

Improving Client Support and Driving Outcomes

Improved Carrier Contracting and Oversight of High-Cost Claimants

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Agenda

Vital Oversight Services

Where brokers add differentiated value



Carrier Contracting

How to protect clients before problems start



High-Cost Claimants

How to control volatility without clinical overreach



Vital Oversight Services

Scope of Service

- **ASA Contract Reviews** Comprehensive review of the current ASA agreement, including edits. An ERISA review may be incorporated, as needed
- **Payment Integrity Audits, including Shared Savings and Administrative Fees**

Ongoing payment integrity reviews to audit and identify inaccuracies, overpayments, and process improvement opportunities.

- **High-Cost Claimant Clinical Reviews**

Leverage AI along with our doctors' expertise to provide monthly clinical reviews of high-cost claimants, including projected annual spend.

- **Vital Incite Alert Management**

Our team actively manages monthly Vital Alerts on your behalf to identify emerging risks, intervention opportunities, and billing issues



Scan for
resources

Vital Oversight Services

Scope of Service

ASA Contract Reviews → Reduces fiduciary exposure and strengthens employer leverage

Payment Integrity Audits, including Shared Savings and Administrative Fees → Identifies hidden fees and recaptures plan dollars

High-Cost Claimant Clinical Reviews → Improves forecasting and stop-loss positioning

Vital Incite Alert Management → Identifies issues before they escalate

These services help brokers move from reactive problem-solving to proactive fiduciary guidance.

Carrier Contracting

Topics

- Why is this Important (Employer's Fiduciary Duty)
- RFP High Priority Topics
- ERISA Reviews of ASAs (process, focus, reporting)
- Shared Savings and Payment Integrity Provisions

Employer's Fiduciary Duty

Fiduciary Status of Employers Under ERISA

- Functional fiduciary role
 - Employer is a fiduciary to the extent of discretionary control over plan assets or administration
- Service provider oversight triggers fiduciary duty
 - Selection and monitoring of TPAs is a fiduciary function

Fiduciary Duties Relevant to TPA Oversight

- Prudent engagement
 - Cannot passively rely on the TPA
- Ongoing monitoring
 - Continuous review of performance, claims activity, and costs
- Process-driven compliance
 - Focus on how decisions are made, not just outcomes
- Documentation matters
 - Evidence of oversight, review, and follow-up is critical

Employer's Fiduciary Duty

Information Access Is a Fiduciary Requirement

- Monitoring requires data
 - Fiduciary review is impossible without meaningful access to information
- Contractual rights must support oversight
 - TPA agreement must allow access to claims, financial, and operational data
- Restricted access = fiduciary risk
 - Data limitations may impair ERISA compliance

The TPA/PBM RFP - ASA Opportunity

- Employer possesses the highest degree of leverage with TPA/PBM when it undertakes an RFP process to change service providers
- Opportunity to include in the RFP specific language that obligates the “winner” to incorporate key provisions in the ASA
- Goal: to assure Employer has complete visibility into a) what and who the TPA is paying (from health plan funds), b) TPA’s complete earnings related to the Employer, and c) potential conflicts of interest.
- **Key provisions to address in RFP**
 - Link on Arch: <https://arch.aleragroup.com/sites/eb-engage/document/81564/TPA-RFP-Contractual-Commitments>
 - Employer’s access to Claims Data for analytics purposes
 - Employer’s ability to perform Claims Inquiries
 - TPA’s Reporting commitments
 - Paid claims
 - Fees related to PI, SS, OON, and Subro charges
 - Including specific claims that are the subject of such fees



Scan for RFP resources

The TPA/PBM RFP - ASA Opportunity

Key provisions to address in RFP (Cont'd)

- TPA's Reporting Commitments (Cont'd)
 - TPA compensation (from Providers)
 - Rebates;
 - Network access charges;
 - Commissions;
 - Spread margins
- TPA Compensation Disclosure Obligation - TPA may not retain any form of remuneration or compensation related to its engagement with Employer that is not promptly disclosed to Employer.
- Prohibition on Cross-Plan Offsetting - Any charges to Employer by TPA shall not be used to pay claims, recoup overpayments or satisfy financial obligations of any other plan or third party
- Disclosure of Network Conflicts of Interest - TPA shall disclose to Employer any affiliation it has with any provider, health system, facility or provider group included in the Employer Plan's network.

