

# A Game Changing Approach to Stopping FWA – How a Payer is Achieving Real Results

**Andrea Allmon, Ph.D.**  
Senior Director of  
Product Management  
FICO

**Denny Latsha**  
Senior Program Manager  
Highmark

**Marilee Willey, RN, CPC,**  
*CPC-H, RAC-CT*  
Investigations Team Lead  
Highmark

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## NHCAA CONFERENCE

### *Highmark's Experience using Predictive Modeling Claims Scoring Technology*

November 18, 2011

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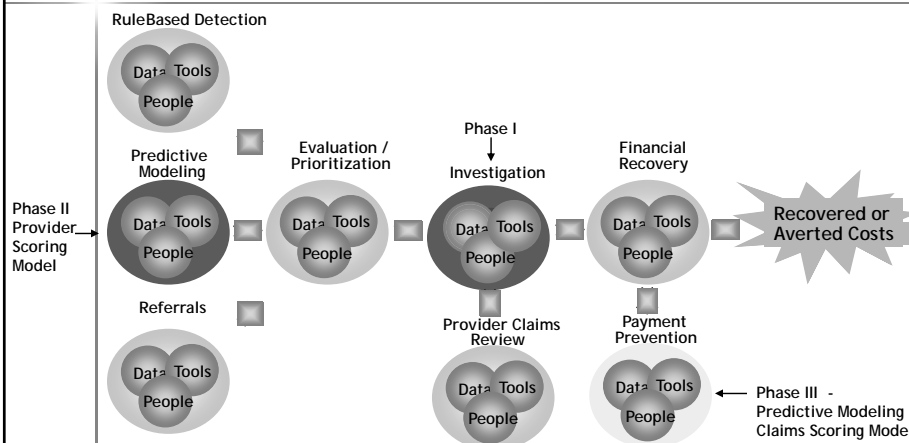
# Welcome to Highmark

- Primary Offices in Pittsburgh & Camp Hill along with satellite offices throughout the USA
- 19,500 Employees
- 4.8 Million Health Care Members
- 32.6 Million Members Across all Products
- 2010 Revenues: \$14.6 Billion



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# Fraud Detection and Investigation Process Flow



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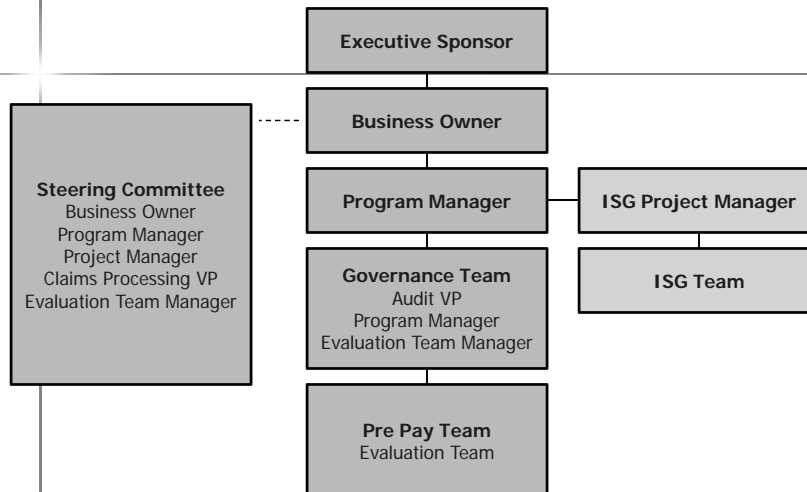
# Implementing Pre-Payment Claims Scoring Technology

**Critical Success Factors:**

- Efficient data transmission of claims (post adjudication but prior to physical payment).
- Building an effective evaluation team:
  - Appropriate skill sets
  - New job rating/job class
  - Job performance measurements
- Establish effective workflow processes between evaluation team and existing departments
  - Fraud cases
  - Abuse cases
  - Policy changes
  - System changes
- Define and implement an effective value realization/ROI process

