TPA Be Nimble, TPA Be Quick…TPA Jumped Over the Candle Stick

TABA 2024 Spring Conference

Sugar Land, TX

April 9, 2024

Our Goals for Today

How Do We Beat the Big Guys?

- Data, Data, Data
- Using Technology as the Equalizer
- Leveraging Business Partners
    - Value-Based Contracting Strategies
    - Carve-Out Care Delivery
    - Point Solutions
- Build (or Buy) Concierge Focus
- Focus on Risk Management and Cost Control
- Reinsurer Confidence
- Investments in “Disruptor” World

Who Are the “Big Guys”?
What Makes Them Big?

Who are the “Big Guys”?

In Fairness...

Characteristics of “Big Guys”

Relationships with Major National Distributors

Safe Bet

Compensation

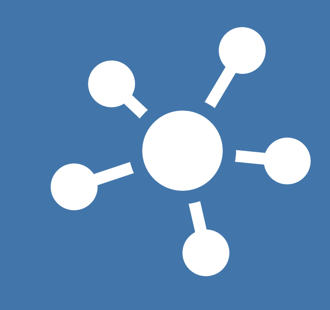
Vendor Alignment

Growth in Book-of-Business

Reference-ability

Name Recognition

Easier to Invest



Deeper Pool of Resources

Technology

Vendor Management

Concierge

Product Development

Access to Strategies and Business Partners

Networks

PBM Pricing

Reinsurance

“Target” Status

“Big Guy” Focus on 100-1,500 Self-Funded Market

- Cost & cash flow sensitive: Focused on the lowest price point
- Benefit Managers: Want more control over the solution components, prefer highly customized benefits.
- Unique business needs: Require a customized solution to manage unique business needs
- Name Recognition: Like ability to work with carrier-based networks
- Perceived transparency

National Consultant Practice

"Small employers are concerned about the disruption of the network, they care about the continuation of savings from year to year on claims amounts, and they care about working with a TPA with great customer service. They need someone to pick up the phone when they or their employees call."

To grow downmarket, TPAs must be able to demonstrate they have the "table stakes" and offer differentiators

Table stakes Differentiator Key revenue growth areas/Relative importance: ◔ Low ◑ Medium ● High

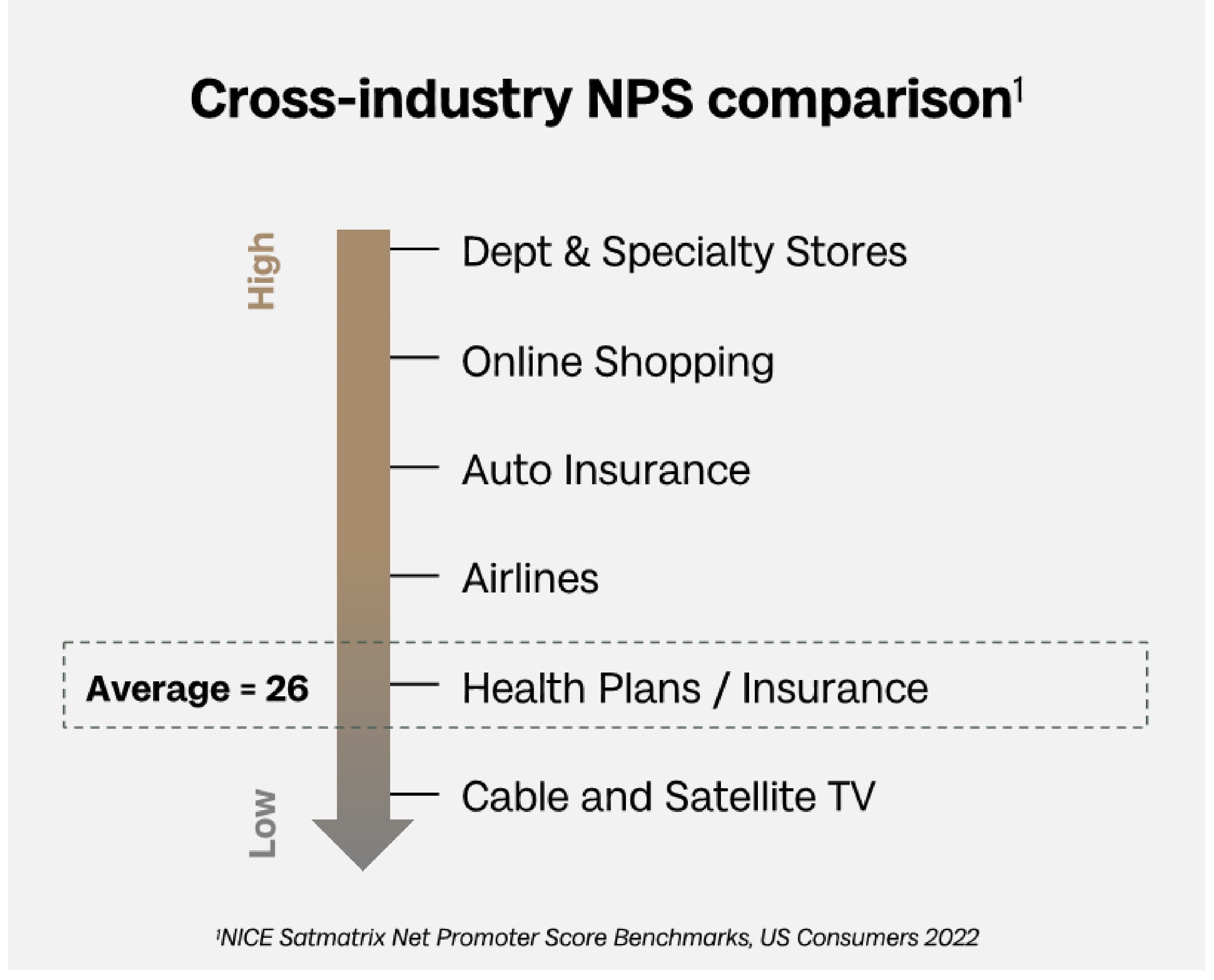
Capabilities		Tablestakes or Differentiator	Employers with <500 employees	Employers with 500-2,000 employees
A Flexible plan designs offering best value	RBP Plan Capabilities	Differentiator	●	◔
	Level Funded Plan Capabilities	Differentiator	●	◔
	Sophisticated pricing tools (In-house ability to manage provider contracts and RBR)	Differentiator	◑	◔
	Preferred partnerships **with** stop loss vendors	Table stakes	●	●
B Other medical cost savings strategies	Concierge / Advocacy	Differentiator	◕	◕
	Payment Integrity	Differentiator	●	●
	Rerouting care	Differentiator	◕	◕
	Care Management	Differentiator	◑	◕
	OON Solutions	Table stakes	◕	◕
C Customer service	Highly responsive representatives & "personal touch"	Table stakes	●	●
	Accuracy & User-friendly presentation of claims data	Table stakes	◑	●
	Timeliness of claims data	Table stakes	◔	◕
D Competitive Admin fees (attained through geographically distributed workforce, admin process efficiency, low marketing expenses, bundled offerings etc.)		Table stakes	●	◕
E Network unit discounts	Direct Contracting	Table stakes	◑	◕
	Ability to rent BUCA network	Differentiator	◑	●

