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A CASE STUDY

HIGHLIGHTS

THE CLIENT

- Managed Care Organization servicing Maryland and the District of Columbia

- Provides healthcare to 110,000 Medicaid patients

- Member of a large, not-for-profit regional health system

THE CHALLENGE

- Improve efficiency in managing claims and other administrative activities

- Make the system more user-friendly for members

- Scale to manage influx of new Medicaid members made eligible by ACA

- Reduce internal administrative costs

Regional Medicaid MCO Drives Membership, Improves Member Service with Vestica Healthcare
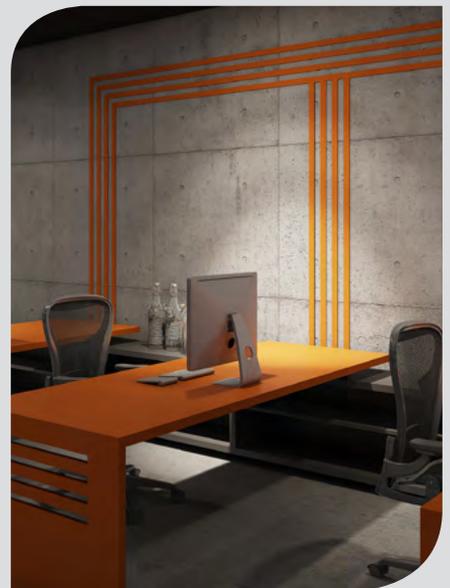
THE SOLUTION

- Bring in Vestica Healthcare as third-party administrator for back-end functions

- Use Vestica Healthcare's customer service organization to help members resolve issues

- Build a member self-service portal

- Approach the relationship as a true partner rather than a vendor

THE RESULTS

- Extremely high level of member satisfaction around customer service

- Improved member satisfaction helps client achieve NCQA certification

- Members now have portal access for 24/7 self-service – unusual for Medicaid

- Administrative costs have been lowered significantly

- Poised for even greater growth

After reviewing several options, the client chose to make Vestica Healthcare its TPA. Vestica Healthcare was selected based on its flexibility and willingness to customize its offering to the MCO's specific needs while driving down costs.

THE STORY

The Challenge

Near the beginning of the 21st Century, this managed care organization (MCO) client was looking to improve its ability to service its Medicaid population in Maryland. Many of its internal mechanisms, such as enrollment/eligibility, claims processing and provider payments were slow and inefficient. The client recognized that these issues were needlessly elevating administrative costs in a business where state governments closely scrutinize all expenditures. This was a situation that threatened to get worse as the MCO's business grew.

At the same time, the client saw that member satisfaction scores for customer service, while acceptable when compared to national averages, were not up to the standard of excellence the healthcare organization demands of itself. The only access members had to customer service to help them find a provider, answer questions about claims or gain other information was to call by phone during normal working hours. That can be a hardship on this population segment, particularly among the working poor who may not be able to call in from their jobs.

The client was also concerned that its administration of ancillary services such as dental and vision – which are required as part of any Medicaid offering – was disjointed. Although they were a collection of benefits from different vendors, members saw them as a single offering from the client and expected to interact with them in that way. The client knew the more smoothly eligibility data, encounter data and other information could be exchanged between the medical benefits side and these ancillary services, the better the service provided to its members would be.

Recognizing the growth opportunity that was possible if it could successfully administer Medicaid benefits at a higher level, the client issued an RFP for a third-party administrator (TPA) to help it modernize its processes. The RFP sought a vendor that would use leading-edge technology, meet ever-more stringent state requirements, prepare for the growth of its Medicaid medical business and find ways to increase member and provider satisfaction. It was looking for a vendor; what it found was a partner.

The Solution

After reviewing several options, the client chose to make Vestica Healthcare its TPA. Vestica Healthcare was selected based on its flexibility and willingness to customize its offering to the MCO's specific needs while driving down costs. It was also selected for the strength of its proprietary Enterprise System technology platform, which was built by Vestica Healthcare's sister company, Wonderbox Technologies.

Vestica Healthcare acts as a typical TPA, managing eligibility and enrollment, receiving and processing all claims, paying service providers and facilities, etc. It is the primary entity for provider services and secondary entity for member services. Yet unlike many relationships between MCOs and TPAs which are customer/vendor, the client and Vestica Healthcare have built a true partnership. For example, when an issue arises at the MCO for a member or provider, the MCO calls on Vestica Healthcare to help solve the problem. As one client stated, "I view Vestica Healthcare as a member of our team and part of our company."

