

# Greystone Consumer Empowerment Systems

## ROI Cost<sup>1</sup>: Benefit Ratio



<sup>1</sup> Return on Investment

### Executive Summary

GCESonline provides the tools that give you full control over your waiver programs.

You can **reduce claim losses by as much as 67%<sup>2</sup>** through control over:

- losses attributable to participant and/or provider ineligibility and other reporting errors/inaccuracy
- misrepresentation of service units provided
- data input errors (participants and providers)

You can **reduce administrative costs by as much as 10%<sup>3</sup>** through:

- Reductions in paper processes
- Dramatic process improvements in case management & POC authorization functions
- Reporting accuracy and efficiencies
- Electronic billing and claim control enhancements (minimizing claim errors and reprocessing costs)

**Greystone Consumer Empowerment Systems Corp. (GCES)** provides innovative solutions to optimize Home and Community-Based Medicaid (HCBS) waiver programs for all members in the Circle of Support: waiver participants, state program administrators, financial management service providers (FMS), support providers, and case workers (support coordinators).

At GCES we believe that seniors and people with disabilities are best supported in their own homes and communities when possible. Further, we believe that this approach may offer greater quality and more efficient use of public dollars. These beliefs motivate our company and its employees to provide superb consulting services and innovative program management systems for HCBS programs.

<sup>2,3</sup> Estimates only; refer to last page for additional information.

## GCES Solutions

### Claims

Denied Claims	GCESonline creates a fully integrated 837p electronic claim file using pre- and post-authorization automation, minimizing claim denials based on erroneous inputs and service values.
Duplicate Payments	GCESonline provides a full suite of configurable tools to control duplicate entries which includes online notifications, hard and soft stops, participant approvals and comprehensive reporting that identifies all overlapping services.
Overpayments	GCESonline enables you to prevent overpayments by controlling budgets by month, plan or service code. Additionally, you can control reimbursement by service code through the pre-authorization of specific rates.
Unauthorized Payments <ul style="list-style-type: none"> <li>• Ineligible Providers</li> <li>• Services Outside Plan Dates</li> <li>• Dollars greater than Plan Budget</li> <li>• Inaccurate/Inconsistent Claim Rates</li> <li>• Inaccurate/Inconsistent Service Code Assignment</li> </ul>	GCESonline can eliminate payments of unauthorized service at the point of service entry or request for payment. This is accomplished through an integration of pre-authorized program participants, service codes/dollars (per goal, month, or plan), eligible providers, and approved rates; utilizing a <i>Plan-Centric</i> Plan of Care (POC) design. Strict controls guarantee that only eligible participants receive the appropriate services, at the correct rates and amounts, by providers specifically approved to do so.

### In-House IT

Limited IT Resources	GCES is an Application Service Provider (ASP). GCESonline is a fully-hosted solution; no IT personnel or other resources needed.
Maintenance Cost of Stand-alone Hardware/Software	GCES maintains all system requirements and provides constant upgrades & new functionality as business requirements change.
Non-extensible Systems	GCES is responsible for extensibility; capacity defined in Software-as-a-Service (SaaS) contract.
Minimal Interoperability	GCESonline is built in anticipation of Service Oriented Architecture (SOA) environments; functions in a modular capacity, communicating with legacy/disparate systems through web services.
Connectivity of Circle of Support: Participants, Support Providers, FMS (AWC, F/EA) Providers, Case Workers, State	GCESonline provides user functionality governance and <i>Plan-Centric</i> design configured to your specific business requirements, optimizing connectivity and responsiveness. We lower the cost of getting human services done.