Key Takeaways

While customer service and competitive pricing are table stakes capabilities, TPAs can distinguish themselves with other medical costs saving strategies, network unit efficiencies and flexible plans

Employers with less than 500 employees prioritize TPAs that offer creative plans that have proven ways to reduce claims cost (e.g. reference based pricing and level funded)

Not the Highest Hurdle…



Data is Central to Changing Decisions

- Size DOES NOT MATTER
  - It isn't the starting point, but the ending point
  - Big guys do not get better provider contracts
  - Big guys can gain lower contingent fees, but most often those benefits accrue to them
  - Pricing is set by market, not by Big guy economies of scale
- Track Medical Service Unit Cost (IP Cost/Day, Avg. Cost/OV, Surgery, Imaging)
- Demand REAL effectiveness metrics from Business Partners and Point Solutions
- Build a Service Report Card
- Pull back the curtain in everything the TPA does

Technology as an Equalizer

- Automation = Resource Availability
- Member AND PROVIDER Self-Service
- Integration of Point Solutions
- Integration of Provider Access Solutions
- Integration of Data

Leveraging Business Partners

- Avoid “They’re Great!” proclamations from those with financial Interests
- Always complete extensive due diligence
  - Technology integration
  - Distributor/Plan Sponsor feedback
  - RESULTS
  - Quality Improvement Initiatives
  - CASH on hand
- Utilize Performance-Based contracts

Leveraging the Achilles Heel…the Carrier Network

- Carrier Network Access carries significant requirements
- Inability to “brand” communications materials
- Link to carrier Network Directory
- Inability to customize contracted set of medical providers
  - Limited or No Carve-outs
  - 3-Tier plus Network Design
  - Many value-based contracts never reach self-insured or rental networks
- Inability to vary Care Management or Formulary management
- Inability to apply standard Claims Cost Control

Carve Out vs. Point Solutions

- Carve-out focused on services delivered…contracting most cost and quality impacted services more effectively
- Point Solutions are focused mostly on Medical Conditions…replacing in-person medical services with self-huided on-line care

Carve-Out Solutions Require Financial or Navigational Direction

- Primary Care and Specialty Care
- Lab, Radiology, Pathology
- Behavioral Health
- Health Systems
- Cancer Programs
- Cardiology, Renal, Orthopedic

