



IMPACT YOUR BOTTOM LINE BY GIVING YOUR DATA A VOICE

Arjomand Rahimzadeh,
CEO, EDIWatch, Inc

David Botsko,
CEO, Botsko and Associates, LLC

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Introductions



David Botsko, Ph.D., CFE

Dr. Botsko retired as the Arizona Medicaid (AHCCCS) Inspector General after serving 11 years with the agency. Prior to working with the State of Arizona, David was a federal law enforcement officer for 22 years.

Arjomand Rahimzadeh

Co-founder and CEO of EDIWatch, Arjomand was the former CEO of Atlantic Intelligent Systems and has 20+ years' experience in health technology consulting.

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Topics



- ◆ Introductions
- ◆ Project
 - ◆ Scope and Objectives
 - ◆ Request for Proposal
 - ◆ Implementation
 - ◆ Working together
- ◆ Results
 - ◆ Cases
- ◆ Lessons Learned
 - ◆ The Good, The Bad, and The Ugly
- ◆ Q&A



Botsko and Associates, LLC



- ◆ Provides a variety of specialized services to health care organizations, physician practices and attorneys throughout Arizona and the United States.
- ◆ A diversified group of individuals available to serve for short or long term needs.
 - ◆ Development of Corporate Compliance Programs
 - ◆ Fraud awareness training for management and staff
 - ◆ Leadership Training
 - ◆ Violence in the workplace awareness training
 - ◆ Interview Training



AHCCCS



The Arizona Health Care Cost Containment System is Arizona's Medicaid program. AHCCCS oversees contracted health plans in the delivery of health care to individuals and families who qualify for Medicaid and other medical assistance programs.

- ◆ **Mission:** Reaching across Arizona to provide comprehensive, quality health care to those in need.
- ◆ **Vision:** Shaping tomorrow's managed care from today's experience, quality and innovation.
- ◆ **Values:** Passion, Community, Quality, Respect, Accountability, Innovation, Teamwork, Leadership.
- ◆ **Credo:** Our first care is your health care.



EDIWatch, Inc.



- ◆ EDIWatch was incorporated in 1999 and is headquartered in Atlanta.
- ◆ **Exclusively** focused on healthcare fraud, waste and abuse.
- ◆ Staff dedicated solely to the development and support of fraud, waste and abuse solutions.
- ◆ Known in the industry for strong track record of on-time product delivery.
- ◆ Premier sponsor of the **NHCAA**.



Medicaid Fraud in Arizona

- ◆ The AHCCCS Office of the Inspector General (OIG) employs a staff of 55 individuals responsible for investigating provider and member fraud.
- ◆ The OIG has full subpoena power and the authority to administer oaths.
- ◆ The OIG is empowered to impose civil monetary penalties in an amount up to \$2,000 for each item or service claimed together with a penalty not to exceed twice the amount claimed.

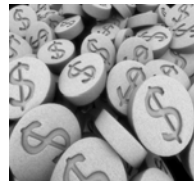
- ◆ The OIG has the authority to exclude providers from participation in AHCCCS.
- ◆ The OIG works closely with the Attorney General's Office and the County Attorney's Office in the prosecution of cases involving members and provider fraud.

Arizona OIG in Action

- ◆ <http://www.azcentral.com/video/931429369001>
- ◆ <http://www.youtube.com/watch?v=qae674iCVHc>

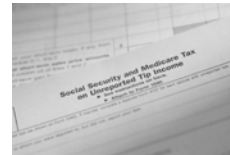
Arizona Recipient Fraud Recoveries (FY 2010)

- ◆ State of Arizona Member Fraud Unit-16 FTE's.
- ◆ Total recipient fraud cases investigated 892.
- ◆ Total cost avoidance and recoveries: \$38.536 Million.
- ◆ Above includes \$67,000 investigative cost.



Types of Recipient Fraud

- ◆ Loaning of Medicaid ID cards to others.
- ◆ Changing or falsifying a prescription.
- ◆ Utilizing more than one Medicaid identification card.
- ◆ Deliberately obtaining excessive services and/or supplies.
- ◆ Selling supplies.



Recipient Fraud

- ◆ Falsifying income (primarily self-employed).
- ◆ Providing false or misleading information regarding household composition.
- ◆ Fictitious address used (border states).



