HIGH-COST MEMBER AND HIGH-DOLLAR CLAIM MANAGEMENT

HIGH-COST MEMBER ANALYTICS AND SEGMENTATION FOR A MULTI-STATE PLAN

Analyzed claims history across a multi-year period and across LOBs to segment high-cost members and determine impactable spend and utilization

Client situation

- A multi-state Blue plan was working to transform their clinical operations functions (with a focus on Care Management and Utilization Management) and wanted to build new management models specifically for high-cost members

- Oliver Wyman was engaged to perform a claims-based segmentation on high-cost members across condition diagnoses, utilization patterns (procedure codes, site of care), specialty pharmacy, and other variables to better inform executive leadership of the risk and utilization profiles of high-cost members

Oliver Wyman approach

- Analyzed multiple years of claims data to profile and segment high-cost members by utilization patterns, risk, and relative predictability of yearly spend

- Identified and quantified members with impactable spend and utilization (vs. members that are less impactable through traditional plan-led levers)

- Identified overlap in management from traditional plan-led levers (e.g., CM/DM) across all impactable high-cost members

- Framed potential plan-led interventions to enhance future management of high-cost members

Key impacts achieved

- Created a repeatable segmentation methodology

- Codified key insights for utilization and clinical pattern differences across high-cost member segments

- Identified and quantified opportunities of potentially impactable spend and utilization

- Ideated new plan-led interventions possible to address impactable opportunity

HIGH-COST MEMBER SURVEILLANCE UNIT DESIGN AND IMPLEMENTATION

Designed and deployed operating model, team, and analytic approach to identify and manage high-cost members

Client situation

- Regional payer was facing market pressure across Commercial employers and channel partners to improve management of high-cost members

- Regional payer did not have a formal process or operating model to identify and manage high-cost members who may have addressable opportunities

- Oliver Wyman was engaged by a regional payer to design a process (including team, analytic logic, operating model, etc.) for managing high-cost members

Oliver Wyman approach

- Ideated strategic intent and program options to manage high-cost members

- Designed High-Cost Member surveillance unit, including:
  - Operating model and team roles / requirements
  - Processes and procedures, including logic for applying clinical interventions
  - Referral model to care management, UM, pharmacy, contracting, etc.

- Developed trigger logic based on claims analysis, including 'persistency score' (likelihood high spend continues) – optimizing focus on the highest opportunity members

- Defined strategy for LOB rollout

Key impacts achieved

- Created operating model, analytic logic, and rollout strategy for high-cost member surveillance unit

- Defined key business requirements and coordinated implementation, leading to team stand-up within ~6 months of starting the design process

- Client is currently able to evaluate 98%+ of all high-cost members and create member level action plans within 30 days of new identification (i.e., crossing key total claims levels)

INTEGRATED CARE TEAM DEVELOPMENT AND STAND-UP FOR A SINGLE-STATE BLUE PLAN

Defined a new approach for segmenting high-cost members and stood up the Integrated Care Team (40+ members), which is now held up as an example of what "member-focused" can really mean for the organization

Client situation

- A single-state Blue plan is interested in developing a better approach to managing high-cost members within Clinical Services
- Oliver Wyman was engaged to stand up an integrated team to manage a subset of high-cost members and serve as an incubation unit for practices as a starting point to transforming all of Clinical Services

Oliver Wyman approach

- Conducted top down analytics to understand high-cost member spend across multiple dimensions (e.g., line of business, geography, spend type, clinical driver)
- Identified a set of priority focus areas with significant spend that could benefit from a different approach to Utilization Management (UM) and Case Management (CM)
- Designed a new clinical process which focuses on collaboration between UM, CM and Medical Directors, continuity of care for the member, more frequent UM assessment and rigorous discharge planning
- Designed algorithms to identify appropriate cases in real-time and the systems process required to route cases to the new team
- Identified and trained staff, stood up the team, and provided post-launch support

Key impacts achieved

- Defined a new approach for segmenting high-cost members which is now being used throughout the organization and for reporting purposes
- Stood up the Integrated Care Team (40+ members) within required timeframe (17 weeks)
- Organization is seeing immediate financial, member, and staff impact
- Team is held up as an example of what "member-focused" can really mean for the organization and what transformation can look like