



MAJOR INSURER REVAMPS 3RS REPORTING TO GAIN MULTIMILLION ACA RETURNS



A major California insurer needed to recoup potentially millions in at-risk funds associated with the Affordable Care Act's risk adjustment, reinsurance and risk corridors (3Rs) reporting requirements and complete required compliance activities for ongoing 3Rs operations, while continuing its ongoing business structure and capabilities.

Problem to Solve

With potentially millions in revenue on the line due to the risk adjustment, reinsurance and risk corridors requirements (the 3Rs) of the Affordable Care Act (ACA), a major California insurer needed to ensure it was ready to meet this opportunity. Specifically, this insurer needed to recoup at-risk funds associated with the ACA's 3Rs-related reporting requirements and complete required compliance activities for ongoing 3Rs operations, while continuing its ongoing business structure and capabilities.

This insurer was not alone in these needs. When the ACA was enacted, participating insurers had to implement hundreds of new and/or revamped operational projects, requirements, processes, policies and activities - all while simultaneously bringing new products to market through the ACA's exchanges.

Regarding the ACA's 3Rs requirements, the insurer was hampered by struggles with data from multiple source systems, making 3R reporting a challenge. Because the company lacked sufficient internal expertise and resources to address needed changes, it brought in Freed Associates (Freed) to lead a multi-year effort to organize and facilitate its ACA compliance and readiness activities.



Strategy and Goals

The client's primary needs were to translate the complexity, sheer size and timing requirements of its 3Rs-related compliance efforts into several new or enhanced operational and systems processes. From client input and engagement, the following project goals were identified and divided into two phases:

1. **Design and develop the 3Rs organizational model** – Determine the deployment strategies needed to meet critical 3Rs-related data submission deadlines, develop a release calendar to meet key activities and submission tasks, and execute a gap assessment to evaluate the insurer's readiness to meet ACA program deadlines
2. **Design and develop standard operating procedures and IT controls** – Determine processes to monitor 3Rs program changes, make claims validation enhancements, transition all ongoing solution and submission processes from the project team to the client's business operations staff, including training staff members and codifying procedures

Results

Through Freed's initiatives and oversight, the client met the ACA's 3Rs requirements and captured several million dollars in at-risk funds. These efforts engaged more than 15 of the client's operating and IT teams and more than 100 client staff members. The team collaboratively achieved the following 3Rs-related goals:

- **Created a new risk operational model** – To support ongoing claims, enrollment and supplemental data submission activity
- **Devised a new staffing model** – To identify and address staffing gaps and manage operations during peak submission periods
- **Enhanced and streamlined claims validation** – To improve the quality of claims data and institute new, repeatable data validation processes
- **Designed and implemented an operations dashboard** – To allow staff to monitor operational effectiveness and consistency
- **Instituted a new ACA update process** – To provide a new regulatory intake and communication handling process, to accommodate the volume of 3Rs-related ACA updates
- **Assessed and optimized critical processes** – To ensure efficiency and allow staff members to focus on higher-value activities
- **Developed new compliance-related data management policies** – To deliver, for both test and production needs, a series of new data management policies, including those related to



disaster recovery plans and processes, data de-identification of federally protected health information, and archival and purge capabilities

Since 2010, there have been hundreds of updates to the ACA, requiring affected organizations to quickly respond with multiple sustainable solutions. The client was steered through several daunting regulatory changes and hurdles. This will prepare them to more effectively cope with upcoming anticipated ACA changes.

Conclusion

Freed consultants worked seamlessly with dozens of the client's key executives and subject matter experts, gaining such kudos as "A real pleasure to work with the whole Freed team" and "Hope we have the chance to work together in the future."

The client built a 3Rs-related operational model from start-up to self-sufficiency, complied with all 3Rs-related regulatory policies and changes, and developed and improved multiple processes related to annual 3Rs ACA-related submissions.

The project team developed an ongoing operational dashboard for the organization's executives and staff members and transitioned all program activities to the client's operations team. Throughout this work, the importance of continued maintenance and sustainability of these results was emphasized, positioning the client to continue to capture these gains over the long-term.

Testimonial

"Freed was the deciding factor in making this project successful. Freed consultants were unfailingly professional, uncomplaining under difficult circumstances, and positive. I can't say enough good things about Freed and the partnership they provided."

You may download a copy of this success story [here](#).