How Do You Sort Through The Clutter?

As a professional Third Party Administrator, we provide an independent perspective. We help you understand what managed care really means and how it can impact a self-funded health benefit program. In short, we help you make more informed decisions.

How are your employees coping?

These days, nearly every employer-sponsored health benefit plan incorporates some managed care strategies. This often means utilizing physicians who are part of a Preferred Provider Organization (PPO) and complying with cost management strategies such as utilization review.

Each managed care strategy offers certain advantages. While HMOs became very popular in the 1980s by offering attractive capitated fees, few were able to gain and sustain profitability in the '90s.

To be cost effective, any managed care component, from a provider network or PPO to utilization management, must be managed responsibly. This means that employee selections and claim costs must be reviewed carefully. And when the plan is self-funded, the plan design must be monitored and altered as needed.

What Can Cost Management Mean To Your Organization?

This strict management function is the lifeblood of an Independent Third Party Administration firm...

- knowledge to understand the effects of employee actions
- technology to track plan utilization and monitor funds
- expertise to recommend solutions which will keep the plan consistent with your organization's benefit objectives

Specifically, there are several components which are typically combined to help control costs. These include:

Utilization Review

Since the really big health plan dollars are spent on in-hospital care, utilization review was originally designed to monitor the appropriateness and quality of this care. Commonly required utilization review measures include:

Pre-Admission Review –
evaluation, by a third party, of non-emergency hospitalization prior to admission, to determine whether the services to be provided at the facility are medically appropriate.

Concurrent Review –
evaluation during a covered employee or dependent’s hospital stay, to determine the necessity and appropriateness of continued in-hospital care vs. other treatment facilities.

Medical and Psychiatric Large Case Management –
in instances of care requiring large expenditures, independent case managers may be retained to coordinate all medical services and facilities needed to provide the most comfortable, appropriate and efficient delivery of care or rehabilitation.

Preferred Provider Organizations (PPOs)

These arrangements enable hospitals and physicians to contract with large purchasers of health care, usually employers, insurance carriers or employer-sponsored health benefit plans on a fee-for-service basis.

Most PPO arrangements or “networks” are community based with hospitals and physicians usually agreeing to accept discounted fees and certain utilization review measures. When PPO network agreements are in place, plan designs will usually encourage use of network providers by offering lower coinsurance levels and/or lower deductibles.

What’s the latest on managed care?

Today, managed care has taken on many different meanings in the employee benefits marketplace. Provider networks, managed prescription drug plans and more...each applies its own twist and each promises to help control costs.
**Exclusive Provider Organizations (EPOs)**

These arrangements are structured much the same as PPOs, however they typically involve a plan design in which benefits are paid only if care is received from network providers.

**Direct Provider Contracting**

This strategy, sometimes referred to as a “carve-out” plan, may be negotiated with single vendors for purchase of a specific type of coverage, such as mental health or chemical dependency benefits. They may also include overall care for a specific employee group.

**Physician/Hospital Organizations (PHOs)**

PHOs are organizations which bond hospitals and physicians together as a cooperative unit. They are frequently developed for the purpose of contracting directly with employers or managed care plans for their services.

**Point-Of-Service (POS) Plans**

A point of service plan offers employees the ability to go outside the managed care network for services. Those who choose to go outside the network will typically pay higher deductibles and coinsurance.

**Expert Medical Claim Screening**

Claim screening uses medical logic technology and a clinical support team of nurses and physicians to analyze physician claims. This initiative assures added control of claim payments and monitors physician care for compliance with currently accepted medical practice standards.

---

**Where Do You Begin?**

The primary reason for implementing any managed care strategies is to keep costs in check. And when the right cost management strategies are combined with self-funding, and managed professionally, good things can happen.

Let a professional TPA bring all the right resources together for your organization and manage them effectively. You’ll discover the benefits!

- Plan design will be in line with the needs of your covered group and the organization’s employee benefit objectives
- Knowledge of the local provider community will result in greater employee satisfaction
- Technology is in place to examine plan performance and measure the effectiveness of provider contracts, cost management programs, etc.

Having managed care strategies in place is just a part of the equation. The right third party administration firm can provide the administrative support needed to communicate these services to your covered employees and manage your overall program effectively on a day-to-day basis.
As a professional benefits administration firm, we have the resources and experience to respond to virtually any employee benefit-related need you may have. From day-to-day administration of a self-funded group health plan to identifying a provider network in another locale, we'll help you find a solution that's right for your people and your bottom line.

Find out how our services and expertise can help you manage your employee benefit program today and in the future.

Discover the benefits.

Proven Expertise...

ASR health benefits
Health Plan Management

3033 Orchard Vista Drive Grand Rapids MI 49546
616.957.1751 • 800.968.2449 • 616.957.8986
www.asrcorp.com