

CHALLENGE:

A large, national employer inherited legacy claims through a merger / acquisition transaction increasing total open claims to 5,000 with total reserves at greater than **695,000,000**. Seeking to reduce the number of open claims and claim cost, lower the number litigated claims, reduce pharmacy / drug costs globally and as a percentage of total medical costs and optimize the value of the MSAs and obtain CMS approval, the employer initiated a 'claims closure project'. Tower was contacted to partner with employer, carrier, physician peer review and settlement partners to manage MSA and post-MSA intervention strategies for all claims involving Class I and II Medicare beneficiaries.

Settlement Project Case Study

SOLUTION:

Tower prepared more than 600 MSAs over a 90-day period, following its Pre-MSA Trigger Identification Decision Tree process; To identify medical and drug triggers that created a barrier to settlement, and to make recommendations regarding treatment not aligned with evidence based medical guidelines. If settlement was feasible, the MSA and case were transferred to the settlement partner. If not, the claims team worked with Tower and PRIUM to determine the appropriate medical / pharmacy intervention tactics. Through an integrated software platform with PRIUM, Tower served as gatekeeper throughout the intervention and follow through process to communicate accountability, measure progress and confirm acceptable CMS outcomes. As an extension of the lessons learned through the settlement initiative, new paradigms for early identification were imbedded into the claims management process and culture.



RESULTS:

Working in tandem with all stakeholders, the settlement project and subsequent changes in claims management best practices achieved the following results over a 3-year period:

- **43% reduction in open claims**
- **26% reduction in total claim cost**
- **40% reduction in attorney referrals**
- **25% reduction in pharmacy costs**
- **55% reduction in CMS approved MSA amounts**

