

# Better for everyone: A health plan increases affordability by identifying and eliminating waste

## The vision

A nonprofit health plan in the Northeast was pursuing greater affordability of coverage and care. Prices were climbing unsustainably, putting pressure on the insurer to identify cost drivers and optimization opportunities, as well as to prioritize and develop functional action plans to realize savings. It aimed to do so while ensuring quality of care and the best patient outcomes.

## Co-creating the solution

The managed care organization was pursuing numerous small-ticket cost-saving efforts. But it needed initiatives that would drive large-scale improvements. Partnering with HealthScape Advisors, a Chartis Company, the health plan identified six categories of waste—from failure of care coordination to administrative inefficiencies—and their root causes.

Together, we created a roadmap to systematically address them. This included establishing common protocols for staff to work toward the same organizational goals, which sped adoption of the more effective levers while halting ineffective efforts.

## Believe in better

By standing up a new governance structure, the health plan now has a sustainable process to identify, solve, and implement affordability opportunities that promote care quality. It also ushered in a new focus on strategies that will make a difference and team alignment around enterprise initiatives. With the new roadmap in place, the health plan is on track to realize more than \$100M in savings that can help make its products more affordable for members.

## Meaningful outcomes

The health plan is making strides toward greater affordability, including:

**\$18M**

saved through readmission policy alignment with Medicare standards

**\$17M**

saved by identifying and addressing ED and NICU code levelling

**\$20M**

expected efficiencies from modernizing value-based care

## Building to better

To increase affordability and access to care, health plans should:

### FOCUS ON HIGH-IMPACT EFFORTS

to maximize resources and opportunities

### SET ACHIEVABLE GOALS

based on the things that really matter

### BALANCE SHORT- AND LONG-TERM SOLUTIONS

to maintain constant growth

## Authors

**Mike Ferson**

Senior Partner, HealthScape Advisors  
[mferson@healthscape.com](mailto:mferson@healthscape.com)

**Lynn Garbee**

Partner, Healthscape Advisors  
[lgarbee@healthscape.com](mailto:lgarbee@healthscape.com)