

# AMERICAN

THE THERAPY ADMINISTRATORS, LLC

A SKYGEN USA AFFILIATE COMPANY

CASE STUDY

## National Insurer Reduces Therapy Benefit Costs by 20%, Saves \$800K in Annual Administrative Costs, with SKYGEN USA Affiliate **American Therapy Administrators**

### THE CLIENT

- Fortune 100 national insurer
- Commercial and Medicare plans contracted with ATA in 5 states

### THE CLIENT'S CHALLENGE

- Reduce plan benefit and administrative costs
- Maintain high patient satisfaction levels within a quiet, stable vendor program

### THE SOLUTION

- American Therapy Administrators (ATA) deployed a value-based solution while contracting with the client as the sole-source outpatient therapy network for the service area
- Aligned the incentives of therapy providers, patients and the client for appropriate care with an episode-based reimbursement model
- Reduced utilization to decrease benefit costs while maintaining high patient satisfaction levels and extremely low complaint volume
- Implemented end-to-end paperless provider solution, including claims submission and processing, authorizations, therapist remits and 1099s, to reduce administrative costs while delivering consolidated electronic billing to simplify client administration
- Re-contracted all outpatient therapy providers and managed provider network, including contracting, credentialing and all therapist interactions

### THE RESULTS



Reduced therapy benefit costs by 20%



Saved \$800,000 in annual administrative costs



Achieved 97% overall patient satisfaction with providers and less than one complaint per 5,000 patient episodes



Reduced provider turnover to less than 3%



Helped client meet key business goals with transition to value-based solution

## THE CHALLENGE

A Fortune 100 national managed care insurer sought better value for its clients' healthcare dollars while also maximizing competitiveness and profit in its fully insured offerings. Lower-dollar ancillary services presented a prime opportunity. Outpatient therapy services, and physical therapy in particular, are high-volume and relatively low-dollar encounters with significant overutilization in the traditional fee-for-service environment. In addition, high market fragmentation makes contracting inefficient. After investigating several approaches, the insurer selected ATA for its business model, which is specifically tailored to address outpatient therapy challenges, and its track record of success.

## THE SOLUTION

ATA implemented its per-episode approach in two of the client's markets and immediately reduced client benefit and administrative costs. Network adequacy was matched or expanded. Utilization improved as providers were incentivized to voluntarily design and deliver more efficient treatment plans. With the value-based approach, external utilization review was eliminated, driving down denials, appeals and complaints. Providers benefited by securing patient cooperation with their treatment plans, which aligned with the client's goals.

To deliver on the client's administrative cost reduction goal, ATA assumed management of its therapy provider

networks, handling all contracting, credentialing and therapy provider interactions. ATA deployed an end-to-end paperless provider solution with SKYGEN USA's Enterprise System to:

- Create efficiencies in claims submission and processing through automation
- Increase the competitiveness and efficiency of network provider contracting
- Maintain CMS-compliant accuracy of network provider information
- Develop and implement a simplified, consolidated e-bill for the client

## THE RESULTS

The client realized immediate benefit and administrative cost reductions. Administrative cost reduction in 2017 is approximately \$800,000, or between 5-8% of the therapy spend.

The program is extremely quiet, with less than one patient complaint per 5,000 episodes, and 97% measured patient satisfaction. At less than 3% provider contract turnover in every market, the program is also stable.

ATA has earned the highest possible score in the client's delegation audits in several consecutive years. The partnership has expanded to five states over time, as the client has been able to rely on ATA for a successful program by every metric.

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