

Large Insurance Company Reduces Dental Benefit Costs by \$62 Million Over Two Years with Help from SKYGEN



THE CLIENT

- Large health plan that provides dental services in the Northeast
- Nearly 1 million members

THE CLIENT'S CHALLENGE

- Incorporate a sudden membership increase of 30% without escalating costs
- Deliver more appropriate care and services to more members

THE SOLUTION

- Deployed SKYGEN 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's Enterprise System
- 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 RESULTS



Increased electronic claims submissions to 94%



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



Increased providers accepting electronic remittance advices to 94%



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



Drove provider web portal usage to 100%



Maintained high provider satisfaction and strong access to care for members

THE CHALLENGE

In the constantly evolving world of benefit administration, payers must quickly adapt to meet the industry's challenges, or risk becoming obsolete. SKYGEN's client, a large health plan serving children and adults in a populous state in the Northeast, learned they would expand their membership 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 was three years into a five-year relationship with the client when the sudden expansion occurred. The client had originally selected SKYGEN as its partner as a result of the company's expertise in dental benefits administration. The SKYGEN leadership team has more than 20 years of experience helping insurers drive down benefit costs while continuing to maintain high member satisfaction and access to care.

THE SOLUTION

To help the client manage the financial impact of a large increase in membership, SKYGEN deployed its Enhanced Benefit Management Program. This multi-pronged professional 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 benefit management team then uses these findings to develop market-specific strategies to ensure peak provider network performance and optimize benefit costs, proven to yield annual savings of up to 20%.

SKYGEN's benefit management analysts leveraged the advanced analytics capabilities of the Enterprise System, SKYGEN's benefit administration software platform to evaluate the cost impact of adding new members to the client's 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 was able to help the client reduce its 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 almost 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 further helped lower costs by increasing the number of providers submitting electronic claims to 94%, encouraging 94% of providers to accept electronic remittance advices, and driving provider web portal usage to 100%. By serving as a proactive partner, SKYGEN demonstrated it has the expertise and resources to help the client meet its dental benefit management challenges.

Finally, SKYGEN's Enhanced Benefit Management Program continues to optimize program 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's commitment to powering dental benefit management, and all of healthcare, for the digital age.

