

Real World Examples of Decreasing Fraud, Waste & Abuse Through Pre-pay Prevention



MCKESSON
Empowering Healthcare

Diane Ward RN MHSA CCS-P AHFI
Consulting / Practice Manager/SME
Solutions Design

Catherine Pavlov RN
Director, Product Management

November, 2011

The NHCAA Institute for
Health Care Fraud Prevention 2011
**Annual Training
Conference**

Atlanta, Georgia | November 15 – 18, 2011

A Quotable Quote

"At its conclusion, a good presentation summarizes the key themes in a way that makes the audience feel like they just got off the Jungle Cruise at Disneyland. They learned some stuff, had an enjoyable ride with a few surprises along the way - and knew exactly where they were when the ride was over."

- Jim Endicott

Agenda

- ▶ Opening Questions for Thought
 - ▶ Definition of Terms
 - ▶ Enterprise Dynamics & Collaboration
 - ▶ Design, Develop & Deploy
 - ▶ Rules – The Known
 - ▶ Neural Analytics – The Unknown
 - ▶ Real World Examples & Optimization
 - ▶ Q&A
-

Opening Questions for Thought

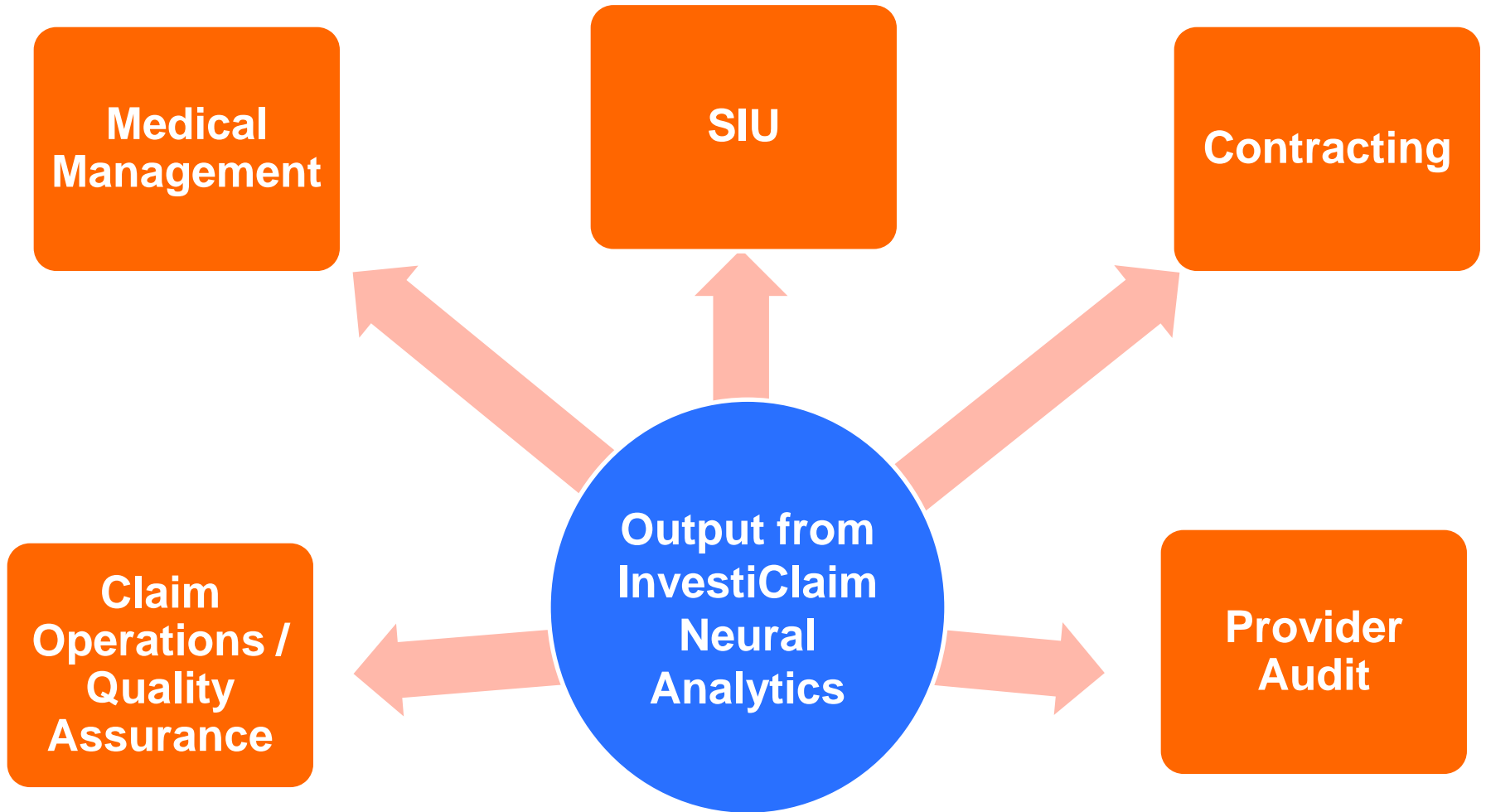
- ▶ Are you familiar or aware of any rules-based editing/auditing currently performed on claims in your adjudication systems?
- ▶ If so, do you currently have mechanisms to request alteration in those rules or request additional rules to be implemented?
- ▶ What kinds of claims data evaluation is currently performed in your organization?
- ▶ What is your organization's tolerance for pre-payment review of all questionable claims?
- ▶ What are the goals of your Anti-Fraud, Waste & Abuse Programs?
 - ▼ Decrease vulnerabilities
 - ▲ Increase efficiencies
 - ▼ Decrease administrative costs
 - ▼ Decrease losses
 - ▲ Increase savings