ERISA Reviews of ASA

Represents an Important Procedural Aspect of Fiduciary Duty

- **Process, Focus and Timing**

- Joint review, collaborating with Stacy Barrow
 - VO focus (financial)
 - Barrow focus (ERISA compliance)
- Allow for 4 weeks
- Presentation of Report, with follow-up call to discuss with brokerage team

- **Reporting**

- A complete list of recommendations/suggesting (~30) in Excel file
- Groupings (Filterable)
 - Type of recommendation
 - Risk Management (ERISA compliance)
 - Non-Financial Fiduciary Duties (Exercise rights in ASA)
 - Financial Fiduciary Duties
 - Priority (High, Medium, or Low)
 - Level of Effort (Minimal, Moderate, Significant)

Examples of Important Findings (in recent ASA reviews)

- Rights to data and reporting (total cost of TPA administration)
 - Make sure that the rights are included
 - Marrying up the degree of fiduciary responsibility imputed to Employer with the access to information
 - Highlight for the broker where the existing rights should be exercised
- Wide range of percentages charged for Extra Claims Reviews
 - Caps considered?
- Provisions required to comply with CAA and No Surprises Act
- Cross Plan Offsetting and rebate retention
- Audit provision v. Claims investigations

Shared Savings and Payment Integrity Provisions

ASAs outline a series of Claims Review Services that are above and beyond the claims filing/paying processes included in the TPAs base-line Administrative PEPM. How can Employer Satisfy its Duty surrounding these provisions?

- Examples
 - Payment Integrity/Shared Savings
 - Out of Network service adjudication
 - Subrogation
- Goals
 - Evaluate the materiality of these fees (i.e., consider an “adjusted Administrative PEPM” and cap)
 - Recent example ... a \$39 Admin PEPM adjusts to \$67 PEPM after considering all extra fees
 - No cap on total cost to prevent this level of increase
 - Understand
 - What triggers these services
 - How these Services are differentiated from Administrative Adjudication

High-Cost Claimant Reviews

After contracts and fees, clinical risk is the largest source of volatility.



Meet the Clinical Team

Your clinical and pharmacy experts who are supporting fiduciary oversight



Dr. Neha Kumar, DO, MPH, DIPALBM

Osteopathic Physician | Lifestyle Medicine & Rehabilitation Certified



Dr. Georges Markarian, MD, MBA, FAANS, FACS

Neurosurgeon | Fellow of the American College of Surgeons and the American Association of Neurological Surgeons



Jennifer Perlich, RPh

Clinical Pharmacist | Rx Oversight



Robin Rankin, RPh

Clinical Pharmacist | Rx Oversight

We have consulting relationships with other specialty doctors, including oncology and ophthalmology.

HCC Reviews

Leveraging AI and our data warehouse, these reviews provide a comprehensive clinical overview of each member, offering insight into the current medical status of high-cost claimants, along with our projected annual spend for each member.

Benefits



Stop loss comparison for renewals



Budget projections



Care coordination

Executive & Stop-Loss Summary

17 high-cost members reviewed | Rolling-12 paid: \$4,851,965 | Top 5 = \$2,335,432 (48% of HCC spend)

Medical vs Rx split: 86% Medical / 14% Rx

Members \geq \$500K: 3

Members \geq \$250K: 6

Current 2026 HCC Projected Spend -\$1,833,000 (lowest possible projection)

Members \geq \$500K: 0

Members \geq \$250K: 2

Members \geq \$200K: 3

This is a snapshot of the top HCCs from the previous year; it does not account for any new HCCs that may surface in the current year. The financial projections and case details in this report represent our best projections based on clinical judgement. Often, high-cost claimants have very serious conditions that could progress quickly. We will review and update these projections monthly as new data becomes available.

HCC Population Overview

Cost Band Distribution (Rolling-12 Paid)

- \$150K–\$249K: 11 members | 46% of HCC spend
- \$250K–\$499K: 3 members | 21% of HCC spend
- \$500K+: 3 members | 33% of HCC spend

5 Members are not expected remain HCC in 2026

- No longer on plan: 1
- Acute episode in 2025: 4

Top Cost Drivers (Count of Members)

- Malignancy: 4
- Subarachnoid hemorrhage (brain bleed): 2
- Acute respiratory failure: 2
- Diabetes with severe complications: 2

Member Summary

Member # & Member ID	Member (Dep/Age)	Rolling-12 Paid	Primary Cost Driver	Key Diagnosis / Clinical Summary	2026 Cost Outlook	Notes / Actions
Member 1 #####	Spouse, 61	\$539,718	Acute respiratory failure	Subarachnoid hemorrhage; prolonged hospitalization	N/A	Member no longer on plan (eligibility ended 5/31/25)
Member 2 #####	Employee, 38	\$530,853	Coagulation disorder / AML	AML relapse; bone marrow transplant, chemotherapy, complications	~\$250K	High risk for GVHD/relapse; oncology follow-up critical
Member 3 #####	Spouse, 57	\$515,544	High-impact malignancy	Metastatic neuroendocrine tumor; hx breast CA; radiation, lutetium, Octreotide	>\$220K	Expected to remain HCC; high complication risk
Member 4 #####	Employee, 46	\$425,892	Tracheostomy	Traumatic SAH; vent support; no claims since 11/2025	TBD	Monitor for re-engagement
Member 5 #####	Employee, 64	\$323,426	Liver disease	Cirrhosis w/ TIPS, varices; on Xifaxan	~\$65K+	Case management recommended
Member 6 #####	Employee, 58	\$272,305	High-impact malignancy	Bladder CA; cystectomy; adjuvant Durvalumab	>\$100K	Ongoing oncology surveillance
Member 7 #####	Spouse, 36	\$239,092	ESRD / transplant	Kidney transplant; Belatacept maintenance	~\$100-150K	Costs may decline if stable

