



Case Study

How Molina Healthcare Expanded Coordination of Benefits Across their Membership and achieved an 8X Increase in Savings



Overview

Molina Healthcare wanted to drive additional savings across its payment integrity program. The organization implemented a coordination of benefits (COB) solution that would identify overlapping health coverage before claims are paid.

By automating the previously manual processes, prospectively identifying potential errors and using existing COB vendors more effectively, Molina was able to improve its payment integrity process. **Ultimately, Molina found that COB accounted for 60% of its payment integrity savings, 90% of which was achieved by cost avoidance—10% post-pay.**

The Challenge

Molina Healthcare, a multi-state health plan, was looking to reduce manual COB processes, drive additional savings, and optimize their existing vendor partnerships.

Molina's previous COB activities were labor intensive and inefficient. The team relied on a manual, case-by-case process to compare eligibility information across multiple payer portals and through phone calls. This approach often required contacting other plans by phone. The time-consuming process allowed staff to **focus only on the 5% of membership** incurring the highest costs.

The Solution

To enhance its payment integrity strategy, Molina partnered with DataSpring, formerly CAQH. DataSpring Coordination of Benefits draws on a continuously updated registry of eligibility data for more than 225 million people. The solution enables health plans to validate primary and secondary coverage with more than 99% accuracy before claims are paid, helping reduce administrative and recovery efforts.

Molina moved validated DataSpring Member Coverage Data, a real-time eligibility check, into a first-pass position after state files, allowing **evaluation of 100% of its membership**, resulting in **8X increase of total savings**.

The increase was achieved with minimal impact on internal resources or existing vendor relationships, and Molina began seeing results within the first month.

The Results

- Cost avoidance strategies drove accuracy and reduced administrative costs associated with post-pay vendors, increasing savings by 2.1%.
- Freed the team to focus on new savings opportunities, including pharmacy coverage and other payment integrity initiatives.
- Reduced member and provider abrasion associated with post-pay recovery.



Obtaining COB data is the easy part, applying, maintaining and refreshing the data is what’s hard and that’s where the weekly COB file comes in. Importantly, the development of the enhanced process did not dramatically impact internal functions and workflow.”

– Jake Hartberger, AVP Payment Integrity, Molina Healthcare

The Impact

Using a prospective approach, Molina found that COB accounted for 60% of its payment integrity savings, 90% of which was achieved by cost avoidance. Post pay recovery accounted for only 10% of the savings-reducing impact on providers.

60%

of payment integrity savings came from COB

2.1%

increase in savings from cost avoidance associated with post pay vendors

8x

increase in savings from using weekly validated eligibility data

Learn more about DataSpring Member Coverage Data