Data holds all the answers to all the questions that you don't even know!

Terms are Often Confusing

- ▶ **Analytics** – the science of analysis
- ▶ **Data Mining** – detection of patterns in large volumes of data by use of statistics or rules
- ▶ **Predictive Analytics** – uses statistical techniques, modeling, data mining to analyze current and historical factors to predict future events
- ▶ **Neural Networks/Analytics** - mathematical model that interconnects the data to identify aberrant patterns and continuously learns; particularly useful in applications where complexity of data or task makes design of such functions by hand impractical, such as claims data.
- ▶ **Models** – supervised (use tags to differentiate) versus nonsupervised (learns patterns and identifies aberrancies without predefined hypothesis)
- relationships between variables in the form of mathematical equations
- ▶ **Pre-payment/Prospective**
- ▶ **Post-payment/Retrospective**

Enterprise Dynamics & Collaboration



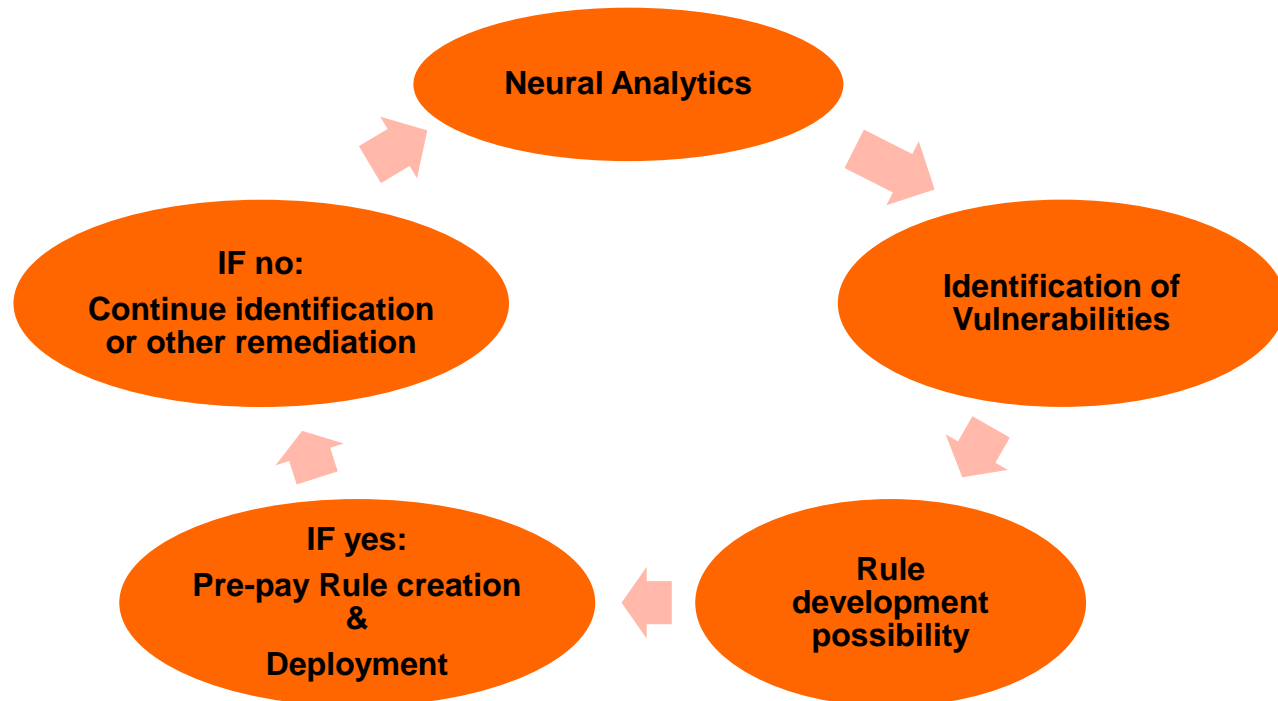
Assisting Professionals to Design, Develop & Deploy Solutions for fighting Fraud, Waste & Abuse