Member ##### | Spouse | Age 36

- Financial Summary
- Rolling-12 Paid (Med + Rx): \$239,092
- Medical: \$230,960 | Rx: \$8,132 (3% Rx)
- Projected 2026 Spend: Belatacept: \$4k q4weeks or \$52k/yr.; OV/labs/imaging/psychotherapy/GU tx.: \$50k; **Total estimated cost: ~\$100k-\$150k**
- Cost Driver (Rolling 12): ESRD
- Top Diagnosis: End stage renal disease

Clinical Summary:

- 36 y.o female w/ hx. depression, HLD, obesity, PCKD and kidney transplant (1 kidney) has been treated w/ Belatacept since 1/2023 (1/23-5/23 OP, 6/23-12/24 home, 2/25-12/25-OP); 10/2024-ARF, ins. Of renal art. Stent, on HD 10-11/2024; s/p another kidney transplant 2/2025; conization of cervix (7/2025)

RECOMMENDATIONS (Action Items)

- Vital Oversight team requested carrier Case Management outreach and to determine if the member can be switched to home infusions.

Active Case Review: Horizon (BCBS) – Complex Spine Surgery

Vital Oversight claims review, identifying material billing and reimbursement concerns

1. CASE SNAPSHOT

- Service Type: Complex lumbar spinal fusion
- Dates of Service: July 2025 (multiple encounters)
- Total Allowed: ~\$252,000 (≈5× Medicare benchmark)
- Estimated waste - \$100K+
- Review Focus: Duplicate billing, modifier misuse, DRG integrity, and device pass-throughs

3. CARRIER RESPONSE SUMMARY

- Claims reviewed and “confirmed correct.”
- Payments justified by the co-surgeon / assistant surgeon rules
- Medical necessity (not modifier compliance)
- Facility contract allowances
- Bill-above implant provisions
- Acknowledged DRG 454 was incorrectly applied but stated it did not affect payment

2. KEY ISSUES IDENTIFIED

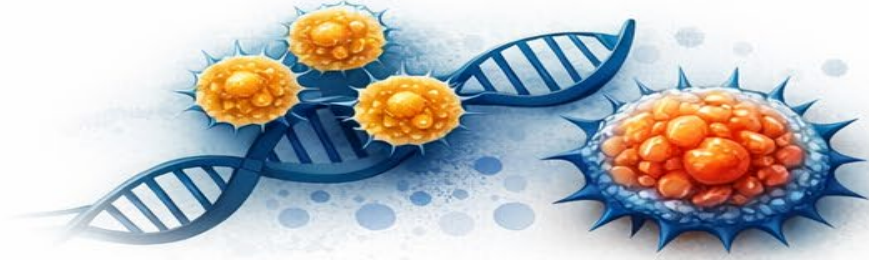
- Duplicate/excessive billing of CPT 22558
- Questionable use of Modifier-62 (co-surgeon)
- Implant removal billed same day as insertion (CPT 22855)
- Extremely high pharmacy units (1,009 units)
- Inpatient use of C-codes (pass-through devices)
- DRG inconsistency and mislabeling
- Potential unbundling of DRG and line-item charges

4. OUTSTANDING CONCERNS & RISK

- Potential overpayment exposure
- Inadequate documentation to support reimbursement
- Weak defensibility if challenged by auditors or regulators
- Pending a date from the carrier to have a call with our team.

CAR-T Therapy Cost Management

High-Cost Member Receiving CAR-T Cell Therapy



\$ **\$1.3M+** *Current Claim Cost*

+ *Cancer Diagnosis*

Recent Repricing Successes

- Henry Ford Health
 - Repriced: \$600,407
- University of Michigan
 - Repriced: \$594,464



Achieved Savings

\$391K+
Savings Per Case

\$397K+
Savings Per Case



Next Steps

- Review Provider Contracts
- Coordinate Specific Cases
- Align Medical Oversight





Medication Win

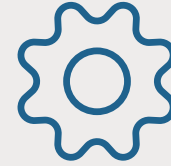
Udenyca

- Stimulates neutrophil growth to fight infection following chemo
- Plan Paid \$13k per unit for the infusion
- Average Paid \$900 per unit
- Client received a \$350k refund

Why this matters



**DIFFERENTIATES YOUR
ADVISORY PRACTICE**



**HELPS CLIENTS MANAGE
COST VOLATILITY
PROACTIVELY**



**CREATES DEFENSIBLE
FIDUCIARY
DOCUMENTATION**



**STRENGTHENS CLIENT
RETENTION AND TRUST**

Questions?

