City of Fort Worth and SmartLight Analytics Form Partnership to Reduce Healthcare Costs

FORT WORTH, TX, December 11, 2019 – The City of Fort Worth recently partnered with healthcare cost-reduction experts, SmartLight Analytics, in an innovative effort to alleviate the rising costs of employee healthcare. An initial analysis of employee healthcare claims from the previous two years showed that the ongoing partnership could save millions for the City over the next few years.

Given the estimate that 1 in 3 healthcare dollars in the US are spent on fraud, waste, or abuse, the City of Fort Worth was eager to find an independent partner with the required expertise to reduce unnecessary costs for employees, retirees, and taxpayers. The City of Fort Worth Human Resources department engaged SmartLight Analytics to review a subset of past paid claims in a pilot program. Initial findings showed that an ongoing partnership would give the City additional tools to continue to proactively fight against wasteful healthcare spending and decrease its overall healthcare costs.

SmartLight CEO, Asha George, said its "singular objective is to meaningfully reduce the City of Fort Worth's per member per month (PMPM) cost by identifying and removing wasteful spending from its annual health plan dollars."

"The intended outcome of this examination was to report significant findings to Fort Worth on its health plan spend and also provide solutions for reducing potential wasteful spend in future payments," SmartLight stated in its first report to the City.

Some examples of what SmartLight Analytics was able to identify include:

- pass-through billing schemes where unscrupulous physicians route lab services to out-of-network labs who in turn send the claims to in-network rural hospitals in order to receive a higher reimbursement due to their remote location, or

- medically unnecessary abusive urine drug screening and genetic testing claims, or

- identifying claims submitted that violate the anti-kickback laws, or

- overuse of emergency rooms.

Given the success of the initial engagement, SmartLight Analytics will now enter into an on-going partnership with the City. Once a wasteful claim is identified, SmartLight will pass that information on to the City's current medical and prescription providers and work with them to get the money back for the City. Additionally, the medical or prescription providers may report these findings to authorities to help curb the abuse throughout the healthcare system. SmartLight Analytics anticipates the City could save up to $2-$3 million per year in reduced wasteful claim costs.

"We anticipate that SmartLight Analytics will identify claims with fraud, waste, or abuse. Then, they will work with our claims administrator to recover the costs for the City, and have them credited back to us," said Brian

Dickerson, Fort Worth's Human Resources Director. "This will be a win for our employees, our retirees, and the taxpayers of the City of Fort Worth."

SmartLight Analytics provides a comprehensive solution to effectively reduce health care spend through proven methods developed over decades of focused experience. The City of Fort Worth engaged the firm to further reduce spending and save taxpayer dollars. The SmartLight Analytics clinical team led by board-certified physicians reviewed the claims that were identified as either being unnecessary, duplicates, or billing errors that are costing the City unnecessary dollars. The initial report was generated using statistical models and showed the City of Fort Worth exactly where there were issues. On a go forward basis, through their data analytics and clinical expertise, SmartLight will work with the City's insurance carrier to eliminate future wasteful claims.

The partnership will provide the City with significant savings.

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SmartLight Analytics uses advanced inferential analytics coupled with expert clinical claims review to design comprehensive cost-cutting solutions for self-insured employers. SmartLight's expertise in analytics, data and clinical medicine help organizations prevent unnecessary fraud, waste, abuse and duplication of services in their employee healthcare spend.

The City of Fort Worth is the 13th largest city in the United States with Fort Worth a population of 895,008. The City employs 6,738 employees.