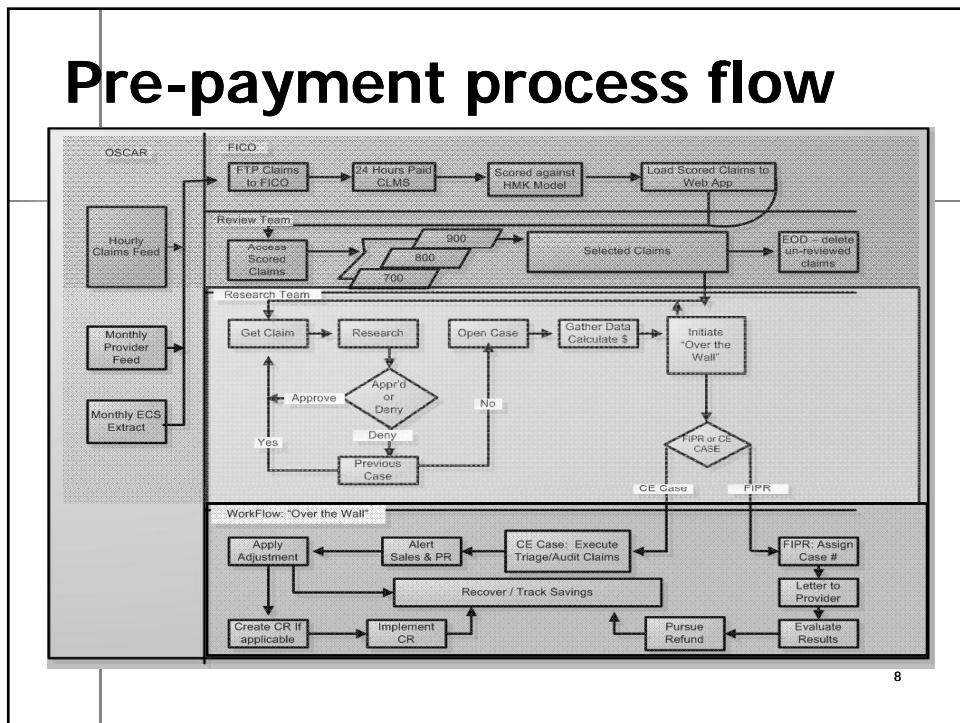
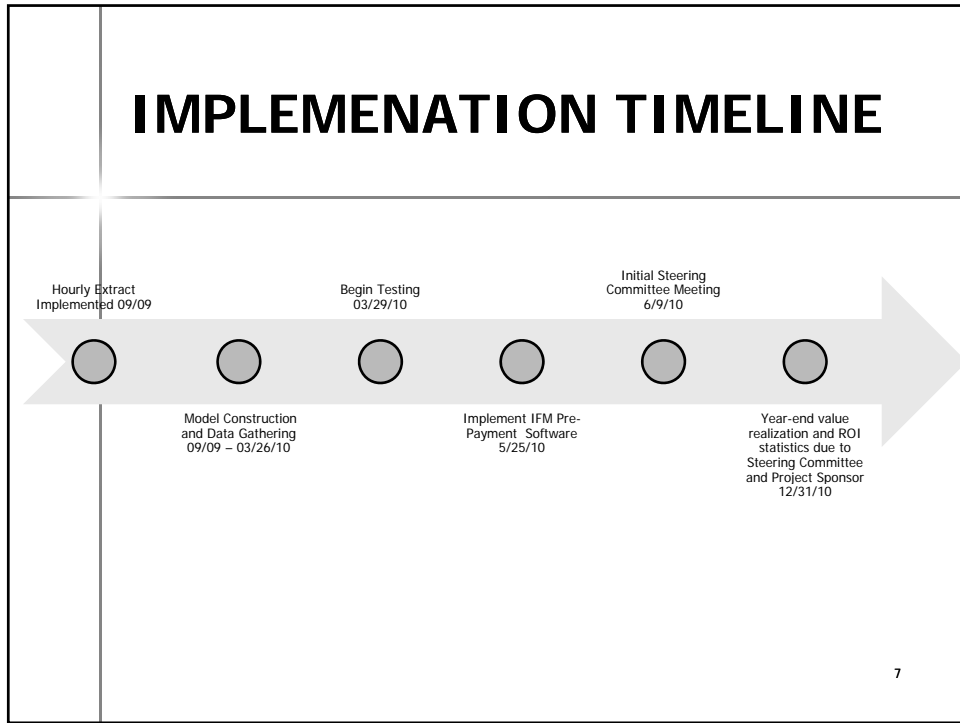
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## PROJECT ORGANIZATION




