

Cost Reduction Wins

Complex Clinical Claims Consulting

2022



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Compassion is our Power

Lockton's clinical team focuses powerful energy to creatively design solutions that financially strengthen your firm, while improving the lives of your employees and their families.

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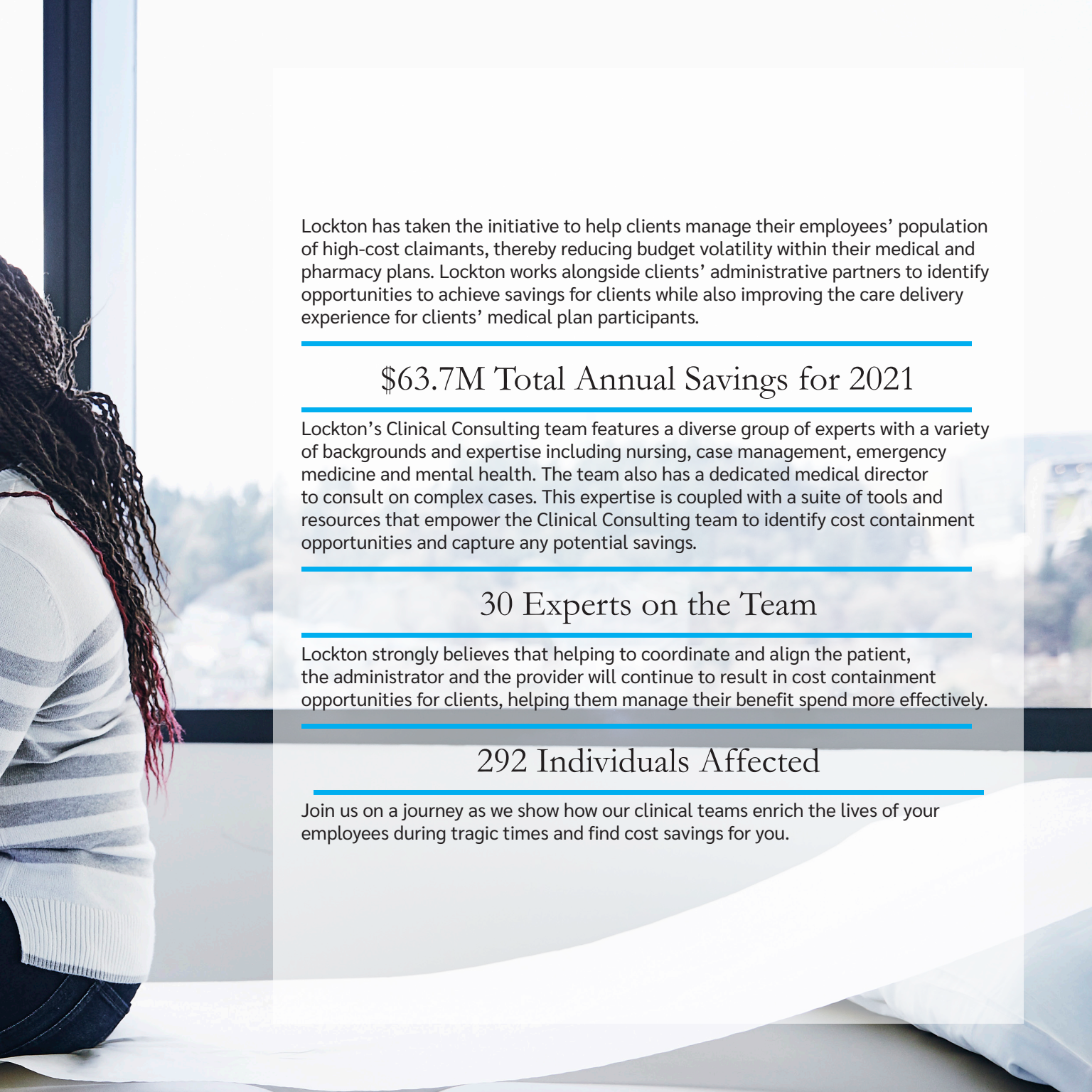
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Introduction to Clinical Consulting

Expertise, Knowledge & Compassion

Lockton is the largest privately owned insurance consulting firm in the world. This is important because being privately owned, we are not responsible to shareholders. Instead, we are focused on our stakeholders; our Associates, clients and, the communities in which we live.

