



ValidationInstitute

2022 Validation Report

Review for: MedWatch, LLC
Validation Achieved: Savings
Valid through: March 2023



Company Profile



Category:	Population Health Management
Website:	www.urmedwatch.com
Public or Private:	Private
Year Established:	1988
CEO:	Sally-Ann Polson
Company contact:	Tim Guzinski / 321.249.9179

Description:

MedWatch is an innovative leader in Population Health Management and Cost Containment providing beneficial solutions to the self-funded, self-insured industry and employer groups who benefit from these quality services.

MedWatch is URAC accredited in Utilization, Case, and Disease Management, plus provides proven solutions that help plans mitigate risk and maximize savings with the assurance of quality outcomes. Additional services include Pathways Concierge, comprehensive reference-based pricing with member support & advocacy, high-dollar claim review, kidney care, dialysis savings, bundled programs, and more.

MedWatch's comprehensive medical cost containment solutions combined with their proprietary technology and care management system work together to effectively identify and manage risk while enhancing clinical and financial outcomes.

MedWatch works to ensure the right care, at the right time, in the right place, at the right cost, and with the optimal outcome.





Claim Assertion for Validation

MedWatch Claims Solutions addresses high-dollar claims that would often get paid at higher than necessary amounts by payers who may be using standard PPO discounts or accessing agreements that take a minimal percentage off of billed charges. These methods do not address the true cost of the services, nor do they address the real savings that can be obtained through using proven processes to first analyze the claim and remove inappropriate and unbundled charges, then address the repricing process based on costs and Medicare rates.

Specific to dialysis claims, initial savings achieved by first conducting a line-by-line clinical review of the claim and removing inappropriate and unbundled items, averages 29%.

Then, repricing the claim results in total savings averaging 89%.

These processes produce real savings and a repriced claim that is equitable to the provider and the plan, and is 100% defensible, providing complete member support and advocacy for the life of the claim.

To support the MedWatch process, it is recommended that the plan put into the plan documents language that thoroughly support the methodology related to the repricing process, including verbiage on carving out dialysis claims if that is an area of specific targeting.

MedWatch acquires provider signoff as required.





Claim Assertion for Validation

Here are two examples dialysis claims that were repriced:

2021 (12 months)	Sample Claim A	Sample Claim B
Billed Charges:	\$1,404,922.83	\$1,418,504.69
Inappropriately Charged:	\$60,180.77	\$633,839.24
Price Reduction:	\$1,201,766.31	\$694,935.21
Total Savings:	\$1,261,947.08	\$1,328,774.45
% of Savings:	89.82%	93.67%



Method and Findings

To get an “apples to apples” comparison and test MedWatch’s claim, the validation focused on dialysis, where the service is consistent and specific, and Medicare’s pricing is bundled and published.

Medicare prices for a dialysis treatment vary according to regional wage differences, but average around \$240 during the period in question. The average commercial payment was \$1476.

Source: HealthPayerIntelligence.

The spectrum of employer-sponsored health plan payment rates for dialysis is broad. In 2019, the 10 percent to 90 percent price range spanned from a little over \$500 to well over \$1,500. The standard deviation, or scattering of the data around the mean, was \$584. The twenty-fifth percentile of data was around \$737 and the seventy-fifth percentile was around \$1,671.

For MedWatch, as shown on the accompanying spreadsheet, the mode and mean and median were all under \$500 for in-center hemodialysis. In addition, because the Medicare methodology was used, the large majority of line-item charges were included in that bundled rate. Continuous Ambulatory Peritoneal Dialysis (CAPD) and Continuous Cycler Peritoneal Dialysis (CCPD) have much higher Medicare allowables and therefore a higher reimbursement and a much lower discount to charges. In the United States, CAPD and CCPD are much less common than in-center dialysis.

Method and Findings

Subject to the limitations on the next page, we are able to conclude and validate that as of this writing:

- MedWatch is below the tenth percentile for reimbursement, meaning 90% of reimbursements are higher;
- We are aware of no other organization whose reimbursement for dialysis is lower than that of MedWatch;
- It is likely, but not provable, that because the same methodology is applied to other high-cost claims, that MedWatch would pay similarly low rates following review.



Limitations

While as of this writing, we are aware of no other organization that outperforms MedWatch in high-cost claims repricing, it is possible that other repricing organizations we are not familiar with may get a more favorable price for self-insured employers, though it is clear that most TPAs and carriers do not.

Other high-cost claim submissions will have more variation, and as such, we can't be as certain that MedWatch would get similarly favorable pricing, though similar methodologies are involved.





Validation and Credibility Guarantee

MedWatch Claims Solutions achieved Validation for Savings. Validation Institute is willing to provide up to a \$25,000 guarantee as part of their Credibility Guarantee Program. To learn more, visit

<https://validationinstitute.com/credibility-guarantee/>

Savings

Can reduce health care spending per case/participant or for the plan/purchaser overall.

Outcomes

Product/solution has measurably moved the needle on an outcome (risk, hba1c, events, employee retention, etc.) of importance.

Metrics

Credible sources and valid assumptions create a reasonable estimate of a program's impact.

Contractual Integrity

Vendor is willing to put a part of their fees "at risk" as a guarantee.





Validation Expiration: February 2023

CERTIFICATE OF VALIDATION

Applicant: MedWatch, LLC
P.O. Box 952679
Lake Mary, FL 32795-2679

Product: MedWatch Claims Solutions

Claim: MedWatch Claims Solutions addresses high-dollar claims that would often get paid at higher than necessary amounts by payers who may be using standard PPO discounts or accessing agreements that take a minimal percentage off of billed charges.

Validation Achieved: Savings

Award Date: April 2022

Al Lewis
Senior Advisor
Validation Institute

Benny DiCecca
Chief Executive Officer
Validation Institute





About Validation Institute

Validation Institute is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of health care.

Validation Review Process

Validation Institute has a team of epidemiologists and statisticians who review each program. The team focuses on three components:

- Evidence from published literature that a similar intervention had similar results.
- The reliability and credibility of the data sources.
- The rigor of the approach to calculating results.

To achieve validation, the program has to satisfy each of these components. VI's team then summarizes the review into a report which is publicly available. Details of VI's review are available with the program's permission.

