



Third-Party Administration: Discounts, Better Plan Documents Help Keep Costs Down

BY KAREN BRANZ

With seven hospitals in three states, plus a separate corporate headquarters, Community Hospital Corporation needed a third-party administrator for its self-funded employee health program that could handle complexity. The number of locations isn't the only complicating factor, according to Laurie Breedlove, senior vice president of human resources.

"We also require that employees go to their own hospital for care if the service they need is offered there. Otherwise, it is considered an out-of-network expense," Breedlove said.

That means employees at CHC's Artesia hospital, for example, whose children need tubes in their ears must use the service offered at their hospital. Employees who work at the Yoakum facility, which does not have that service, can take their kids to any facility in the network to have tubes inserted.

"Complex? We definitely qualify for that," said Breedlove. "It's a huge database of information, and it's very complicated."

In 2009, after deciding to change TPAs, CHC signed on with UMR, which provides benefit administration services for hospitals across the country, including more than 20 hospitals and health care systems in Texas. While UMR-administered programs serve a half-million hospital employees nationwide, the company localizes its support for member hospitals, said Tony Anastasia, vice president of the hospital market for UMR. To serve Texas members, UMR maintains a claims center in San Antonio and a care management team in Dallas that travels to member sites for employee disease management, wellness programs, case management and general customer service.

"We have a huge focus on maximizing domestic utilization because many of our customers are hospitals and we understand that keeping care within the four walls is important," said Anastasia. "By requiring that employees use their own facilities when possible, hospitals can hold down costs and increase volume for services that might not be cost-effective without that support. We also work with more than 100 provider networks to offer employees the services that aren't available through their hospitals."

"Its national network was an important reason for choosing UMR," said Breedlove, "as was its proven experience in working with hospital clients with complex plans like ours. We also were looking for a proven claims operation and faster claims payment. We've seen a huge improvement in turnaround times for claims payments, and I think the network discounts for services our hospitals don't provide have been very advantageous."

Breedlove noted that UMR was helpful and professional from the beginning.

"Together, we developed a new summary plan document, and it is much improved. The previous SPD did not include adequate levels of specificity about particular included and excluded services, and we ended up paying for some services that we had not anticipated covering. The new document is very clear," she said. "Employees can know upfront what is covered and what is not so there are no surprises. UMR walked us through an exhaustive document to ensure we covered all the details. It took us five hours to go through it, but we were able to create a great SPD. We did not have that level of support previously."

UMR has lowered CHC's health care costs through better network discounts and the competitive TPA fees, said Breedlove.

"And they offer some really nice extra programs. For example, an employee in my office used their Maternity Management program, which helps keep expectant moms on track for a healthy baby," she said. "Once she enrolled in the program, she received a book about pregnancy and regular calls from a prenatal nurse, and she was able to call a nurse whenever she had a question. She found it very helpful. At the end of her active participation in the program, she received a \$25 gift card."

UMR offers clients a comprehensive menu of wellness programs and can help hospitals manage health incentive programs.

"We can do employee health assessments and design individual improvement plans if a client wants us to do that. Sometimes the hospital has its own assessment services, and we often wrap our programs around their offerings," said Anastasia.

Breedlove said she thinks working with UMR was a good decision for her organization.

"It's worked well for us in a number of ways – the network discounts, the fast claims processing and the competitive fees. UMR also offers us updates on regulatory changes. They are on top of the regulations and make sure we stay in compliance, which is very important," she said. ★

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