We believe in TRANSPARENCY and understand the value of the public trust and the importance of looking out for those we serve. We hold ourselves accountable to our clients and stand by our commitment to service. We work diligently to provide solutions and cost saving opportunities for our clients.



Lockton has taken the initiative to help clients manage their employees' population of high-cost claimants, thereby reducing budget volatility within their medical and pharmacy plans. Lockton works alongside clients' administrative partners to identify opportunities to achieve savings for clients while also improving the care delivery experience for clients' medical plan participants.

\$63.7M Total Annual Savings for 2021

Lockton's Clinical Consulting team features a diverse group of experts with a variety of backgrounds and expertise including nursing, case management, emergency medicine and mental health. The team also has a dedicated medical director to consult on complex cases. This expertise is coupled with a suite of tools and resources that empower the Clinical Consulting team to identify cost containment opportunities and capture any potential savings.

30 Experts on the Team

Lockton strongly believes that helping to coordinate and align the patient, the administrator and the provider will continue to result in cost containment opportunities for clients, helping them manage their benefit spend more effectively.

292 Individuals Affected

Join us on a journey as we show how our clinical teams enrich the lives of your employees during tragic times and find cost savings for you.

Lockton Clinical Stories





The Lockton Clinical Consulting team works to integrate goals that include assisting clients with high-cost claimants and ensuring that those claimants receive effective, superior medical care. Lockton creates unique solutions that benefit all parties by consulting with a team of partners that includes a medical director for complex cases.





Making an Impact in Many Ways

During a case management call with Lockton's clinical team, a member with multiple myeloma was discussed. They had received their first round of chemotherapy in the hospital and was having difficulty getting home afterward due to complications. Because of the member's weakened state, the hospital recommended that they receive treatments in a rehab facility so they could be safely discharged. However, the hospital was having a difficult time finding a location equipped to administer chemotherapy.

Lockton's clinician wanted to find a solution for them. The clinician contacted the Case Management Team and provided an alternative plan. The team proposed to the hospital that the member bring in their own oral chemotherapy medication. This alleviated the need to have a rehab facility dispense and administer the required medication.

The Case Management Team quickly went into action, gaining alignment with the member's oncologist and the Hospital Discharge Planner. The team also proactively



approved 10 days at a skilled nursing facility where they simultaneously received physical therapy and an oral regime of chemotherapy. The member was on the path to getting home, where they would resume IV treatments.

The highly responsive action of the Care Team enabled a rapid solution for this member that shortened their number of inpatient days, gave them the care they needed, and reduced overall cost of treatment.

The member was able to transition to rehab to receive the physical therapy they needed and started a path to getting home.



Improving a Member's Quality of Care While Reducing Costs

Lockton was asked to consult on a member who was receiving high-cost infusions and responding poorly to treatment. Lockton's review revealed that the cost of annual infusions amounted to \$2 million, and they were being charged seven times more than specialty pharmacy benchmark prices.

Foremost, Lockton wanted to address the member's struggles. Lockton suggested a referral to a center of excellence and the employer agreed to cover travel costs. Lockton's medical director helped coordinate their visit and assisted with the member's questions. During the visit, the provider identified that the current

regimen was causing high toxicity and changed the dosage of the drug.

The Lockton team concurrently identified various drugs running through the plan's medical benefits that could be filled through specialty pharmacies for a significant reduction in costs. The member that was seen at the center of excellence was also identified as one that could get a cost reduction on their drug charges through Lockton's drug review.