Arizona Provider Fraud Recoveries (FY 2010)

- ◆ State of Arizona Provider Fraud Unit-18 FTE's.
- ◆ Total Provider fraud cases investigated 291.
- ◆ Total cost avoidance and recoveries: \$34.7 Million.
- ◆ Leads received and investigated within 48 hours.



Provider Fraud Examples

- ◆ Billing for services not provided.
- ◆ Submitting duplicate billing.
- ◆ Requiring that the patient to return for non-medically necessary treatment or prescriptions.
- ◆ Billing for more time than actually provided.



Provider Fraud

- ◆ Submitting an up-coded bill.
- ◆ Billing Medicaid for fictitious office appointments.
- ◆ Providing services by an unlicensed person, and billing as if the professional had provided the service.



Arizona Health Care Cost Containment System



Key Assumptions

- ◆ Current Membership is approximately 1.3 million lives.
- ◆ Processes approximately 36 million encounters per year.
- ◆ Processes approximately 6 million Fee-for-Service claims per year.

Arizona Health Care Cost Containment System RFP for Program Integrity issued January 2010

Objective of the RFP

“The objective of this RFP is for the State of Arizona to become a quality care driver, recognized for effective cost management; a health information resource to support public policy discussions; and a valued health insurance option for the residents and tax payers of Arizona....”



The Goals of the RFP

Provide Program Integrity staff with:

- ◆ Timely scheduled and ad hoc management, medical and program/service reports.
- ◆ State-of-the-art reporting/inquiry tools and system utilities to enhance the staffs capabilities to administer, plan, and evaluate the performance and utilization of the State's programs, MCO's, providers, and members.



The Goals of the RFP

Allow Program Integrity staff to:

- ◆ Identify patterns of billing practices across multiple lines of business, member categories, providers, and MCOs.
- ◆ Track service levels and usage to ensure AHCCCS is not incurring costs for inappropriate care and not paying for fraudulent services.
- ◆ Provide reporting to monitor and analyze claims and encounters against expected submission volume levels by service categories.
- ◆ Store and report data needed to support MCOs and AHCCCS fee-for-service monitoring and oversight activities.



RFP Key Requirements

- ◆ Must compare member and provider activities to normative standards.
- ◆ Must identify aberrant billing practices.
- ◆ Must provide variance analysis and comparisons.



RFP Key Requirements

- ◆ Must provide advanced drill-down capabilities by both provider and member.
- ◆ Must support online access to aggregated data with multi-level drill down capabilities to support the summarized findings.
- ◆ Must operate in a fully hosted environment.
- ◆ Must accept data in industry standards.



RFP Key Requirements

- ◆ Must support peer to peer comparisons based on ad-hoc user defined service dimensions.
- ◆ Must alert state staff members to potential cases of fraud, waste and abuse in an interactive format.
- ◆ Must satisfy the Program Integrity Checklist as defined by the CMS Medicaid Enterprise Certification Toolkit (MECT).

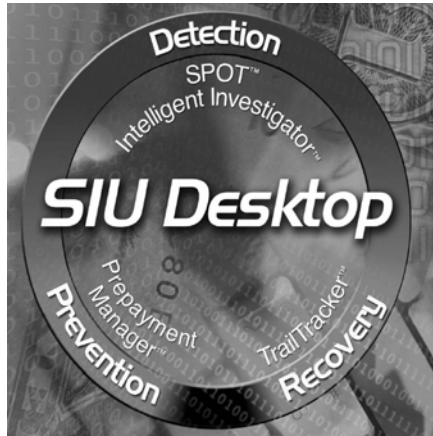


Evaluation Criteria In Order Of Importance

- ◆ System Technology and Functional Capability
- ◆ Cost
- ◆ Experience and Expertise of the Vendor
- ◆ Completeness of the RFP

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- ◆ Awarded to EDIWatch June 2010