ISG Resources only needed until data extracts are in place

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## Value Realization Term Definition

TERM	DEFINITION
Identified Savings	Monies identified from suspicious providers, contracting, system edits or medical policy issues identified by the FICO pre-payment software. Calculations for ROI are 12 months.
Un-pursued savings	Dollars identified by Pre-Pay but cost prohibited to pursue.
Deny Button Savings	Calculated each time a team member denies claim payment.
Previously Identified Savings	Dollars identified by the software in which an active case is already addressing the issue.
Savings referred to other plans	Dollars identified by Pre-pay but the case has been transferred to another plan (IBC, NEPA, etc.)
Actual Savings	Monies received from refunds, restitutions, settlement agreements, claim offsets, and claim denials.

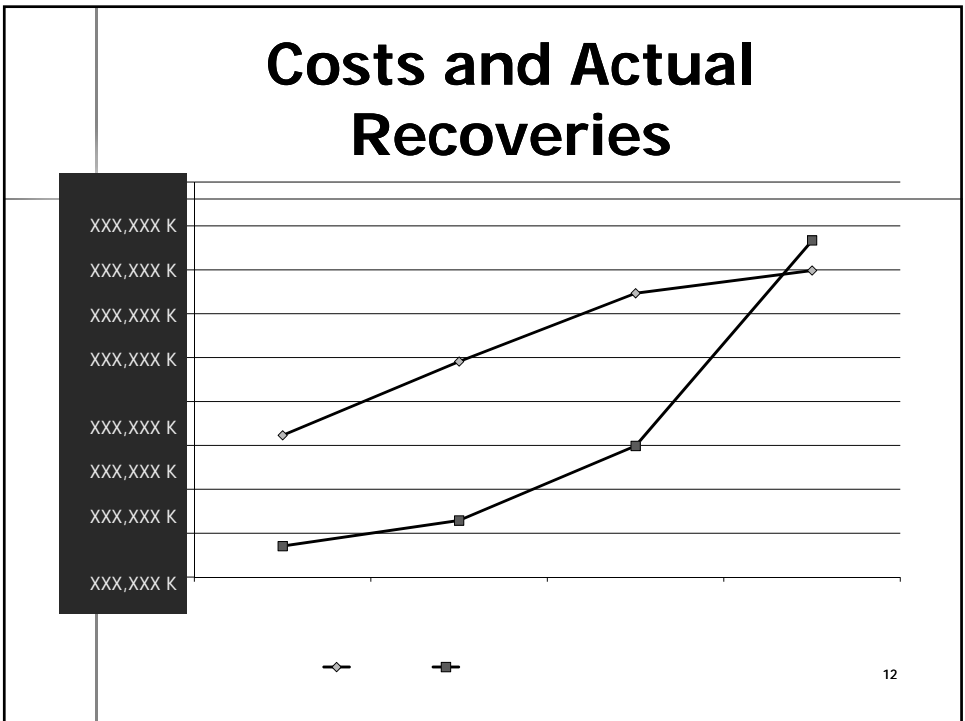
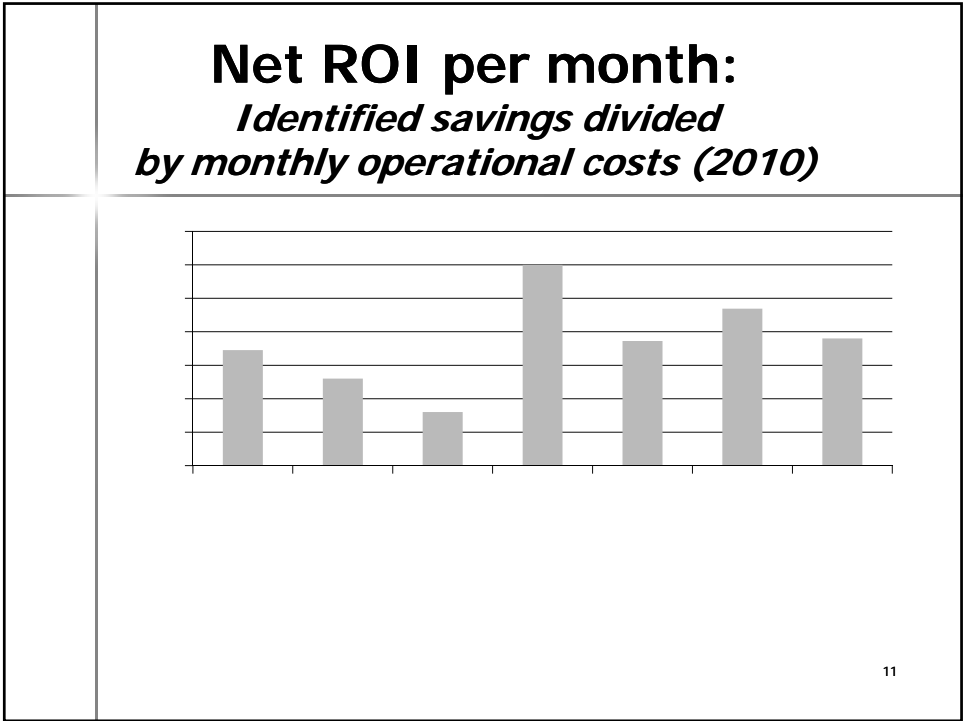
 Included in calculation of identified savings