Shifting “Pay and Chase” to Prepayment: A Possibility?

INVESTICLAIM

RULES + NEURAL ANALYTICS



Rule Based Analytics (Known)

- ▶ Predetermined pattern or scheme
- ▶ Ability to identify pre-payment
- ▶ Generally automatic decisioning
- ▶ May require further medical record review or other documentation review

Examples (*Note: this is not a complete list*):

- ✓ Lab Panel
- ✓ DME (Maintenance Rule, Replace, Rent-Own)
- ✓ Study Place of Service
- ✓ Manipulation under Anesthesia
- ✓ Spinal Manipulation under Anesthesia

Neural Networks/Analytics (Unknown)

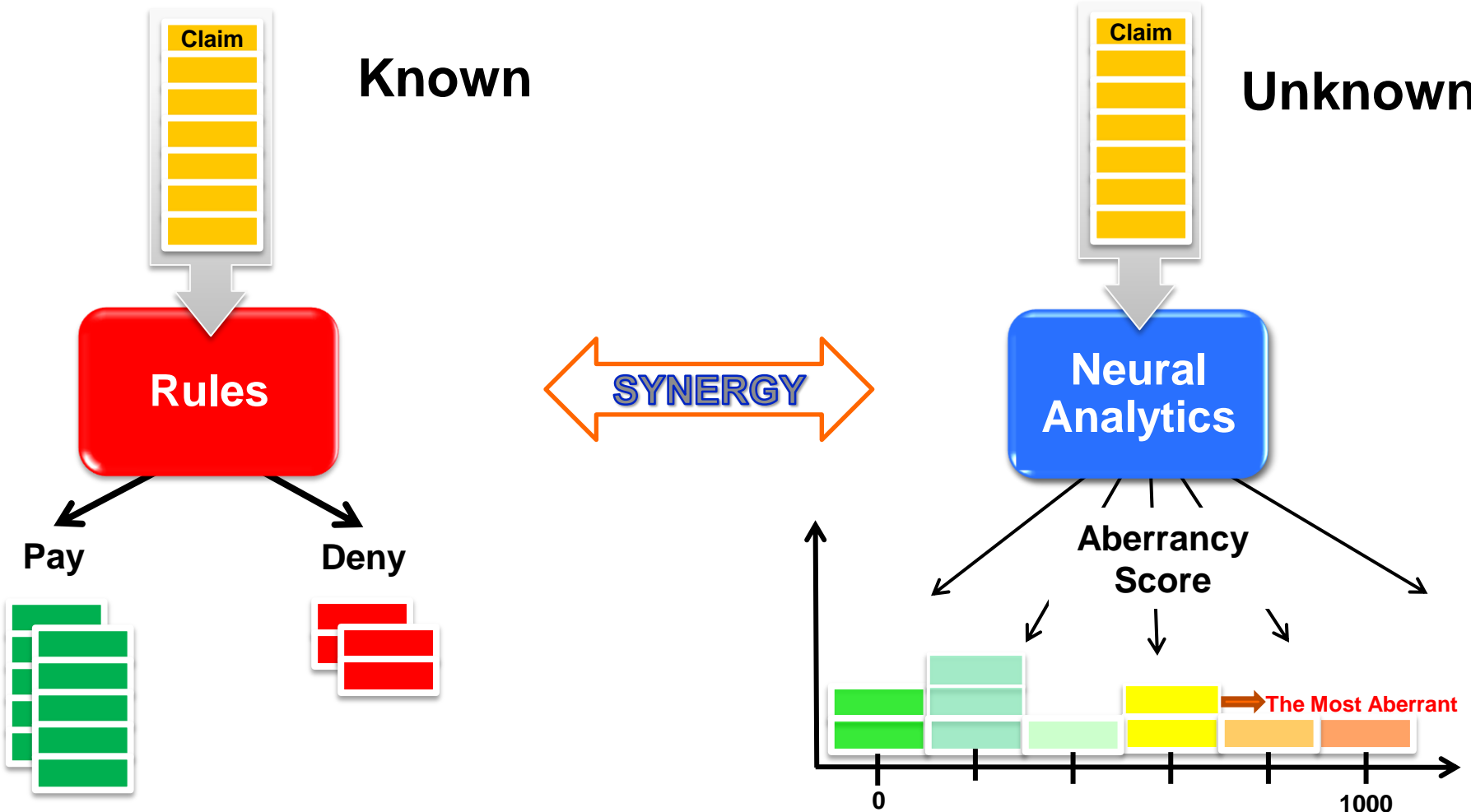
- ▶ Enables the software through **modeling** to learn from the data
- ▶ Identifies **complex patterns** of fraud and abuse
- ▶ Intervention is not required to tune software to identify fraud, waste and abuse patterns
- ▶ Predictive software finds patterns and schemes that go unnoticed in payer's data
- ▶ **Stress tests** your adjudication system(s)