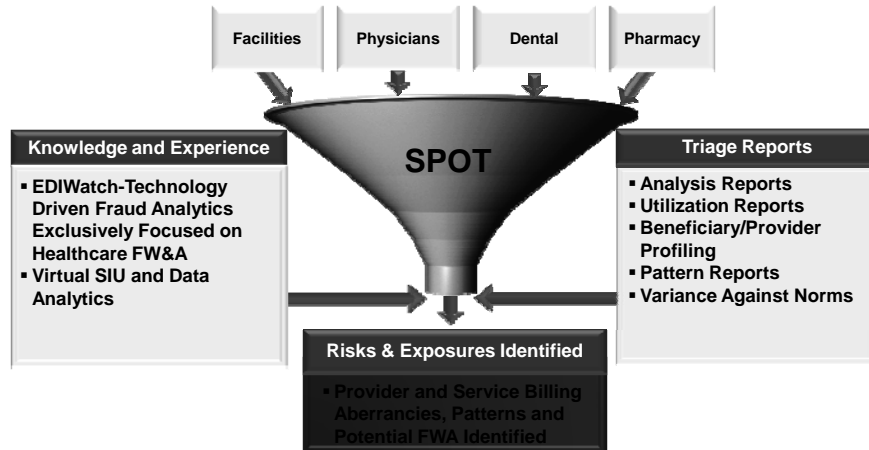


- ◆ **Detection**
 - ◆ Intelligent Investigator™
- ◆ **Recovery**
 - ◆ Trail Tracker™
- ◆ **Prevention**
 - ◆ PrePayment Manager™
- ◆ **Advanced Analytics**
 - ◆ Virtual SIU™
- ◆ **Education & Training**
 - ◆ Fraud Forum™

EDIWatch's Fraud, Waste and Abuse Solutions

- ◆ Designed for the desktop user.
- ◆ Transforms data into information.
- ◆ Views all lines of business through a single window.
- ◆ System primed with Fraud Rules, Composite Lead Indicator (CLI), Automated Analysis, and Profiles.
- ◆ Quarterly releases of new rules and enhancements.





Case Management – *Improved Recovery*

Feature	Benefit
<ul style="list-style-type: none"> • Provides status and management reports 	<ul style="list-style-type: none"> • Allows for prioritization of workload • Explanations of investigations • Proper response to legal authorities
<ul style="list-style-type: none"> • Case tracking 	<ul style="list-style-type: none"> • Ability to efficiently build upon cases until legal action begins • A single system for storing all information relevant to a case
<ul style="list-style-type: none"> • Configurable Objects 	<ul style="list-style-type: none"> • Allows for customized configuration while maintaining existing policies and procedures
<ul style="list-style-type: none"> • Form Management 	<ul style="list-style-type: none"> • Improve efficiency and proper form utilization
<ul style="list-style-type: none"> • Contact Management 	<ul style="list-style-type: none"> • Consistent and accurate source for managing contacts related to a case

- ◆ Claims analysis and data mining.
- ◆ Provider trending and profiling.
- ◆ Lead Generation/Case identification.
- ◆ Determination of findings.
- ◆ Collaboration on generation of correspondence.
- ◆ DRG claims and medical record review.



152 Step Implementation Plan

- ◆ EDIWatch has a turnkey approach that involves minimal partner activity and IT resources.
- ◆ Our commitment is to install the product and “go live” in 6-8 weeks from the time we receive the final approved extract of data.
- ◆ AHCCCS Kickoff Informational Meeting 10/5/2010.
- ◆ Project start 11/4/2010.



- ◆ Product “go live” 4 weeks after receipt of final approved extract of data.
- ◆ Product “go live” 3/15/2011 in 93 days start to finish!



Partnership at Work

- ◆ Weekly implementation meetings between EDIWatch Project Manager and AHCCCS Project Team until “go live.”
- ◆ Due diligence between AHCCCS and EDIWatch technical teams to meet the AHCCCS specific product expectations.
- ◆ Ad hoc communication for implementation activities to meet AHCCCS specific needs.



Partnership at Work

- ◆ Onsite training for AHCCCS staff in product navigation and system techniques.
- ◆ Updated training on product improvements and customizations by WebEx.
- ◆ Bi monthly calls between AHCCCS Project Manager and EDIWatch Account Management continue for life of the contract.



Results

Case Example #1

- ◆ Using EDIWatch's SPOT™ and Intelligent Investigator™ products, the EDIWatch Virtual SIU™ reviewed HCPCS Procedure and Supply codes due to high levels of claims activity indicated by the system reports.
- ◆ HCPCS (A4624) Tracheal Suction Tubes was noted to have an unusually high Units of Service (UOS) amount.
- ◆ Indications and Limitations of Coverage and/or Medical Necessity:
"Sterile suction catheters (A4624) are medically necessary only for tracheostomy suctioning. No more than three suction catheters per day are covered for medically necessary tracheostomy suctioning."