Fighting Point Solution Fatigue

- Understand the specific health care needs of a Plan Sponsor’s population to help prioritize which concerns to address. Segment your population so people receive information only about point solutions they’re likely to use.
- Since four in 10 adults in the U.S. are managing two or more chronic conditions, try to select solutions that can offer support in multiple areas of health.
- Before signing on with a new vendor, do some due diligence to ensure that this kind of support isn’t already provided by an existing vendor.
- Understand how point solution vendors will communicate with employees and coordinate outreach among vendors so participants don’t feel bombarded with messages.
- Consider creating a microsite or well-being hub on your intranet homepage to offer a one-stop shop point of access to all your well-being solutions.
- Constantly reevaluate point solutions to determine whether they’re still relevant and in line with the Plan Sponsor’s engagement strategy.

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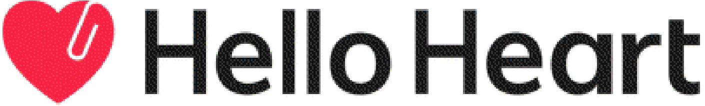

Concierge Focus

	Concierge Roles/Responsibilities	What Concierge Must Deliver
Welcome Call	• Introduction to the TPA, Contact Information, High Level Rules, Self Service Sign-up…Low key data capture and validation	• Warm and concise messaging • Superior listening skills
Find Care	• Helping Participants find a PCP or Specialist	• Access to search tools • Aligned with efforts to direct to providers with appropriate contracting arrangement
Nomination	• Listening to callers related to providers not in network and addressing network adequacy/holes	• Method of standardized tracking/communications with Networks, Vendors and Internal Resources
Condition Management	• Use of Welcome Call feedback, ongoing Traditional Customer Service and Data to Stratify population • Must dovetail with provider contracting strategies where applicable • Efforts to convince members to participate in self-service and directed programs • Ongoing reminders of program linkage to incentive programs	• Strong initial communication of Condition Management program and "point of enrollment" • Stratification capabilities via data • Customer Service Team awareness • Integration of self-management programs and tools • Guardrails for directed programs • Transparent and reasonable ROI calculations
Procedure Prep	• Outbound calls to Participants who have a pre-auth for a significant procedure to go through financials, billing expectations, and answer any questions	• Where possible, reintroduction of Patient to "favored path" • Elimination of prospective disasters

Concierge Focus

	Concierge Roles/Responsibilities	What Concierge Must Deliver
Payment & Billing	• Answer questions about EOBs • Help member understand/reconcile bills and EOBs • Interface with provider about billing questions/issues • Escalate billing issues that cannot be resolved with provider to “Network” partner	• Self-Service access to claim details, EOBs, Accumulators • Access to Financial offerings • Assistance with Financial Aid applications • Advocacy on RBR matters
UM	• Facilitation of Pre-Note, Pre-Cert, Pre-Determination	• Sentinel effect, Redirection
Traditional Customer Service	• Tech questions (passwords, how do I…?, etc.) • ID card orders • Benefits and eligibility verification/Rx program questions • Complaint intake	• Service levels • Accuracy of information • Consistency of digital and human guidance

Mitigating Risk

- Unhealthy Employees and Family Members
- Poor Consumerism/Care Direction
- Inefficient and Unsupportive Provider Contracting
  - Quality and Efficiency Incentives
  - Elimination of Unnatural Referral Patters
  - Eliminate FFS Discount Arrangements
  - Reduced Impact of Outliers
  - Contracts vs. Pre-Cert/Prior Auth
- Claims programs must support Risk Management initiatives
- Validate consistency between Plan Document, Admin Agreement and Reinsurance Contract
- Use Retrospective Reporting liberally

Reinsurer Confidence

You are Who You Use

Network

PBM

Care Management

Carve-Outs

Claims Controls

Other Reinsurers

Distributors

You are Who You Work With

SOC Controls are Critical…Not Just an Annual Process…a “Way of Operations”

Positioning with Disruptors

- Is it Groundbreaking?
- Is it a Cultural Change?
- Is it Authentic? (Is it 100% designed to improve delivery of healthcare and health benefits?)
- Does it Revamp Your Business Model…and can you absorb the Impact?
- Does it Have Legs…can it shift and adjust over time?

Disruptors or NOT

Disruptor	NOT a Disruptor

• Disruptor
  • Value-Based Provider Contracting
  • Concierge (Done Right)
  • AI
  • IoT
  • Fixed Profit Pharmacy
  • Personalization of Care
  • Prepay and OOP Finance
	• Self-Focused Distributor Groups
	• Reference-Based Reimbursement
	• Virtual Care
	• Cost and Quality Tools
	• Point Solutions

Conclusion

- Using Technology as the Equalizer
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