

Health Claims Analysis Reveals Opportunities for A TPA’s Clients to Save an Additional \$16 Million

A third party administrator (TPA) focused on cost control, Cypress Benefit Administrators worked with a partner firm to identify how clients could realize added savings in their health plans. The health claim analysis completed revealed 50,000 cases that involved overspending on medical services, with the potential to save up to \$16 million.

(Appleton, WI) – Through its partnership with Healthcare Bluebook, [Cypress Benefit Administrators](#) recently had a health claims data analysis done that identified instances where client plans could have saved up to \$16 million in aggregate on medical services received by members.

The third party administrator (TPA) collaborates with Healthcare Bluebook to offer an add-on benefit solution that focuses on price transparency. Working in conjunction with other cost control measures Cypress already has in place for self-funded plans, this tool educates employees on fair prices by procedure and shows them a cost comparison among facilities in multiple locations.

With Cypress’s book of business analyzed for added savings opportunities, there were 50,000 cases found where a plan member could have paid less for care services at an alternate location, amounting to the \$16 million dollars in potential savings.

“This analysis was an eye-opener in showing just how critical it is for employees to have access to information on the range of care costs,” said Tom Doney, president and CEO of Cypress. “If they don’t know the options that exist or what represents a fair price, the chances of overspending are much greater.”

Through the analysis, Cypress found that one of the issues compounding the problem of overspending for care is the major price variance that can exist among facilities. Costs can range by 500% or more for the same service, even when the locations offering care are in close proximity to each other.

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An example of this in Cypress's analysis involved a plan member who needed knee arthroscopy. Based on the facility chosen, the member was charged nearly \$21,000 for care. In reviewing the costs at another area location, the same procedure would have totaled \$4,000.

"Seeing actual examples like this really demonstrates how the lack of price transparency can affect a health plan," Doney said. "A quick cost comparison could have resulted in \$17,000 worth of savings for this one case alone."

Doney explains that the [price transparency solution](#) it extends to employer-clients through its partnership with Healthcare Bluebook includes fair price information for diagnostics, inpatient/outpatient procedures, women's care and more. The tool also identifies specialties by facility instead of only reporting on overall performance. This information helps employees see where they can get the best care at the best price, by procedure.

"We have a lot of clients who are already using price transparency as an added method for cost control, but this analysis really validates why more should be including it in their health plans," Doney said.

About Cypress Benefit Administrators

A privately held company headquartered in Appleton, Wis., Cypress Benefit Administrators has been pioneering the way toward cost containment in self-funded health benefits since 2000. The third party administrator (TPA) is the country's first to bring claims administration, consumer driven health plans and proven cost control measures together into one package for companies ranging from 50 employees to thousands of employees. It serves employer-clients across the U.S. with additional locations in Portland, Ore., Omaha, Neb. and Denver, Col. For more information on Cypress and its customized employee benefits, visit www.cypressbenefit.com.

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