



Case Study: Healthcare

Consolidating multiple claims pricing platforms generates operational and medical savings

Streamline claims pricing for increased accuracy, reduced manual processing and greater consistency with TriZetto® NetworX Pricer® and NetworX Modeler®.

A large, not-for-profit health plan on the East Coast had been using three different legacy platforms to price and process their PPO and HMO claims. Each of these systems was operated and supported by independent teams to ensure accurate provider contract pricing. This separation of processes often resulted in the assignment of different payment methodologies for identical services—creating pricing inefficiencies and member/provider abrasion.

The outdated systems were significantly impacting the health plan's ability to operate effectively and maintain market competitiveness:

- Payment policies and member benefit limitations were inappropriately assigned to core system pricing modules, causing downstream complexity and inconsistency.

At a Glance

TriZetto NetworX Pricer, Modeler and Consulting Services helped this health plan completely transform their outdated multi-system pricing methodologies into a single unified and streamlined operation. Their claims are now priced with greater precision and consistency to deliver operational and medical cost savings and improved provider relations.

Outcomes

- Achieved a net medical expense reduction of approximately 1%.
- Reduced CMS/Optum update implementation time from approximately three months to one week.

- Legacy systems were unable to universally accommodate newer pricing models to keep pace with the evolving provider market.
- Provider contract updates took months and even simple corrections had to be scheduled for lengthy remediation.

The health plan partnered with Cognizant to implement the TriZetto NetworX Pricer and NetworX Modeler solutions for all three core legacy systems. They also used this opportunity to work with the Cognizant team in a transformational project to reassess and simplify all historic payment policies and procedures in concert with their system migration. As a result, many outdated and costly legacy pricing processes were discarded or updated.

Rather than gradually transitioning each legacy pricing system to the NetworX platform, the health plan utilized Cognizant consulting services to configure and migrate all provider claim pricing concurrently. This accelerated migration expedited operational and medical cost savings and reduced the duration of running multiple systems in parallel. It also accelerated a subsequent migration from the three outdated core systems to a single instance of Facets, generating additional operational and medical savings.

Using precision to overcome complexity

The NetworX Pricer software plays a key role in the claims adjudication process, with patented technology that increases automation and efficiency. Integration with multiple legacy systems provides a “single source of fact,” enabling the health plan to price claims across all lines of business with greater consistency and accuracy.

- Fast, accurate pricing of claims, regardless of the complexity of applicable terms
- One-time set up of a claims system interface from a single source or multiple sources
- Easy configuration of claim pricing, reimbursement criteria and rules

Additional outcomes for this health plan included:

- Dramatically reduced recycled and reprocessed claim volume, calls and physician complaints.
- Compressed 2,500+ default fee schedule tables to 48.
- Exceeded health plan’s ROI estimates for medical savings on fully insured business by nearly seven-fold.

- Ability to create many fee schedules using a single base schedule
- Sharing common rate structures for multiple contracts for pricing consistency and streamlined updates

Increased accuracy & efficiency=cost savings & provider satisfaction

The health plan’s NetworX Pricer software implementation significantly reduced the instances of both over- and under-priced claims—resulting in a net medical expense reduction of 1%. CMS and Optum updates, which had normally taken three months to implement and required significant corrections to claims paid during the interim, were now implemented within one week of CMS notification. This dramatically reduced recycled and reprocessed claim volume, phone calls and physician complaints.

In addition, the plan’s 2,500+ default fee schedule tables were compressed to 48—making it easier for employees to manage and providing a more consistent and accurate payment experience for physicians.

With the support of their Cognizant consulting team and the TriZetto NetworX Pricer and Modeler solutions, this health plan has transformed a costly and inefficient pricing operation into a model of efficiency and effectiveness.

About Cognizant Healthcare

Cognizant's Healthcare Business Unit works with healthcare organizations to provide collaborative, innovative solutions that address the industry's most pressing IT and business challenges—from rethinking new business models, to optimizing operations and enabling technology innovation. A global leader in healthcare, our industry-specific services and solutions support leading payers, providers and pharmacy benefit managers worldwide. For more information, visit www.cognizant.com/healthcare.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 193 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.

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