

# Optimizing NeuGen's Provider Network

Zelis and HealthCorum collaborate to deliver provider network optimization technology for health plans in Wisconsin

## Opportunity:

NeuGen, a shared services organization with health plans and multiple lines of business, wanted to shift utilization from low-value to high-value providers to save money and increase member satisfaction

### How can we achieve this shift?

- Low-value providers improve by changing inefficient practice patterns
- Referrals from PCP's are directed to high-value specialists
- Narrow network design to increase utilization of high-value providers

Analysis of client's internal 2020 claims data with a focus on 5,000 providers across several specialties:

**Primary Care, Orthopedics, Neurosurgery, Pain Management, Nephrology, Cardiology, and Oncology**

## Results

Low-value providers cohort = 2,000

Category	Actual 2020 Costs (millions)	If utilization shifted to high-value providers (millions)
Procedure	\$54.27	\$32.87
Prescription	\$16.54	\$8.05
Facility*	\$70.8	\$40.92
<b>TOTAL</b>	<b>\$141.61</b>	<b>\$81.84</b>

Potential Cost Savings = \$59.77 Million Annually

\*Estimated based on national averages

## Strategy:

**Step 1: Segment providers from each specialty into 2 cohorts**

- High-value Provider = HealthCorum scores of 3, 4 or 5
- Low-value Provider = HealthCorum scores of 1 or 2

**Step 2: Compile the average procedure, prescription, and facility costs per patient for each cohort**

**Step 3: Examine what costs could have been if high-value providers were utilized in place of low-value providers**

**Step 4: Calculate the potential savings**

Difference between actual costs for low-value cohort in 2020 and the projected costs for high-value alternatives

**Great opportunity for additional cost savings if utilization is optimized for all 60,000+ providers that treat NeuGen's members.**

Scenarios	Savings Opportunity (millions)
5% shift to high-value providers	\$2.9
10% shift to high-value providers	\$5.97
15% shift to high-value providers	\$8.96

Experience savings on all network solutions, for more info contact:

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