Examples (*Note: this is not a complete list*):

- ✓ High Member dollars in a day
- ✓ Procedure repetition

You can't know what you don't know

The Power of Combining Rules with Neural Analytics – Evolving Dataset Leveraging



Real World Examples:

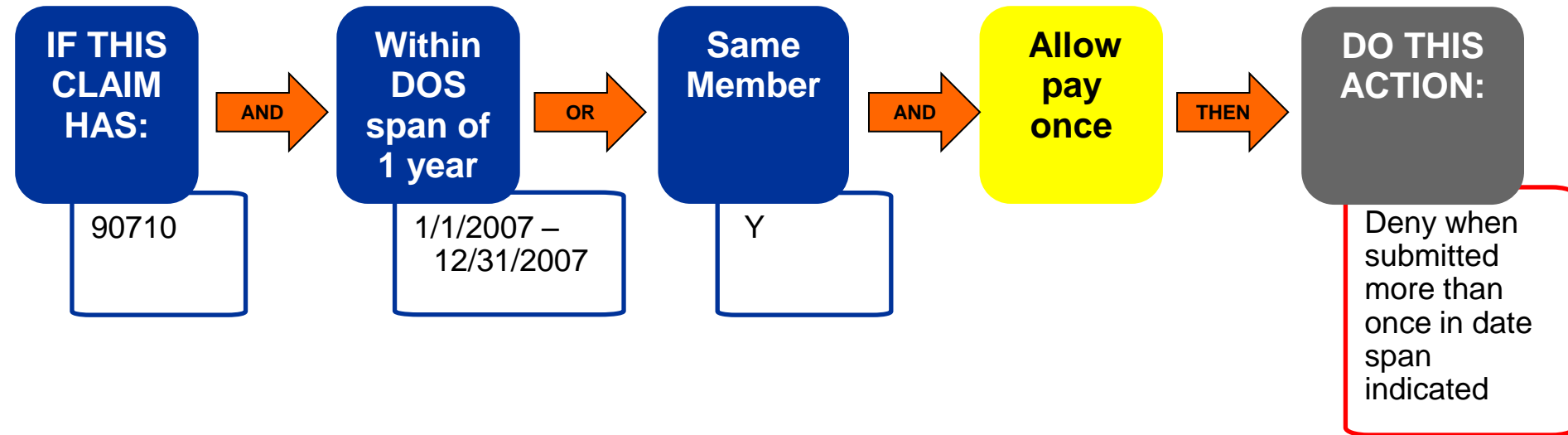
Turning Neural Analytic Output into Front-end Rules

- ▶ Too much or too many of a particular procedure or service
 - Based on repetition of procedure or service
 - Based on excessive units due to dosage confusion or other issues
- ▶ Billing out of scope
 - Provider specialty
 - Off-label usage of medication
- ▶ Analytics lead down to other offenses
 - COBRA abuse
 - Collusion/Kickbacks

