



The Cost of Waiting

How Postponing the Decision to Outsource NICU Care Management Leaves Money on the Table



Outsourcing NICU Care Management Saves Health Plan Dollars



Ask any organizational consultant, and they'll tell you bureaucracy stifles innovation. Leaders often resist sharing decision-making power, fearing chaos and resulting in a risk-averse process that overlooks clear opportunities for savings, efficiency, and growth. At ProgenyHealth, we help healthcare organizations make the strategic choice to outsource their NICU care management. But one critical factor is often missing from that decision: the cost of delay.

Understanding the Cost of Delay

Cost of Delay (CoD) is a key metric that helps organizations prioritize decisions based on measurable impact. A McKinsey Global Survey [found only 20%](#) of organizations excel at decision-making, with much of that time spent ineffectively. CoD assigns value to delays that were once left to instinct. Just like choosing between takeout or groceries on a busy night, what gets delayed still needs attention later.

In business, CoD clarifies which actions to take now. And the formula is simple:

CoD = Value of benefit × Length of delay.

For example, if outsourcing NICU Care Management can reduce costs by 12% on a \$10 million spend, and a decision is delayed by two years, the CoD is:

12% × \$10M × 2 = \$2.4 million.

Despite its real impact, CoD often goes unnoticed, but ignoring it can lead to missed savings, slower growth, and lost opportunities.

The Cost of Delay in NICU Care Management Is Too High to Ignore

Because NICU claims represent such a small percentage of a plan's total claim volume, NICU offers a tempting decision to delay, especially compared to other clinical areas with higher utilization. The flip side is that even though NICU is low volume, these cases can represent the top 1% of costs.



When Sun Life studied the top ten conditions for million-dollar stop-loss claims for 2025, **NICU-related costs appeared at positions five and ten**, but they were not identified as such. They were described as Newborn/ Infant Care (#5) and Congenital Anomaly (#10) with a combined total spend of over \$400M and an [average cost between \\$335K-\\$476K](#).

Why Health Plans Delay Outsourcing NICU Care Management

Outsourcing NICU Care Management often gets delayed within health plans due to:

- **“We’re Covered.”** Many believe existing Utilization Management or Case Management services are sufficient or feel building in-house is simpler.
- **Competing Priorities.** Health plans frequently shift focus to more visible, high-volume programs.
- **Hidden High Costs.** NICU cases may be less common but can land in the top 1% of claim costs, yet these aren’t always flagged for action.
- **Provider Dynamics.** Plans worry that outsourcing could disrupt existing provider relationships.



Streamlining the Decision-Making Process to Outsource NICU

For health plans, the decision to outsource NICU care management requires evaluating time, cost, internal expertise, and most importantly, the **Cost of Delay**.

Here are six key considerations:

1. Complex Needs, High Costs

NICU cases are rare but expensive, requiring precise care coordination to avoid unnecessary costs.

2. Specialized Expertise

Building an effective program demands clinical, data, and neonatal expertise—most of which are not readily available in-house.

3. Infrastructure Readiness

ProgenyHealth’s platform is purpose-built from managing hundreds of thousands of NICU cases, offering real-time analytics and decision support.

4. Dedicated Case Management

NICU case managers support families 24/7 and address broader needs like food insecurity, housing, and behavioral health.

5. Time & Talent Gaps

Setting up a NICU program takes time, staffing, accreditation, and ongoing investment in talent, delaying value delivery.

6. The Bottom Line

With NICU driving 85% of a plan’s birth costs, a focused solution can unlock measurable savings.



Let's Make Better Decisions Together

At ProgenyHealth, we help health plans uncover how NICU, consistently a top driver of cost and stop-loss claims, impacts their bottom line. Our expert team analyzes NICU claims to find savings and improve outcomes by focusing on:



Level of Care:

Ensuring NICU billing (Rev Codes 172–174) matches the infant's clinical needs—preventing overuse of high-cost intensive care days.



Length of Stay:

Reducing average NICU stays by 10-15%, getting families home sooner while cutting costs.



Accurate Diagnosis Coding:

Validating DRGs to align with clinical guidelines, reducing inlier costs and improving classification accuracy across 112 possible NICU DRG codes.

Even for plans with an existing NICU program, we often find untapped opportunities to improve outcomes and reduce spend. Our proactive approach of identifying risks earlier, supporting families through NICU stays, and ensuring accurate billing through our NICU Payment Validation and Assurance solution, delivers measurable results, including fewer severe NICU cases, shorter lengths of stay, and significant cost savings. Through our comprehensive and compassionate care model, we not only enhance the health of mothers and infants but also empower health plans to reinvest in broader population health initiatives, creating a lasting impact on the communities we serve.

About ProgenyHealth

ProgenyHealth empowers our health plan and employer partners to change the trajectory of maternal and infant health outcomes across America. Informed by more than 20 years of experience and patient data, our end-to-end maternal and infant care management solution helps ensure the best possible outcomes for every expecting mother we touch.

Our wholly integrated, tech-enabled solution builds a network of support for an uninterrupted continuum of care from prenatal health, through any resultant NICU stay, and all the way to one full year of life. From the very beginning, we unite early health risk assessment data with self-directed digital tools and dedicated case managers who work tirelessly to connect at-risk moms-to-be with the resources, care, and support they need for a healthier, full-term delivery.

By promoting predictable, equitable, and standardized high quality care journeys, we ensure healthier outcomes—and lower costs—across an entire at-risk population. In so doing, we help overcome systemic barriers to support healthier pregnancies and healthier starts to life for all moms and babies, one family at a time.

To learn more, visit

www.progenyhealth.com