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Results

Case Example #1(cont)

- ◆ As a benchmark, the EDIWatch Virtual SIU staff ran an ad hoc query on (A4624) setting the parameters as:
 - ◆ Claims with UOS of greater than 90-93 per month.
 - ◆ A two year recoverable span of time.



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Results

Case Example #1(cont)

◆ Providers exceeding the allowed	13
◆ Patients exceeding the allowed	152
◆ Charged amount	\$500,468.
◆ Paid Amount	\$394,549.
Anticipated recovery amount	\$394,549

Results

Case Example #2

- ◆ Using EDIWatch's SPOT™ and Intelligent Investigator™ products, the EDIWatch Virtual SIU™ staff reviewed specific HCPCS Procedure and Supply codes due to high levels of claims by specialists billing inappropriate codes.
- ◆ HCPCS (93720) Plethysmography, total body, was noted to have unusual activity by non-pulmonary specialists.

Results

Case Example #2 (cont)

- ◆ EDIWatch Virtual SIU staff ran a query on billing of HCPCS (93720) setting the parameters as:
- ◆ All AHCCCS providers billing (93720).
- ◆ Exclusion of AHCCCS specialist 68 (pulmonologist).
- ◆ A two year recoverable span of time.



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Results

Case Example #2 (cont)

◆ Non-pulmonologists billing (93720)	4
◆ Charged Amount Non-pulmonologists	\$83,602
◆ Paid Amount Non-pulmonologists	\$54,052
Anticipated recovery amount	\$54,052



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Results

Case Example #3

- ◆ Using EDIWatch's SPOT™ and Intelligent Investigator™ products, EDIWatch Virtual SIU™ staff reviewed HCPCS Procedure and Supply codes due to high levels of claims activity indicated by the system for ALS Level 1 transportation.
- ◆ HCPCS (A0426) Advanced Life Support Level 1 was noted to have unusually high levels for non-emergency diagnosis codes.
- ◆ An advanced life support (ALS) intervention is a procedure that is required to be done by an emergency medical technician-intermediate (EMT-Intermediate) or EMT-Paramedic. An ALS intervention must be medically necessary to qualify as an intervention for payment for an ALS level of service.



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Results

Case Example #3 (cont)

- ◆ As a benchmark, EDIWatch Virtual SIU staff ran an ad hoc query on (A0426) ALS Level 1 setting the parameters as:
- ◆ All AHCCCS providers billing (A0426) for non-emergency diagnosis codes.
- ◆ A two year recoverable span of time.



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Results

Case Example #3 (cont)

Diagnosis Code 786.2 "Cough"

◆ Providers	14
◆ Patients	306
◆ Charged amount	\$235,197
◆ Paid Amount	\$160,364
Anticipated recovery amount	\$160,364

Individual run reports to be reviewed for ALS intervention



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Lessons Learned

The Good

- ◆ Intensive conversation with AHCCCS prior to commencement of implementation drove critical thinking for both customer and vendor.
- ◆ Agreement on up-front customizations allowed for development of rapid implementation schedule.
- ◆ Consistent communication between EDIWatch project management staff and AHCCCS facilitated obtaining mutual implementation milestones.
- ◆ Published implementation plan gave AHCCCS and EDIWatch a “roadmap” of consecutive and concurrent activities to complete.



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Lessons Learned

The Bad

- ◆ AHCCCS established data center was not current and lacked some specific data collection fields.
- ◆ AHCCCS current record layout was not compatible with the EDIWatch mapping request.
- ◆ AHCCCS staff requested a large amount of customization in an attempt to replicate their current system “look.”
- ◆ EDIWatch system had to serve two specific investigation units; provider investigation and member investigation. Training had to be system generic and investigator specific at the same time.



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Lessons Learned

The Ugly

- ◆ Implementation to take place during the Thanksgiving, Christmas, and New Years holiday season.
- ◆ EDIWatch moved physical location during the implementation process.
- ◆ Metro Atlanta hit by severe snow and ice storm mid-implementation shutting businesses for over 4 days.



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Lessons Learned

The Results

- ◆ 34 trained AHCCCS investigators working daily with customized, fully operational detection and case tracking software.
- ◆ Notable AHCCCS reduction in utilization of internal IT staff for claims analysis.
- ◆ Return on Investment (ROI) of 3 years licensing fees on track to be recovered in first year of operation.
- ◆ Improved implementation plan developed for state Medicaid programs.
- ◆ 150 hours of SIU data analytic work performed by the EDIWatch Virtual SIU™.



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Questions from the floor?