After being seen at a center of excellence the member's care was able to be transitioned to home infusions instead of at a hospital.

The member was extremely pleased with the experience of home infusion and had a better response to treatment as a result of their referral.

The member was extremely pleased with the experience of the home infusion and had a better response to treatments. The member's wife, who is a nurse, even asked how to administer the infusion herself for future treatments.

The success of the home infusions, coupled with the new prescribed dosage, helped avoid liver failure and the need for a transplant. The client's specialty drug costs were also reduced with the new plan design as a result of Lockton's drug review.



Annual Savings on Member's Infusions

\$1,650,000

Learn more at
vimeo.com/locktondunning/quality-of-care





Child with Severe Food Aversion

Lockton was referred a case where a middle school child was having complications due to their food allergies and food aversion. Along with their nut, egg, and milk allergies, they had limited oral intake due to their limitations surrounding food textures. Because of their lack of nutrition, their doctor placed a gastric feeding tube to maintain sufficient daily nutrition.

After they started using their feeding tube, their food aversion worsened, and they no longer had the desire to eat additional foods. They were getting tube feeds three times per day. Their mother no longer knew what to do to help her child. Concerned for their health and social wellbeing, she reached out to the case manager for help.

This case was presented during a weekly case manager rounds with the administrator. The Lockton team thought this would be a good case for the Mayo Clinic and suggested a referral. Their mother agreed to go to the Mayo Clinic, understanding they would have to fly out to Mayo Clinic's Rochester campus for pediatrics.

The first visit to the Mayo Clinic for this child was very successful. The Mayo Clinic updated their diagnosis and they started a new treatment plan, which included new medications, additional vitamins and supplements, social therapy, and occupational therapy. They also recommended they apply for a two-week feeding therapy program that takes place in the summer. Their mother



was happy to report they drank their very first smoothie that visit, which was a big accomplishment for them.

A few months after their visit with the Mayo Clinic, this child continued with their therapy sessions. Their mother was ecstatic with their growth, “They reached 100 pounds this week, and we are THRILLED,” she reported. They were accepted and attended Mayo Clinic’s summer program. “They had an amazing experience in Rochester and added over 20 new foods to their ‘green light’ list. We visited the endocrinologist this week and they are thrilled with the progress. The therapy at Mayo Clinic far exceeded any expectations we had,” his mother added.

They drank their very first smoothie that visit, which was a big accomplishment for them.



Child with Pain Syndrome

Lockton was asked to consult on a case where a high school student was having issues with their complex pain syndrome. The pain in their knees and ankles had progressively gotten worse, to the point where they could no longer walk. They had been to the emergency room five times in four months and they were seeing a palliative care physician to help manage their pain. They had also reported breathing difficulties, which was speculated to be a side effect of the medications prescribed to manage their pain.

Based on the member's complex medical history, the Lockton team suggested they go to the Mayo Clinic. The family agreed and their appointment was scheduled over summer break.

Immediately following their appointment, their mother emailed their employer to say, "It was wonderful! I was so impressed with the Mayo Clinic, and everyone was wonderful! They were diagnosed with asthma, possible vocal cord dysfunction, autonomic dysfunction, hypermobile joints, various allergies, etc. We have tools in place to help them."

Since their appointment at the Mayo Clinic, their complex regional pain syndrome has been under control. There have been no trips to the emergency room and they have been actively participating in physical therapy and intermittent bracing as prescribed. Their mother was happy to report they were able to join their high school cheer team and are doing well in school.



This pediatric claimant visited Mayo Clinic less than six months ago. Thus, Lockton Clinical is still actively calculating the monetary savings achieved.

The adolescent years are already challenging for a healthy teen, and this teen had complex medical issues affecting their livelihood and development of social skills. Their visits to the Mayo Clinic were

immeasurable for their mental health. Intervening early in their adolescent years with appropriate diagnoses and treatment plans provided by the Mayo Clinic will continue to contribute to a successful quality of life and healthy wellbeing well into their adulthood. The impact it has had — and will continue to have — on their life is priceless.

