financial impact of a large increase in Medicaid membership, SKYGEN USA deployed its Enhanced Benefit Management Program. This multi-pronged consulting service is designed to maximize dollars and optimize provider network performance by leveraging robust data analytics to delve deeply into factors affecting program costs, such as provider performance, benefit plan design, and reimbursement schedules. The SKYGEN USA benefit management team then uses these findings to develop market-specific strategies to ensure peak provider network performance and guide overall program stewardship, proven to yield annual savings of up to 20%.

SKYGEN USA benefit management analysts leveraged the advanced analytics capabilities of the Enterprise System technology platform to evaluate the cost impact of adding new members to the client's Medicaid dental plan. In collaboration with the client and clinical teams, the analysts recommended reducing the number of fee schedules to gain better control over benefit spending. They also recommended replacing custom reimbursement schedules with standard reimbursement schedules for individual providers, as well as taking a harder line on granting provider requests for custom reimbursement schedules in the future.

Additionally, data analytics helped benefit management analysts identify providers whose cost and services were higher compared to their peers. Based on these results, the analysts recommended the client provide peer-to-peer education, audits, or other remediation, as needed.

## THE RESULTS

Rather than experiencing the typical increase in costs as membership increased, SKYGEN USA was able to help the client reduce its Medicaid dental costs by nearly \$3 per member per month over a two-year period, saving \$62 million. It did this in part by significantly reducing the number of reimbursement schedules from nearly 200 to approximately 30. The analysts also identified 18 peer-to-peer education opportunities and 84 instances where an audit was warranted within an 18 month period.

SKYGEN USA further helped lower costs by increasing the number of providers submitting electronic claims to 93%, encouraging 94% of providers to accept electronic remittance advices, and driving provider web portal usage to 97%. By serving as a proactive partner, SKYGEN USA demonstrated it has the expertise and resources to help the client meet its Medicaid dental challenges.

Finally, SKYGEN USA's Enhanced Benefit Management Program continues to optimize budgeted dollars to allow for greater access and better care for more members, while also improving the provider experience. This unmatched program stewardship is part of SKYGEN USA's commitment to improve the Medicaid program for all stakeholders.



POWERING HEALTHCARE FOR THE DIGITAL AGE