

Third-Party Payment Program Generates Annualized 2.2X Return on Investment



The Challenge: Improving the health of local communities while achieving a positive ROI for health plans and affiliated hospitals

Community First Health Plan (CFHP) expands access to care through an industry compliant hospital-sponsorship program.

The gaps between Medicare, Medicaid, and the ACA continue to be an issue for individuals most at risk for lapsing coverage. A regional health plan based in Bexar County, Community First Health Plan (CFHP), identified a segment of their population that qualifies for subsidies, but where affordability remains a barrier to coverage.

Piloting a third-party payment (TPP) program, where the affiliated hospital acts as the sponsor, **allows CFHP to decrease the uninsured rates of frequent emergency room visitors and other vulnerable members of their local community.**

The TPP program is a way for the hospital system, the federal government, and health plans to make sure that funding for healthcare is going to the people that truly need it.

*Daverick Isaac
Vice President & Chief Financial Officer of CFHP*

Benefits for All Parties



Health Plans

An increase in enrollments in typically hard-to-reach populations



Hospital Systems

A reduction in unpaid hospital costs and emergency room visits



Community Members

Affordable health coverage and greater availability of preventative care



CMS

Funds support the people that need coverage the most and lower uninsured rates

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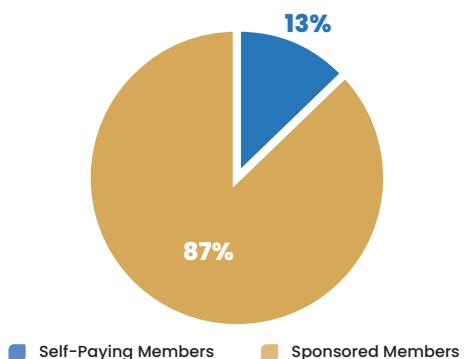
The Results: Expanding into the sponsored-payment market resulted in a 2.2x first-year ROI

CFHP treated 2022 as a pilot year for the TPP program, focusing on **enrolling patients visiting University Health that lacked coverage**.

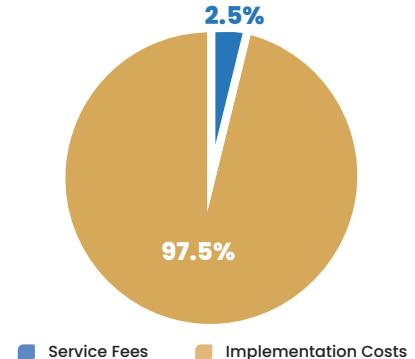
The pilot year prioritized rolling out the program to select community members that met **low-income thresholds and lived within a limited geographic area**. Sponsored members contributed to 87% of all CFHP enrollments during 2022.

Ongoing service fees only contributed to 2.5% of the annual Softheon costs. With the implementation fee no longer contributing to the annual vendor cost in 2023, CFHP is projected to see a **2023 ROI of 43X** without any membership growth.

CFHP 2022 Membership Distribution



Annual Softheon Costs During the First 3 Years



The net profit for the first year of the sponsor program far exceeds Softheon's implementation and services fees. CFHP reached a **2.2X ROI during the first year of the program**, setting the stage for future revenue growth. Marketing costs and potential premium rebates were also considered when determining net profit.



To learn more about how to set up a successful sponsored-payment program, contact our team:
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