

SERVICES TO HEALTH INSURERS



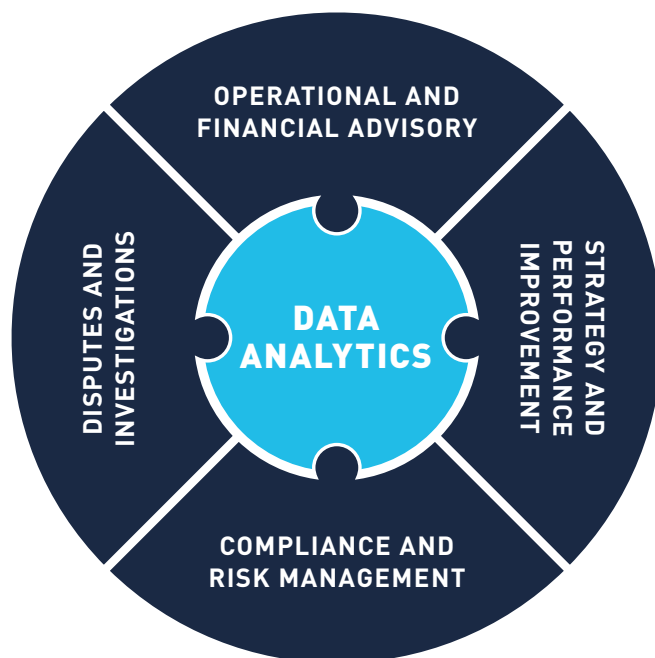
Operational, financial, and regulatory compliance challenges are creating a sense of urgency throughout the health insurer industry. Members want quality medical care and lower premiums; providers want to improve patient care and be fairly compensated for their services; and regulators want transparency and accountability. And as the Affordable Care Act and other new programs mature, insurers must find innovative solutions to satisfy many interests, while remaining competitive and compliant.

BRG healthcare experts are valuable assets in these uncharted waters. Our expert-centric group combines subject-matter expertise with a command over the exponentially increasing amount of data generated in the healthcare continuum. Our highly credentialed healthcare professionals include CPAs, CFEs, and former industry executives, such as CEOs, CFOs, and General Counsel. We deliver data-driven, objective, and innovative solutions to the most challenging operational, financial, regulatory, and legal issues our health insurer clients confront.



SERVICES

BRG Healthcare experts have advised many of the largest health insurers, regional insurers, and government-managed care plans in the United States. Our approach is driven by our focus on data analytics and understanding of the industry.



DISPUTES

- Provide litigation-related services in commercial, class action, civil, and criminal matters
- Assess allegations and calculate potential damages
- Provide expert services, including reports and testimony

Representative Engagement

Client: Texas Health Maintenance Organization (HMO)

Services Performed: Counsel for an HMO in Texas retained BRG to perform expert testimony and an independent analysis regarding a dispute over out-of-network (OON) claims payments for Ambulatory Surgery Center (ASC) services. The ASC claimed it was allegedly underpaid by \$7 million. BRG developed a statistically valid sampling approach and performed a review of the sampled claims. The BRG team utilized Truven and Ingenix healthcare data sets to determine "usual and customary" charges and analyzed the appropriateness of charges by the ASC. Additionally, the team re-priced claims through the MicroDyn ASC Pricer to assess the allowable amounts and payments made by the HMO.

Result: BRG experts determined that the ASC charges were, on average, much higher than the usual and customary charges of its peers and that the payments the HMO made to the ASC were reasonable. During claims analysis, BRG professionals identified that 50 percent of the claims in dispute should have been excluded from the plaintiff's damages calculation due to duplicates and incidental procedures, among other issues. The case was settled prior to delivery of an expert report and testimony.

INVESTIGATIONS

- Advise clients during internal and government investigations
- Assess allegations and calculate potential exposure
- Assist with settlement negotiations and self-disclosures

Representative Engagement

Client: Medicare Advantage (MA) and Medicaid Managed Care Plan

Services Performed: BRG experts worked with outside counsel to conduct a multifaceted internal investigation of a health insurer that offered MA and Medicaid managed care plans to eligible populations. The investigation included reviews/analysis of:

- Relationships between health plan Medicaid outreach employees, health plan employed/contracted sales agents, contracted primary care physicians, and interested non-profit entities
- Advances and loans made to contracted physician groups and primary care physicians
- Policies and procedures for receiving and processing contestations regarding capitation payments made to contracted physicians
- Policies and practices for reviewing medical records for properly documented diagnosis code information, and the reporting of those diagnosis codes to CMS for Medicare Risk Adjustment (MRA) purposes
- Employee expense reports and accounts payable entries for compliance with company policies and federal and state regulations

Result: BRG experts advised the plan on reaching resolution with the government and in creating its own internal MRA investigations unit.

