

Case Study: Healthcare

Kern Health settles more claims faster with TriZetto

The TriZetto NetworX Suite ensures timely provider reimbursements, better member experiences and the ease of telehealth reimbursements.

Kern Health Systems (KHS) is a managed care health plan headquartered in Bakersfield, California. The plan serves recipients of Medi-Cal, California's Medicaid program for low-income individuals in Kern County. KHS is the largest health plan in the county, processing 240,000 claims per month—a number steadily increasing due to COVID-19.

The challenge

During the pandemic, there was a rapid increase in Medi-Cal members as employees cycled off their company-sponsored healthcare and state eligibility guidelines relaxed. This was just one factor of the increase, as hospitality businesses decreased their number of employees due to lower in-person dining numbers and a move to takeout only.

At a glance

Kern Health Systems implemented the TriZetto[®] NetworX Suite[®] to increase efficiency, support regulatory compliance and enable alternative payment methodologies. The suite also helps support KHS' growing claims volume, introduce new products and meet compliance requirements while addressing its auto-adjudication goals.

The following business benefits were achieved while experiencing a 30% increase in overall claims volume and keeping up with ever-increasing state mandates:

- Increased auto-adjudication by 5.3%
- Decreased manually priced claims by 62%
- Increased automatic system pricing to 90%

In addition to KHS's growing claims volume, the plan needed to meet state regulatory requirements to develop alternative payment model (APM) programs in support of its Medi-Cal business. California regulatory mandates require KHS to create new provider contracts quickly. However, the plan's growing number of claims led to more time-consuming manual work and additional resources needed to handle the increased claims.

Among KHS's key goals, the plan wanted to:

- Manage its growing claims volume more efficiently
- Ensure prompt provider reimbursements
- Make sure members receive good benefits management experiences

To tackle these challenges KHS needed a partner that was more than just a vendor, so the plan turned to Cognizant.

The approach

We worked with KHS to update its automated processes and enable alternative payment model contracts, enabling the plan to negotiate complex new APM contracts and convert existing fee-for-service contracts to alternative payment methods with accuracy and efficiency. The new capabilities use the TriZetto NetworX Suite, comprised of NetworX Pricer®, NetworX Modeler® and NetworX Modeler® Analytics. The solutions help KHS meet its business, technological and operational requirements and offers these benefits:

- Real-time integration and alignment with core TriZetto® QNXT™ software
- Flexibility to support complex provider contract reimbursement types
- Increased auto-adjudication and automatic pricing
- Support for 350 payment methodologies, with a wide range of more advanced capabilities such as fee schedule calculations and in-patient case rates

- Increased encounter acceptance rate from 96.33% to 99.45%, even as state edits increased in complexity along with acceptance rates
- Decreased the number of appeals and audit findings from 3% to 2%

The implementation builds upon a long-standing partnership with Cognizant, when KHS first became a TriZetto QNXT client and opted to help us enhance our NetworX solutions. At that time, Kern identified additional capabilities that it needed but were not included in the standard implementation of NetworX. We worked together on design and functionality to create new capabilities, which resulted in two enhancements to the core product, and two new enhancements slated for a future release.

As an early adopter of our technologies and part of our Adoption Leader Program, KHS helps Cognizant enhance our solutions and currently participates in MyQNXT™, which goes beyond QNXT's core application/capabilities.

Business outcomes

Over the extended engagement, QNXT and the NetworX Suite have helped KHS grow claims processing automation, introduce new products and meet compliance requirements while maintaining the provider's auto-adjudication goals—all without having to add additional staff.

With QNXT and NetworX, KHS has experienced the following milestones:

- 83% overall auto-adjudication
- Overall rolling 12-month claim volume of 2,776,960
- 85% overall professional claim auto-adjudication
- 71% overall institutional claim auto-adjudication

With NetworX alone, KHS has experienced the following milestones:

- 5.3% increase in overall auto-adjudication
- 62% decrease in manually priced claims
- Overall automatic system pricing of 90%
- 30% increase in overall claims volume
- NetworX auto-adjudication of 88.9%

The TriZetto NetworX Suite helps KHS automate its APM processes, making it easier to manage contracts and view the financial implications of moving from a fee-for-service contract to an APM. The suite allows the provider to automate Medi-Cal fee scheduling and reimbursement processes, adjust future Ambulatory Surgery Center (ASC) contracts and create a baseline for California's All Patients Refined Diagnosis Related Groups (APR-DRG) rates for all participating hospitals.

NetworX Modeler specifically helps KHS adopt a variety of member-centric payment methodologies, an extremely important capability since a large share of the provider's business includes outcomes-based contracts.

By leveraging NetworX Suite, KHS has not had to increase its number of claims examiners or configuration team members. This adds efficiency and allows the provider to redirect staff to other operational and compliance-related priorities.

The NetworX Suite helps KHS use modeling data to:

- Project COVID-19 hospital expenses
- Automate various code lists and fee schedule processing rules that were previously ambiguous
- Assign APR-DRG values to all inpatient claims for future reporting/analysis
- Carve out certain member/provider groups under a capitated contract and automatically authorize each for certain services
- Improve the provider-contracting lifecycle, which includes modeling, configuration and deployment to multiple environments using out-of-the-box NetworX functionality

KHS leverages the NetworX Suite to ensure timely provider reimbursements that help the company continue to offer services to its members, which makes a difference in members' lives. It also allows KHS to incorporate telehealth reimbursements quickly—within minutes for each contract. This is an extremely valuable benefit during the pandemic, as providers and members pivoted to that delivery method.

“Our NetworX implementation has enabled us to expand access to our members by helping us efficiently model and negotiate complex alternative payment contracts. Auto-adjudication and automatic claims pricing features keep us efficient and allow us to focus on additional strategic goals and initiatives”

– **Doug Hayward, CEO, Kern Health Systems**

About Kern Health Systems

Kern Health Systems was established in 1993 as a managed care health plan. The company's extensive provider network includes the Traditional and Safety-Net Providers that deliver care to Medi-Cal recipients and private providers throughout Kern County and some parts of Los Angeles County. With a full range of health education classes and Care/Disease Management programs, Kern provides quality educational and preventive services to the population it serves. For more information, please visit www.kernfamilyhealthcare.com.

About Cognizant

Cognizant (Nasdaq-100: CTSI) 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 185 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](https://twitter.com/Cognizant).



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