As an element of the program, Vestica Healthcare built highly unique, customized web portals for providers and members. Providers are able to check patient eligibility, view fee schedules, submit claims and authorizations electronically, submit documentation such as x-rays, and receive electronic remits. A robust web portal was built for members as well, to be discussed later in this paper.

The company has also established relationships with, and meets support requirements for, all of the client's ancillary services vendors. This ensures the services are coordinated and properly available to members while maintaining the relationship with the state on the client's behalf.

THE STORY - *continued*

The Results

Perhaps the greatest validation of Vestica Healthcare's quality and cost-effectiveness is the fact that the two organizations have been working together for more than a decade, with plans for further expansion. Then there are the membership numbers.

In 2012, the client was serving roughly 24,000 members in Maryland. When more Americans became eligible for Medicaid as a result of the Affordable Care Act (ACA), Vestica Healthcare helped the client scale up to the point where it now serves approximately 65,000 covered lives across Maryland. Success there led the client to pursue opportunities in Washington, DC, which quickly grew from zero to roughly 45,000 members, bringing the current membership total to approximately 110,000.

Vestica Healthcare has made a significant difference in member satisfaction in several ways. One of the most visible is its portal technology. Unusual in Medicaid plans, the self-service portal delivers 24/7 online access to core information – such as finding a provider, checking on claims or ordering ID cards – that once required a phone call. They can also find links to information about their ancillary services there, saving them from having to look up information in multiple locations. The portal not only benefits the members; it also frees customer service personnel from having to answer basic questions and requests so they can focus on the more complex issues where members require true guidance while reducing support costs for the client.

The quality of Vestica Healthcare's customer support personnel has drawn rave reviews from members who were not used to receiving such outstanding assistance with their most difficult situations:

• "… (she) was patient, professional, magnificent and a joy to speak with and she answered every question and explained it in a way so that I could understand."

• A member "…recently had surgery and was having complications with her prescriptions, but (the customer service agent) was able to quickly resolve the issue."

• "I have been having trouble with my insurance coverage for the prescription plan alone. When I called your office, (the customer service agent) was friendly, conscientious, thorough, and communicated with me three of four times throughout the day. I appreciated her patience and willingness to stick with me, as I suspect this would have taken much longer to solve without her working behind the scenes."

Customer support at this high level, along with the accuracy of the data Vestica Healthcare delivers each day, has made it easier for the client to attest to the National Committee for Quality Assurance (NCQA) Member Connections (MEM) standards and receive its certification.
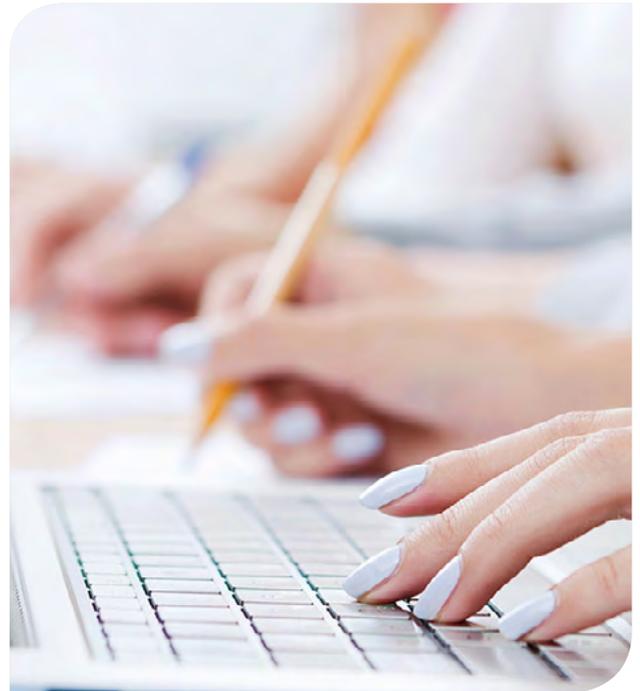
THE STORY - *continued*

The Results *continued*

Building on these successes, Vestica Healthcare and the client continue to develop and deepen their relationship. The two organizations are in talks for Vestica Healthcare's sister companies to provide key ancillary services in 2015.

In addition, a new initiative will find the client and the TPA's support personnel sharing Vestica Healthcare's Enterprise System technology on the same servers, using the same user interface. (Ordinarily a TPA and its clients will each keep their own systems with multiple points of integration between them.) This change will allow the client to gain more exposure to and oversight of the day-to-day activities, and remove technical barriers that get in the way of efficient operations. It will also allow the client and Vestica Healthcare to act even more as one company on behalf of its members and provider network.

In the big scheme of things, this arrangement may be unusual. But for Vestica Healthcare, it's just another day in the office.

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