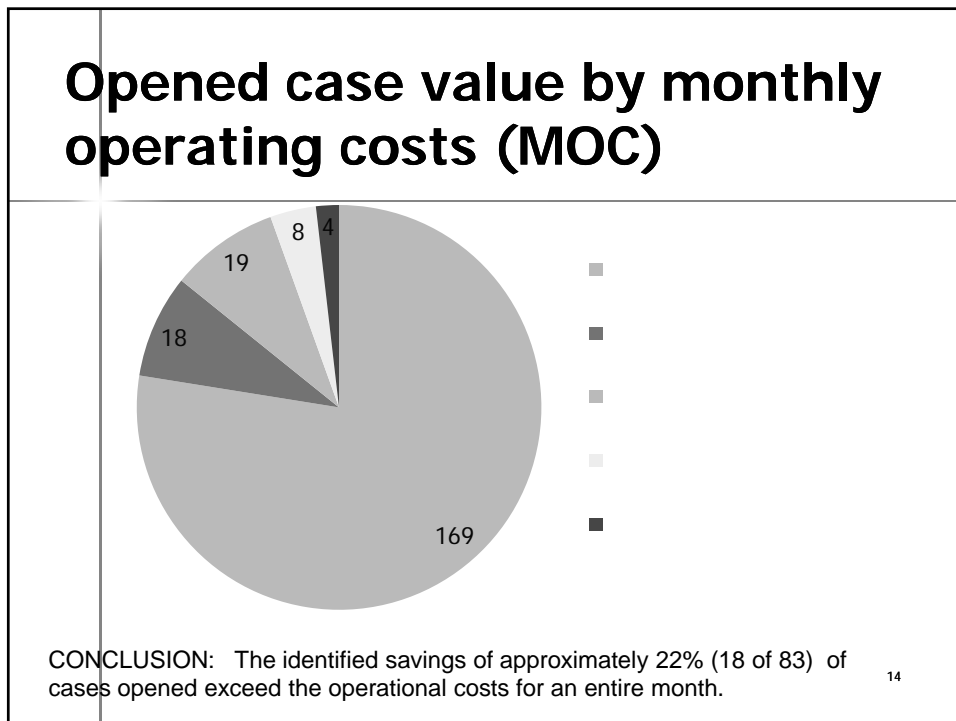
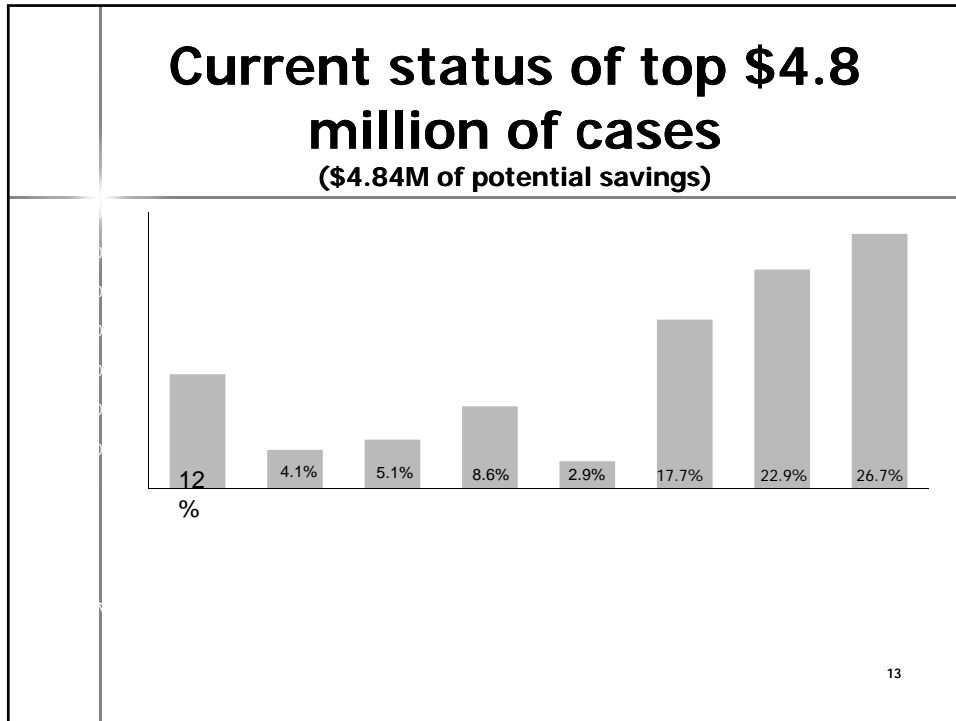
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## Case Summary June 2010 – October 2011

Unique Highmark Cases Opened	342
Highmark Cases Opened affecting multiple providers	45
Total Highmark cases opened	602
Cases related to un-pursued savings	32
Cases referred to other plans	27

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## Additional Discussion Points

- Minimum case value we pursue has increased from \$1,000 to \$10,000 since the installation of the software
- Implemented "swat team" to address less complicated cases
- Even though we do not utilize the deny button, we have manually stopped \$700,000 in payments

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# THANK YOU

**Andrea Allmon, Ph.D.**  
Senior Director of Product  
Management  
FICO  
[andreaallmon@fico.com](mailto:andreaallmon@fico.com)  
858.369.8678

**Denny Latsha**  
Senior Project Manager  
Highmark  
[dennis.latsha@highmark.com](mailto:dennis.latsha@highmark.com)  
717.302.3182

**Marilee Willey, RN, CPC,**  
**CPC-H, RAC-CT**  
Highmark  
[marilee.willey@highmark.com](mailto:marilee.willey@highmark.com)  
717.302.3554



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