

# Case Study:

## Reducing Surgical Claim Costs

### HM's Strategy

HM researches discount vendors and works to build relationships with them in order to bring cost savings options to TPAs on potential high-dollar Stop Loss claims.

### Our Approach

- Create vendor awareness by communicating discounting opportunities to TPAs
- Periodically remind TPAs of vendors to which HM has access that can help control/reduce costs on certain procedures
- Work with vendors to negotiate savings on high-dollar procedures
- Select vendors based on specialty programs, historical data, fees and a demonstrated history of results

### Client Scenario

Claims resulted from a complex spine surgery performed by a renowned out-of-network surgeon at a well-respected hospital in New York. The TPA was presented with an offer to accept a 25% discount at the time of service in order to settle the financial liabilities but instead reached out to HM for discounting assistance. HM worked with a vendor to conduct negotiations.

### Results Achieved

The provider initially offered a 30% discount on the primary surgeon, plus 50% on the assistant surgeon claims; however, further negotiations resulted in a 66% overall discount.

#### Cost Savings through Vendor Discounts:

Charge	Initial Cost	Discount	Final Cost
Primary Surgeon	\$180,890	45%	\$100,000
Assistant Surgeon	\$177,375	89%	\$20,000
Anesthesiologist	\$14,000	43%	\$8,000
	<b>\$372,265</b>		<b>\$128,000</b>
<b>Total Savings</b>	<b>\$244,265 = 66% Savings</b>		

The vendor fee for this service was 15% of the savings (\$36,639.75) with a \$25,000 cap; therefore, the TPA saved an additional \$11,639.75 through HM's selection of this vendor.

For more information, contact your HM sales representative or visit [hmig.com](http://hmig.com)