Their mother is happy to report they are active on their high school cheer team and doing well this school year.

Cost Containment Case Studies

The Lockton Clinical Consulting team discusses alternate options for variables such as site of care and specialty pharmacy. Careful investigation of unusual claims may uncover errors in claim processing or instances of fraud. The team's goal is to ensure the efficient use of resources while maintaining consistent care for claimants.







*Lockton Clinical Team Saves Client
\$3.5M on Infusion Drug*

By using an outside specialty pharmacy instead of a hospital for a high-cost treatment, Lockton was able to save the client over \$3 million.

Challenge

- Weekly IV Hemin infusions for acute porphyria at a hospital
- Client was averaging \$330,176 per month for the infusions
- Total annual projected cost of \$3,962,112

Solution

- Lockton clinical notified the medical administrator of the price disparity and discussed strategies to lower cost
- Medication was obtained through a lower cost, specialty pharmacy
- Hospital agreed to use the outside specialty pharmacy to fill the drug and administer at their facility

Client Win

- Member received their infusions at the hospital with specialty sourcing the medication
- Cost was reduced to \$36,871 per month

Total Savings of \$3,519,660

A person wearing blue scrubs is shown from the side, holding a green pen and writing in a notebook. The background is a clinical setting with medical equipment and another person in white scrubs. A black text box is overlaid on the bottom left of the image.

Dialysis Negotiation

Searching for new solutions is the hallmark of the Lockton clinical team, and proposed changes can positively impact the client's bottom line.

Challenge

- Employer reached out to the Lockton clinical team with concerns about a high-cost member on dialysis
- Discount arrangement in place was 80% of billed charges
- Stop loss renewal was in progress, and the high-cost dialysis meant a high risk for breaching next year's stop loss deductible

Solution

- The clinical team negotiated rates that were based on in-line and accepted pricing rather than a percentage of the provider's charges
- The terms of the agreement were retroactive. The line items were bundled together and were set to expire only when the member became eligible for Medicare primary coverage

Client Win

- Payments were reduced by more than half of the original costs
- Member's expenses are also less likely to become a stop loss claim in the future

Total Savings of \$1,173,265

A blurred office scene featuring a laptop on the left, a pen in a holder in the center, and a person's hands on the right. The background shows window blinds and a blue wall.

Lockton Clinical Team Uncovers Fraud

Lockton's clinicians have extensive claim experience, so they are able to identify situations that stand out as abnormal. In these situations, the team takes a deeper look into charges.

Challenge

- Member who required long-term, at-home private nursing was reviewed due to unusual charges
- Lockton found the nursing claims were paid at unusually high rates, with costs jumping from \$10,000 per month to over \$100,000 per month the following year
- Lockton also found that under this client's plan, these services had a limit of 140 visits per year, but identified at least 217 visits in one year
- Total paid toward nursing services in one year was \$896,802

Solution

- Lockton requested the number of approved nursing hours from prior authorization on file
- Lockton escalated with the medical administrator for payment integrity review
- Lockton also verified that additional coverage was in place to cover beyond plan limits, so there would be no disruption in member care or finances

Client Win

- Following Lockton's requests, the administrator escalated internally to discover fraud, waste, and abuse was occurring on the claims in question
- Review led to the administrator initiating a recoupment to the client

Total Savings of \$896,802



Dialysis Charges

Lockton's analysis uncovered errors in the claims process, and the corrected information saved the client more than \$600,000.

