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TPA Identifies 3 Focus Areas that Contributed to Added Claim Savings for Health Plans

Focusing on claim review as a strategy for cost containment in self-funding, Cypress Benefit Administrators identified three areas to help maximize savings in 2017. The third party administrator put added emphasis on lab service, ICD coding and SPECT testing review as it negotiated $4.3 million in total claim savings on behalf of its clients.

(Appleton, WI) – Cypress Benefit Administrators announced that it was able to help employers achieve added health claim savings in 2017 by identifying three focus areas to closely monitor: lab services, ICD coding and SPECT testing.

Each area was integral in the claims review process as the third party administrator (TPA) negotiated $4.3 million in total claim savings last year on behalf of the self-funded plans it administers.

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Lab services were the first area of significant emphasis as Cypress's Argus Claim Review team scrutinized claim charges for:

- **Out-of-network billing** – Multiple cases with amounts ranging from $5,000 to $15,000 billed for lab care were identified and negotiated to $100 or less.
- **Genetic testing** – In one claim example, a member was originally charged $10,000 for testing, but after further analysis, Argus determined the appropriate payment to be $300.
- **Drug testing** – These claims were only paid once supporting documentation was reviewed and it was verified that all tests were ordered by providers.

"As our team looked at some specific claim charges that would be essential to monitor for the year, lab services consistently landed at the top of that list," said Tom Doney, president and CEO of Cypress. "We found so many instances of overcharges and were able to turn those into savings opportunities."

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A second area Cypress and the Argus team identified as a focal point in its claim review process for 2017 was ICD coding.

With hundreds of codes added, deleted or revised last year, Cypress's claim specialists monitored bills to be sure the correct ones were used. They also watched for outdated codes on health claims as the ICD-9 medical coding system updated to ICD-10 just a few years ago, and there are now more than 75,000 codes in use.

"It may seem like a simple mistake if a letter or number is transposed or the wrong code is assigned on a health claim, but those errors can result in some major price differences," Doney shared.

The third focus area identified for closer scrutiny was SPECT testing. Because this more advanced testing can be costlier, medical necessity was a factor when reviewing the applicable claims. In one instance, it was determined that a $500 stress test would have been a more fitting option than the $5,000 SPECT test that was administered.

For the year, the top 10 savings amounts achieved in Cypress-administered health plans represented a combined total of $2.3 million.

These savings were a result of the added emphasis on lab services, ICD coding and SPECT testing during claims review, on top of the ongoing scrutiny for problem areas like upcoded charges, unbundled services and duplicate entries.

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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