

DMS Case Study TPA Partnership



DMS was approached by a TPA looking for a way to help their clients control the rising costs of dialysis claims. This TPA worked with several PPO networks, including a partnership with one of the larger national carriers. Through these networks, the TPA was able to offer their clients some strong discounts off billed charges. But they still faced two challenges when it came to dialysis claims.

First, while a large portion of their client base was situated in the northeast, many of their groups were located elsewhere and their larger clients had covered members all over the country. The network arrangements they had in place simply didn't provide enough depth to generate consistent savings across the entire geographic footprint of their member base.

Second, even though some of the discounts obtained through the PPO networks appeared strong on paper, the actual cost savings were being eroded as dialysis providers raised their billed charges every year. What started out as a good discount on a percentage basis didn't look so great when plans had to fund the claims and they realized how much dialysis actually cost in real dollars.

The TPA approached DMS looking for a consistent, defensible approach to help them control dialysis costs for all their clients across the country. DMS helped the TPA work with their PPO partners to carve dialysis out of the networks entirely, allowing the TPA to utilize the DMS Reasonable Value Payment methodology to reimburse all their outpatient dialysis claims while avoiding the contractual pitfalls inherent with some provider contracts.

The TPA embedded the DMS language into their plan document template, making it easy for their clients to opt-in to the Dialysis Benefit Program. During the first year, over 20 of the TPA's clients, ranging from 50 to 1,500 employees, elected to implement the DMS Dialysis Benefit Program. Using the Reasonable Value Payment methodology, those clients averaged net savings over 85% off billed charges and recognized a total of over \$1.2 million in savings, an average of over \$240,000 in savings per patient, compared to the prior PPO network costs in that first year alone. The TPA is now recommending the DMS Dialysis Benefit Program to all their clients.



\$1.2M

1st Year
Savings



\$240K+

Savings Per
Patient