Note: Not all output from neural analytics can be converted to rules

Neural Analytics Output - Optimization through Rules

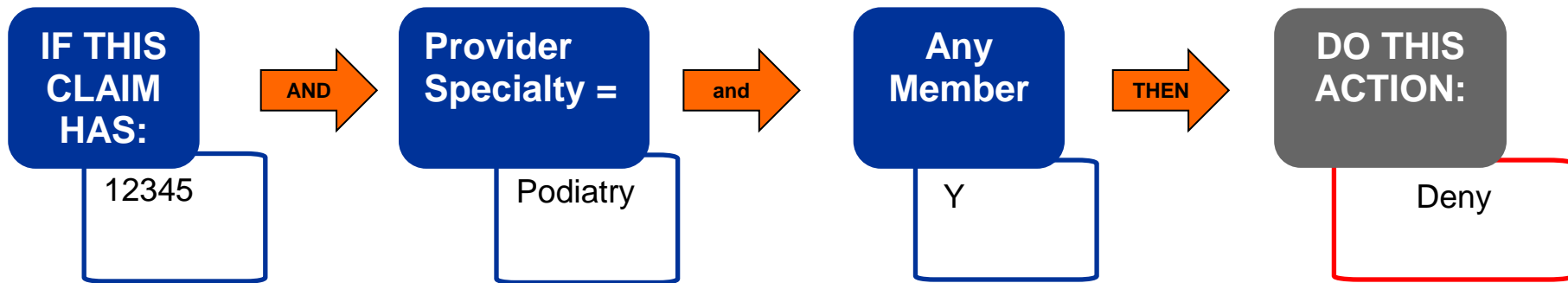
90710 (MMR Vaccine) – repeat procedure, excessive procedure rate, different dates of service, different providers



Note: Same rule logic can be applied to any procedure/service that requires a limit within a certain time frame

Neural Analytics Output - Optimization through Rules

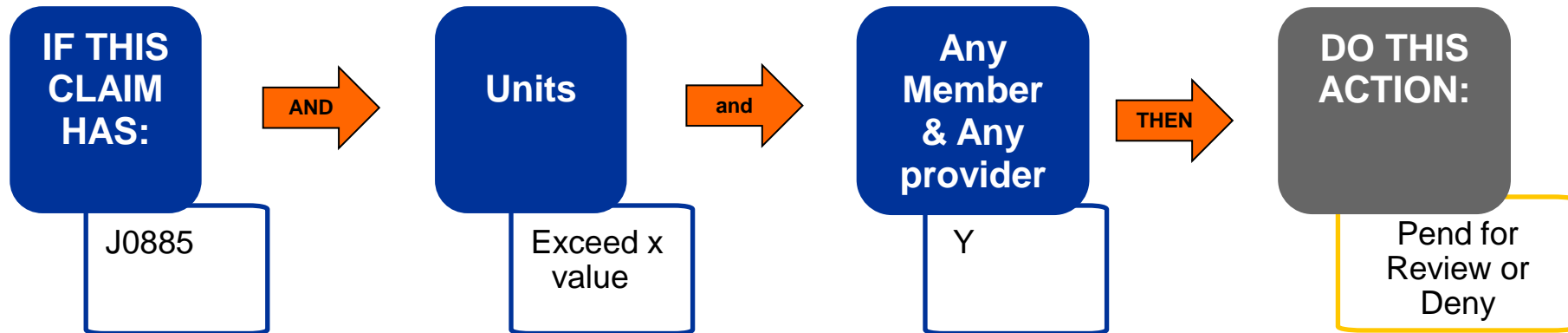
Podiatrist was found to be billing procedures outside his/her scope of practice.



Note: Same rule logic can be applied to any specialty for any identified procedure/service

Neural Analytics Output – Optimization through Rules

Excessive units reported/billed for J0885 (injection EPO) resulting in overpayment (high member dollars in a day, high paid amount for specific procedure/service)

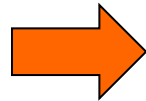


Note: If claim line presents with 50 units, it would be possible to Deny line is '50' and then add line to pay '25' or whatever value

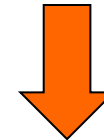
Neural Analytics Output – Optimization through Rules

Surgeon's claims represent high repetition of debridement procedures for one patient/member on multiple dates of service

