CONSTANT IMPROVEMENT

How HMS Found Nearly $650,000 in Medicare Premiums for a 45,000-Member Plan – in One Month

THE PROBLEM Like other Medicare Advantage plans, an HMS commercial client in the Northeast with 45,000 members receives other health insurance information from the Centers for Medicare and Medicaid Services (CMS). Typically, CMS claims 3% of Medicare Advantage members have other coverage, and plans must validate coverage or risk losing premiums for those members.

Unfortunately, about 30% of CMS's information is inaccurate due to a variety of factors, including simply being out of date. That means erroneous annual premium reductions of $7,200 per member – a substantial drop in revenue.

HMS investigates coverage with other carriers and contacts employers to verify employment status and primacy, a benefit that helps Medicare Advantage programs generate additional revenue.

To improve results for the Northeastern client, the HMS Medicare Secondary Payer team called for an in-depth review of its processing engine in mid-2014.

THE PROCESS The HMS Medicare Secondary Payer team first reviewed all edits for all clients, looking for groups of other coverage to reconsider for review.

The team discovered that the timeframe for revalidating a population of previously reviewed coverage should be accelerated for the Northeastern Medicare Advantage client. Reengaging this population in the next data feed dramatically increased the volume of coverages to verify.

Then a new opportunity for savings emerged: a fresh data source with additional details for primacy determinations. With these updates, the number of coverage records reviewed for the client's Medicare Advantage members more than doubled, and the speed to verify accelerated.

THE RESULTS By altering the Medicare secondary payer edits and adding a new verification tool, HMS recovered nearly $650,000 for this Medicare Advantage client in one month – surpassing all expectations.

More than half a million dollars in Medicare premiums in one month got the commercial payer's attention, leading the client to voice its appreciation of HMS's commitment to innovation.

"It's our standard process to review our edits and procedures at every stage of the process to maximize results for clients," said Jason Levine, HMS project engineering manager. "We believe in constant improvement."

HMS powers healthcare with integrity through payment integrity, eligibility, and coordination of benefits solutions. HMS's clients include health and human services programs in more than 45 states and the District of Columbia; commercial payers, including group health plans, Medicare Advantage Plans, more than 160 Medicaid managed care plans, and employers; the Centers for Medicare and Medicaid Services; and Veterans Administration facilities. As a result of the company's services, clients recover billions of dollars every year and save billions more through the prevention of erroneous payments.

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