### Quality

Lack of Participant Involvement	GCESonline configuration options provide depth of participant involvement, including participant direction of services. Online signatures eliminate unnecessary case manager travel to gather signatures.
Data Integrity – Security; Audit Capability	HIPAA-compliant security of all Protected Health & Personal information through state-of-the-art firewall and encryption protection (including email notifications/alerts). Service utilization is fully auditable.
Slow Response to Changes in Care Needs	Changes to care needs authorized electronically in minutes instead of days/weeks, improving quality of care and avoiding unnecessary crises responses.
Lack of Timely and Accurate Service Data	Service utilization and costs are available at granular and global levels (program/multi-program), within service authorization parameters, in ‘up-to-the-last transaction’ (real-time) detail.

## GCES Solutions

### Program Administration

<p>Plan of Care Processing</p> <ul style="list-style-type: none"> <li>• Unauthorized Services</li> <li>• Excessive Paper Handling, including cumbersome faxing</li> <li>• Limited Cost Controls</li> <li>• Approval Delays</li> <li>• Delayed Service Delivery</li> <li>• HIPAA Security Risks</li> <li>• Poor Data Integrity (outdated data, continuity of data, inefficient retrieval of data when needed)</li> </ul>	<p>GCES<i>online</i> can eliminate the costly handling of paper-based Plans of Care with an automated, web-based Plan of Care. All members within the Circle of Support (participants, state program administrators, FMS providers, support providers, and case workers) are connected in <i>real-time</i> to current Plan of Care budget data.</p> <p>Features include:</p> <ul style="list-style-type: none"> <li>• Electronic Plan approval by the Medicaid authority</li> <li>• Immediate authorization of plan modifications</li> <li>• Notifications</li> <li>• Plan history</li> </ul> <p>This automation provides for <b>immediate service delivery</b> and reduces the risk of reimbursement for unauthorized services.</p>
<p>Participant-Directed Care Model</p> <ul style="list-style-type: none"> <li>• Limited Participant Involvement</li> <li>• Extensive Manual Processes</li> <li>• No Real-time Data</li> <li>• Limited Control over provider service delivery and reimbursement requests</li> </ul>	<p>GCES<i>online</i> simplifies the complexities of participant-directed care models by allowing electronic connectivity, in real-time, of multiple FMS entities (AWC, F/EA). Participants have access to accurate, uniform budget utilization reporting. Controls also apply to non-NPI provider management (participant, employees and all rendering providers).</p> <p>GCES<i>online</i> prevents unauthorized services from being added/charged to the Plan of Care through an online pre-authorization interface.</p>
<p>Billing Charges</p> <ul style="list-style-type: none"> <li>• Manual Time Cards and Invoices</li> <li>• Delayed Payroll</li> <li>• Inefficient Approval Process</li> <li>• Lack of tools to enforce pay rates, service codes, budget dollars</li> </ul>	<p>GCES<i>online</i> provides web-based entry and management of time cards and invoices with full Plan of Care authorization controls that manage service, effective dates, approved providers, and approved pay/claim rates. An intuitive user interface effectively converts time card/invoice entries into authorized charges, within a stringent set of configurable controls.</p>
<p>CMS 1500s (Manual Submissions)</p>	<p>GCES<i>online</i> eliminates paper 1500s, thereby drastically reducing claim errors, processing time and pending claims.</p>
<p>Certified Public Expenditures (CPE) Waiver Programs Exposure to Unauthorized Claims &amp; Un-captured FMAP and administrative FFP</p>	<p>With GCES<i>online</i>, waiver programs using CPE reimbursement methods can operate without significant exposure to unauthorized claims and failure to capture budgeted Federal dollars.</p>
<p>Forms Processing</p> <ul style="list-style-type: none"> <li>• No standardized method for tracking required provider and participant forms</li> <li>• No standardized storage or delivery method of commonly used form templates</li> </ul>	<p>GCES<i>online</i> provides extensive auto-populated forms (standard and custom) for tracking provider eligibility and controlling errors.</p>
<p>Reporting</p> <ul style="list-style-type: none"> <li>• Inefficient Access to Demographic Data</li> <li>• Cumbersome reporting operations</li> <li>• Reports contain outdated data</li> </ul>	<p>Robust reporting engine provides standard reports and continuous, customizable reporting capabilities in <i>real-time</i> (up-to-the-last-transaction).</p> <p>All GCES<i>online</i> data is fully reportable, providing detailed demographic and consumptive detail.</p>