Challenge

- Identified member with end-stage renal disease
- Member was receiving daily dialysis at a rate of \$2,090
- Annual projected cost: \$762,850

Solution

- Lockton Clinical team flagged charges to the administrator for review
- Errors were found
- Identified a maximum rate that should have been applied

Client Win

- Claims were reprocessed at a new rate of \$297 per day
- Administrator recouped excessive charges

Total Savings of \$654,445



Incorrect Policy-Year Payment

Lockton conducts careful research of claims that may have been incorrectly processed, and communicates with the administrator to ensure that mistakes are rectified.

Challenge

- Lockton clinical team was notified of a high-dollar claim paid in 2021, with dates of service in late 2019 and early 2020 where the member had met the stop loss deductible during the 2020 contract year
- Lockton identified that the large claims had been previously paid for those dates of service
- Total additional 2021 claim payment of \$319,800

Solution

- Lockton asked for a historical paid-claim timeline for these dates of service from the administrator
- Lockton then identified the reason for the significant payment in 2021 was related to the provider submitting the claim to an incorrect policy, which resulted in a payment error

Client Win

- Lockton requested administrator to refund the claim amount that was previously processed in error and apply that amount to the 2020 stop loss contract year, and the administrator agreed
- The result was a new claim payment of \$67,650 instead of the previous amount of \$319,800

Total Savings of \$252,150



Inpatient Claim Review

When unusually high costs raise a red flag, Lockton investigates to make sure that the correct pricing within the benchmark norms is applied.

Challenge

- The Lockton Clinical team reviewed a member with a seven-day inpatient stay and claim paid for \$239,370
- Lockton identified that the costs for two minor procedures and an inpatient stay were outside the normal benchmarks

Solution

- Lockton requested that the administrator further investigate the claim due to abnormally high costs and requested additional documentation
- Administrator connected with the local plan and identified that incorrect pricing was applied
- Provider resubmitted the claim and the administrator reprocessed

Client Win

- New claim reprocessed correctly for \$40,973
- Administrator released the new claim for payment

Total Savings of \$198,397



High-Cost Stelara Injections

A pediatric patient's infusions were being scheduled at twice the recommended frequency. Lockton asked for a review of the member's labs and treatment plan which resulted in an updated infusion schedule that allowed the patient to reduce the need for unnecessary injections and saved the client more than \$170,000.

Challenge

- Lockton reviewed a pediatric claimant with Crohn's disease receiving Stelara infusions every four weeks; the FDA recommends infusions every eight weeks for maintenance therapy
- Cost per injection was \$24,504
- Annual projected costs for injection therapy: \$318,552

Solution

- During Lockton's weekly case management meeting, the clinical team discussed concerns regarding the frequency of injections
- The case manager agreed to reach out to the provider for supporting evidence of the off-label use
- Based on the claimant's recent lab values and increased oral intake, the provider agreed that the frequency could be decreased

Client Win

- The provider agreed to change the frequency from every four weeks to every eight weeks
- The claimant is tolerating the new frequency and is thriving with fewer injections
- New annual cost for the Stelara injections is \$147,024

Total Savings of \$171,528



High-Cost Specialty Drug Change

By switching a member from a hospital setting to an ambulatory infusion facility, Lockton was able to help the client save almost 67% compared to the previous cost and increase member convenience.

Challenge

- Lockton reviewed a member with multiple sclerosis who was being treated with high-cost Ocrevus treatments while in an outpatient hospital setting
- Hospital costs were significantly higher than benchmarked specialty pharmacy
- Annual projected cost: \$151,416

Solution

- Lockton requested that the plan administrator assist with site-of-care steering for cost containment and member convenience
- Lockton worked with the plan administrator for specialty pharmacy and site-of-care options
- Ambulatory infusion center was found as an option for the member's treatment

Client Win

- Member transitioned to the lower-cost ambulatory infusion facility
- Ocrevus medication was dispensed through specialty pharmacy at a reduced cost
- Member was also enrolled in copay assistance program, which further reduced the cost per treatment
- New medication cost: \$24,393 per treatment

Total Savings of \$102,630



LOCKTON[®]

Lockton Dunning Benefits