

How Careignition Brought Clarity (and Savings) to a Fortune 500 Employer



The client

A Fortune 500 manufacturing company headquartered in Ohio and with locations throughout the Midwest.

The problem

The company had a large annual spend on healthcare, and had been seeing significant increases in recent years. Its health plan was also highly complex, covering many different subregions and different unions. Thus, finding opportunities to reduce that spend while still maintaining high-quality coverage was challenging. The company turned to Careignition to help make better sense of its health plan and find opportunities to improve it.

The solution

Working directly with the client's benefits director, Careignition set out to turn the company's scattered, messy data into actionable business decisions. Careignition compiled multiple years of the company's healthcare claims data and plugged that data into its AI-powered algorithms, breaking it down into standardized, comparable units. Careignition then reviewed the results and conducted value evaluations by service, provider, health

plan, and subregion, comparing them to each other to determine which offered the greatest value. Finally, the Careignition team identified the most impactful opportunities for value improvement and cost reduction, onboarded that data onto its web application, and packaged those opportunities into a digestible summary report that included the value of spend in each subregion and strategies they could take to improve value.

Converting messy data into usable insights.

Procedure / Procedure Code	Primary Diagnosis	Type	Claim ID	Cost
Colonoscopy, flexible; with biopsy, single or multiple	Diverticulosis of intestine	Out	1	\$1,120
Colonoscopy, flexible; with biopsy, single or multiple	Constipation, unspecified	Prof	2	\$1,118
Esophagogastroduodenoscopy, flexible, transoral; with biopsy, single or multiple	Diverticulosis of intestine	Out	1	\$1,109
Esophagogastroduodenoscopy, flexible...	Diverticulosis of intestine	Prof	6	\$484
Level IV - Surgical pathology, gross and microscopic ...	Diverticulosis of intestine	Out	4	\$318
General - Re...	unspecified			
Level IV - Surgical pathology, gross and microscopic ...	Diverticulosis of intestine	Prof	5	\$143



Feature	Value
Encounter Name	Upper and Lower GI Endoscopy w. Biopsy
Cost	\$6,486
Physician	Eileen Baker, MD
Facility	Simmons General Hospital
Quality Metric - Perforation	False

The results

Careignition enabled the client to better understand the various local markets where its plan was operating, and identified a provider network strategy that would be optimal in each. In doing so, Careignition presented the client with over \$20M in savings opportunities per year. Examples of these opportunities include:

Identifying other high-leverage strategies, such as Utilization Management Policies that could **save up to \$3M per year**

Identifying two instances of drugs that were overbilled by a significant amount, allowing the company to negotiate case rates and **save \$400,000 NPV for each.**

Showing one claimant that was unknown and had unprecedentedly high costs; the employer negotiated with the hospital to **reduce costs by \$2M.**

Careignition continues to work through changes with the client as each plan renewal comes up, providing information to use in negotiations with unions to come to mutually beneficial arrangements.

“Careignition brought clarity to our healthcare data, and made it simple to identify areas for improvement.”

– Ernest Smith, former Director of Benefits