



Consolidation Study Overview

The purpose of the consolidation study is to determine the potential cost savings available to a particular TPA as an ECHO client. To accomplish this goal, ECHO needs information about the number of claims processed for both providers and members (primary insureds and their dependents). For the purpose of this study, we treat every claim as an individual transaction for each provider and member, regardless of the method currently used to deliver this information.

Completing the attached file will help us build a consolidation study that will allow you to compare your current costs to those achieved as an ECHO client. The data you provide will become a benchmark to compare the delivery options (monthly family paper EOBs, member electronic EOBs and direct deposits, and provider payments delivered electronically or by paper) and resultant costs you will have with ECHO Health.

The Microsoft® Excel file format supports both provider and member data. This information is collected for three consecutive months. Please include the associated number of primary insured counts for each month during the study period, plus your monthly print/postage amounts for your print vendor(s).

Once this information is obtained, we will build an interactive model of your cost saving benefits.

The model considers the following parameters:

Printing Costs: The costs to produce consolidated ECHO paper documents versus those to produce these claim documents and payments using your current method.

Electronic Delivery Costs: The fulfillment cost savings from converting provider and member payments and communication to an electronic delivery method using your current fulfillment costs.

Electronic Payment Revenue: The additional revenue that may be earned to offset current fulfillment expenses by choosing alternative payment processes such as ECHO *QuicRemit*SM — a stored value virtual E-Card through the MasterCard® network.

Reconciliation and Banking Costs: The cost savings with ECHO eliminating all paper checks and the dramatic reduction in reconciliation costs through collecting employer benefits via ACH.

Should you have any questions about creating these records, please contact Bill Davis at wdavis@echohealthinc.com or 216.272.0920. Thank you for helping your company lower its costs!