

# Surgical Savings Model Brief

A practical framework for estimating eligible procedure savings before launching a pilot.

## Audience

CFOs, benefits leaders, brokers, consultants, TPAs, carriers, and plan administrators evaluating surgical claims opportunity.

## What this PDF helps users do

- Understand whether the opportunity is relevant before speaking with sales.
  - Frame the evaluation around savings, governance, member trust, privacy, and reporting.
  - Prepare a more qualified conversation with CareCostDown, a broker, or a TPA.
  - Avoid confusing a governed employer pathway with unmanaged medical tourism.
-





# The core savings question

The relevant employer question is not whether overseas care has a lower sticker price. The relevant question is whether a clinically appropriate, voluntary case can be supported through a governed pathway and still create meaningful net savings after medical cost, travel, coordination, and member support.

- Estimate domestic allowed amount for the procedure category.
  - Estimate overseas COE medical cost for suitable cases.
  - Add travel, care coordination, member support, and administrative assumptions.
  - Subtract total pathway cost from the domestic allowed amount.
  - Multiply conservative net savings by eligible case volume and expected participation.
-





# Single-case savings logic

<b>Domestic allowed amount</b>	\$42,000
--------------------------------	----------

<b>Overseas COE medical cost</b>	\$18,000
----------------------------------	----------

<b>Travel + coordination + member support</b>	\$5,000
---	---------

<b>Total overseas pathway cost</b>	\$23,000
------------------------------------	----------

<b>Estimated net plan savings</b>	\$19,000
-----------------------------------	----------

<b>Estimated savings rate</b>	45%
-------------------------------	-----

This knee replacement example is illustrative only. Actual savings depend on plan design, procedure type, allowed amounts, eligibility, travel suitability, clinical review, facility selection, and implementation costs.





# Annual opportunity model

Annual opportunity should be modeled in low, base, and high case-volume scenarios. This prevents the business case from depending on overly aggressive assumptions.

<b>5 eligible cases per year</b>	\$95,000 modeled annual opportunity
----------------------------------	-------------------------------------

<b>10 eligible cases per year</b>	\$190,000 modeled annual opportunity
-----------------------------------	--------------------------------------

<b>25 eligible cases per year</b>	\$475,000 modeled annual opportunity
-----------------------------------	--------------------------------------

Modeled opportunity is not the same as guaranteed realized savings. Participation is voluntary and every case requires suitability review.





# Inputs needed to model savings

- Procedure category: knee replacement, hip replacement, selected orthopedics, or another elective category.
  - Annual eligible volume: estimated cases per year that could be reviewed.
  - Domestic allowed amount: average or range paid by the plan for the procedure category.
  - Pathway cost: overseas COE medical cost plus travel, coordination, and member support.
  - Participation rate: conservative estimate of members who may voluntarily choose review.
  - Plan context: self-funded status, covered lives, employer goals, broker/TPA workflow, and reporting needs.
-





## How to use the model

- Use a conservative domestic allowed amount, not the highest outlier claim.
- Include travel, coordination, member support, and administrative assumptions.
- Model low, base, and high eligible case volume.
- Keep clinical suitability separate from financial attractiveness.
- Use the model to decide whether a Surgical Savings Review or pilot briefing is warranted.

### Recommended next step

Next step: Model My Plan Savings.

---