Rules would not solve this vulnerability



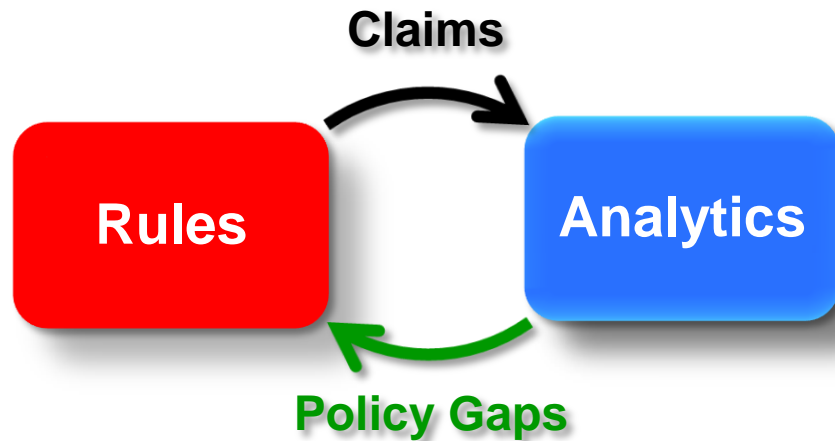
However, review and evaluation led to standard auditing of eligibility for members with COBRA benefits



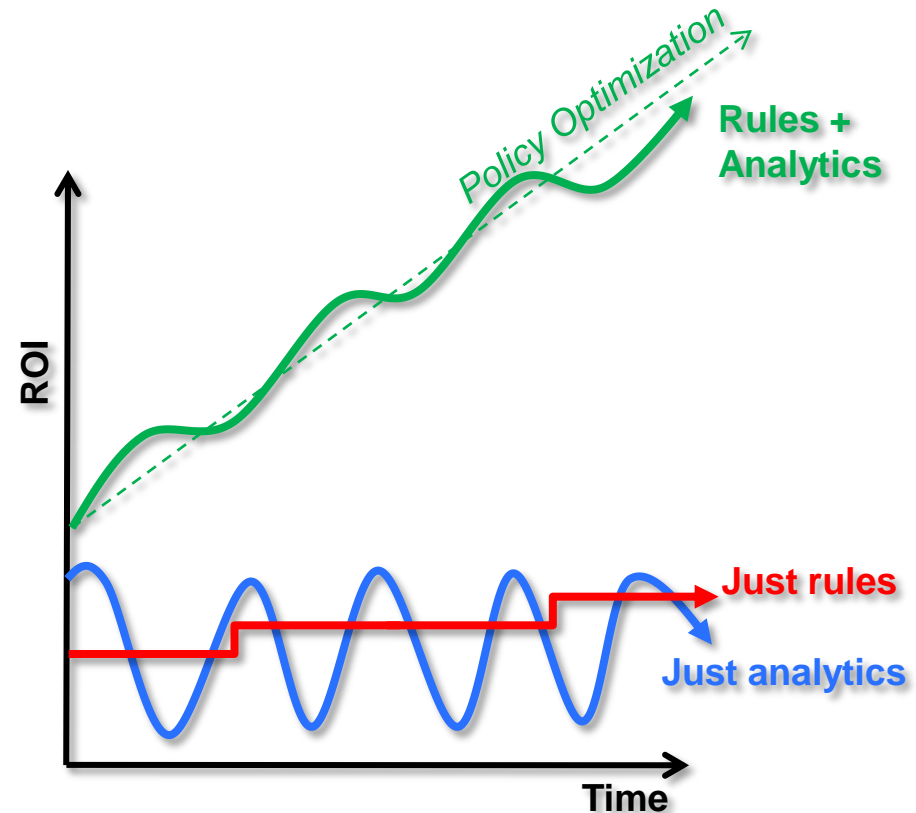
Further review indicated following:

1. Patient/member was utilizing COBRA benefits
2. Patient/member was the only patient represented in this physicians submitted claims
3. Waiving of co-payments and other monetary enticements were occurring
4. COBRA benefits were found to have expired prior to all dos on paid claims

Analytics Continuously Improve Rules to Drive Optimization



- **Shut down vulnerabilities**
- **Reduce administrative costs** (e.g., pay and chase)
- **Manage disruptions** like ICD-10
- **Manage medical cost** through medical policy automation



QUESTIONS?

Other Rule-based (Known) Analytic approach through McKesson

Allows you/us to:

- Run your (clients) data through proprietary edits
 1. First view recognizing override modifiers (e.g. 25, 59)
 2. Second view ignoring override modifiers (e.g. 25, 59)
- Provide a comparison between the payments of the claims with and without the modifiers determining whether modifiers affected reimbursement or not
- Sort the claims where the results were different by provider
- Rank those providers by the percent of time they are getting paid due to the presence of an override modifier and by amount paid
- Compare all claims submitted by provider

This has been a focus of the Office of Inspector General in the past.

Contact Us

Diane Ward RN MHSA CCS-P AHFI
Diane.Ward@Mckesson.com

Catherine Pavlov RN
Catherine.Pavlov@Mckesson.com