# GCES ROI Calculator (Hypothetical)

## Program Information

Total Annual Waiver Dollars	\$88,818,449
Number of Participants	7,793

## Percentage of Waiver Dollars Lost:

Duplicate Payments	3.0%
Unauthorized Services	3.0%
Payments Over Budget	2.0%

## Total Waiver Dollars Lost (Claims)

Program Administration Costs as a percentage of Total Waiver Dollars	8.5%
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## State Cost of GCESonline after Federal Financial Participation (FFP)

Net Annual Estimated Savings	\$4,627,224
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	Before GCES	After GCES	Savings
Duplicate Payments	\$2,664,553	\$879,303	\$1,785,251
Unauthorized Services	\$2,664,553	\$879,303	\$1,785,251
Payments Over Budget	\$1,776,369	\$586,202	\$1,190,167
<b>Total Waiver Dollars Lost (Claims)</b>	<b>\$7,105,476</b>	<b>\$2,344,807</b>	<b>\$4,760,669</b>
<b>Program Administration Costs</b>	<b>\$7,549,568</b>	<b>\$6,794,611</b>	<b>\$754,957</b>
<b>State Cost of GCESonline after FFP</b>		<b>\$888,402</b>	<b>(\$888,402)</b>
<b>Net Annual Estimated Savings</b>			<b>\$4,627,224</b>

**ROI Cost : Benefit Ratio 1 : 5.2**

The GCES ROI Calculator shown here provides an example of how implementing GCESonline may provide a positive cost benefit even in the first year of services. Please note that actual results may vary.\*

### Scenario

The example represents an actual single state waiver program serving nearly 8,000 participants at an annualized service cost of \$88.8 million. In our example, the program experienced Claim Losses in the previous year of 3% for duplicate payments, 3% for unauthorized service payments and an additional 2% for payments for services in excess of the authorized Plan of Care (POC). This resulted in an overall Claim Loss of \$7.5 million annually. Program administration costs are estimated at 8.5% (industry norms are 10-12%).

### Benefits

**Waiver Dollars** — Implementing GCESonline reduced all three claim loss categories by two thirds in the first year. This is accomplished through a reduction in losses attributable to eligibility-related reporting errors/inaccuracy, misrepresentation of service units provided, and data input errors (relative to both participants and providers). In summary, the financial benefits to waiver dollars are a **reduction from \$7.10 million to \$2.3 million** in claim losses, which provides an **additional \$4.76 million** for waiver services. Overall, this represent a **67% reduction** in claim losses in the first year.

**Administrative Costs** — Implementing GCESonline reduces waiver administration costs from **\$7.55 to \$6.79 million**, through a reduction in paper processes, dramatic process improvements in case management and POC authorization functions, reporting accuracy and efficiencies, and electronic billing and claim control enhancements (minimizing claim errors and reprocessing costs). In summary, administrative costs are reduced , which provides a **savings of \$754,957**. Overall this represents an estimated **10% reduction** in administrative costs in the first year. More efficient use of current staff resources allows for program expansion without additional costs.

### ROI Cost : Benefit Ratio

The program now has an additional \$4.84 million dollars for increased services and/or savings. Combining both service and administrative cost controls, subtracting the State cost of GCESonline (after 50% FFP), yields a conservative Cost Benefit Ratio of **1 : 5.2**.

\* **Disclaimer:** Each State Medicaid program has significant differences in operational, financial, and governing policies. This document is intended to provide a general overview of potential estimates and benefits. The projections and other information generated by the ROI calculator are hypothetical in nature, do not reflect actual ROI results, and are not guarantees of future results. Results may vary with actual use and over time.