

### Client Profile

**Client since:**  
2005

**Current Members:**  
301,450

**Plans Offered:**  
Medicare Advantage PPO, Part D

### TMG Health Services Provided

- Enrollment
- Eligibility & Reconciliation
- Premium Billing
- Claims Processing (PPO Only)
- Member & Provider Call Services Surveys

### Seizing the Medicare Advantage Opportunity

The passage of the Medicare Prescription Drug Improvement and Modernization Act in 2003 provided the impetus for Health Care Service Corporation (HCSC) to evaluate entry into the Medicare Advantage market. HCSC, based in Chicago, IL, is comprised of Blue Cross Blue Shield of Illinois, Blue Cross Blue Shield of New Mexico, Blue Cross Blue Shield of Texas and Blue Cross Blue Shield of Oklahoma.

The senior management team perceived value in the Medicare Advantage opportunity based on the following variables:

- Evolving demographics resulting in a growing Medicare eligible population
- Opportunity to increase market share
- Additional revenue growth

After careful analysis the company elected to move forward with the Medicare Advantage product which would provide a strategic complement to its large commercial member base.

Throughout 2004 and 2005, as HCSC continued planning for its entry into the market, the management team closely examined the challenges experienced by other start-up health plans in the Medicare Advantage and Part D marketplace. They quickly identified several key risk areas:

- The lack of in-house expertise in the Medicare Advantage and Part D areas
- A compressed time frame in which to staff and train resources
- Evolving CMS compliance requirements that presented a moving target for planners
- Potential for resource contention between the commercial and government insurance lines

As HCSC planners evaluated these issues, it was decided to explore the possibility of using a business process outsourcing service to reduce risk and speed time to market.

“*TMG Health had been in the Medicare market for a considerable length of time and, as a result, had a good relationship with CMS. They understood how best to meet CMS requirements across a number of states.*”

## Making the Decision to Outsource

Concerned over the risks outlined above and after a complete financial analysis, the senior management team elected to evaluate outsourcing for its Medicare Advantage and Part D products and subsequently released RFPs to 10 companies. The team's careful study of entry challenges experienced by other health plans lead it to focus intensely on four key criteria:

- Length of successful experience with CMS
- Expertise and capacity in the Enrollment function
- Strong commitment and track record in maintaining compliant operations
- Comprehensive and specialized systems capacity unique to the government health plan market

After a thorough evaluation process HCSC selected TMG Health as its BPO provider. Nancy Donaldson, Vice President, Strategic Medicare Business Development, commented on the selection, "TMG Health had been in the Medicare market for a considerable length of time and, as a result, had a good relationship with CMS. They understood how best to meet CMS requirements across a number of states."

From the time of TMG Health's selection through today, the Company remains the largest and most experienced BPO provider in the Medicare Advantage market. Today the company serves over 30 health plans representing 2.8 million members in all 50 states.

TMG Health was named the number one provider of BPO services to the government health plan market in 2008 and, again, in 2009 by the Black Book of Outsourcing.

TMG Health's in-depth knowledge of CMS compliance and operational requirements are still greatly appreciated by everyone at HCSC. As Nancy Donaldson states quite emphatically, "There are no simple mistakes with Medicare."

The HCSC and TMG Health relationship is approaching 5 years and during that time period HCSC's growth in the Medicare Advantage and Part D markets has grown to over 300,000 members. The close working relationship of the companies positions HCSC to create continued growth and success in the Medicare Advantage market.