COMPLIANCE AND RISK MANAGEMENT

- Analyze impact of new statutory and regulatory requirements
- Develop and evaluate effectiveness of corporate compliance programs
- Perform fraud and regulatory risk assessments and develop mitigation plans
- Advise on responses to regulatory inquiries/audits and develop corrective action plans
- Operate as an Independent Review Organization and provide independent monitoring services
- Conduct audits of delegated entities

Representative Engagement

Client: Medicare Advantage Plan

Services Performed: A BRG team conducted a compliance assessment for an MA plan regarding its MRA program. The team conducted interviews with key management and staff, and reviewed the plan's policies, procedures, and related operational documents to assess its practices regarding the documentation, coding, and submission of diagnosis codes to CMS. The assessment covered provider training and education, provider auditing and retrospective chart reviews, prospective programs, filtering logic for claims submissions to CMS, and MRA corporate governance.

Result: The BRG team identified several industry best practices that had been implemented by the plan, as well as areas for potential process improvement.

OPERATIONAL AND FINANCIAL ADVISORY

- Perform needs assessments and analyze impact of operational changes
- Develop and evaluate business rules and operating policies and procedures
- Evaluate business performance and develop dashboard reporting to monitor success.
- Provide turnaround and restructuring services, including serving as monitor of financially burdened health plans

Representative Engagement

Client: Regional California Medicaid Health Insurer

Services Performed: BRG Healthcare experts advised a Medi-Cal managed care plan in preparing a corrective action plan to reach and maintain compliance with net equity requirements and resolve a failed IT conversion. Our experts identified revenue enhancement and cost-reduction opportunities by evaluating financial and operational deviations from industry norms, testing the accuracy of claims payment decisions and implementing a managed care system conversion, and reviewing critical cost drivers for savings and performance improvement opportunities.

Result: BRG experts identified areas for cost savings and operational performance improvement through departmental reengineering and systems conversion. The results yielded administrative, medical cost, and capital expenditure reduction, and net equity increased from a \$62 million deficit to a \$105 million surplus.

STRATEGY AND PERFORMANCE IMPROVEMENT

- Assess and analyze network adequacy and provider directory accuracy
- Evaluate reimbursement methodologies and provide recommendations for improvement, including out-of-network reimbursement
- Measure/estimate provider costs for improved accuracy when reimbursing providers
- Benchmark provider reimbursement

Representative Engagement

Client: Blue Cross Blue Shield Plan

Services Performed: BRG experts assessed and recommended accurate reimbursement for professional services (physicians, therapists, nurse practitioners, etc.). Our experts used historical claims data to evaluate the cost of providing services; benchmarked reimbursement against industry trends; realigned fees to accurately reimburse services, while also ensuring that related codes had associated reimbursement rates; and provided guidance on how to reimburse for "the future."

Result: BRG experts delivered a realigned professional fee schedule containing rates for over 17,000 Healthcare Common Procedure Coding System codes.

CLIENTS

Commercial Health Plans
Medicare and Medicaid Managed Care Plans
State Children's Health Insurance Program Plans
Third-Party Administrators/Administrative Service Organizations
Health Insurance Associations

ABOUT BRG

Berkeley Research Group, LLC is a leading global strategic advisory and expert consulting firm that provides independent advice, data analytics, authoritative studies, expert testimony, and regulatory and dispute consulting to major law firms, Fortune 500 corporations, government agencies, and regulatory bodies around the world.

From testifying in high-stakes litigation to consulting on large-scale projects, BRG experts and consultants combine intellectual rigor with practical, real-world experience and an in-depth understanding of industries and markets. Their expertise spans economics and finance, data analytics and statistics, and public policy in many of the major sectors of our economy.

BRG is headquartered in Emeryville, California, with offices across the United States and in Asia, Australia, Canada, Latin America, the Middle East, and the United Kingdom.

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